

State of South Dakota

NINETY-SECOND SESSION
LEGISLATIVE ASSEMBLY, 2017

654Y0003

SENATE BILL NO. _____

Introduced by: _____

1 FOR AN ACT ENTITLED, An Act to revise the income criteria for determining if property is
2 classified as agricultural land for property tax purposes.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 10-6-31.3 be amended to read:

5 10-6-31.3. For tax purposes, land is agricultural land if it ~~meets two of the following three~~
6 ~~criteria:~~

7 ~~—(1)— In three of the previous five years, a gross income is derived from the pursuit of~~
8 ~~agriculture as defined in subdivision (2) of this section that is at least ten percent of~~
9 ~~the taxable valuation of the bare land assessed as agricultural property, excluding any~~
10 ~~improvements. Furthermore, at least two thousand five hundred dollars of gross~~
11 ~~income is annually derived from the pursuit of agriculture from the land. If there is~~
12 ~~a crop share arrangement, the gross income from the land of both the landlord and~~
13 ~~tenant shall be combined and used to meet this criteria;~~

14 ~~—(2)— Its its principal use is devoted to the raising and harvesting of crops or timber or fruit~~
15 ~~trees, the rearing, feeding, and management of farm livestock, poultry, fish, or~~
16 ~~nursery stock, the production of bees and apiary products, or horticulture, all for~~



1 intended profit pursuant to subdivision (1) of this section. Agricultural real estate also
2 includes woodland, wasteland, and pasture land, but only if the land is held and
3 operated in conjunction with agricultural real estate as defined and it is under the
4 same ownership; or

5 ~~(3)~~ It. In addition, to be classified as agricultural land for tax purposes, the land shall
6 meet one of the following criteria:

7 (1) In three of the previous five years, a gross income is derived from the pursuit of
8 agriculture from the land that is at least ten percent of the taxable valuation of the
9 bare land assessed as agricultural property, excluding any improvements. If there is
10 a crop share arrangement or cash rent agreement, the gross income from the land of
11 both the landlord and tenant shall be combined and used to meet this requirement.
12 Alternatively, at least two thousand five hundred dollars of the owner's gross income
13 is annually derived from the pursuit of agriculture; or

14 (2) The land consists of not less than twenty acres of unplatted land or is a part of a
15 management unit of not less than eighty acres of unplatted land. The same acreage
16 specifications apply to platted land, excluding land platted as a subdivision, which
17 is in an unincorporated area. However, the board of county commissioners may
18 increase the minimum acre requirement up to one hundred sixty acres.

19 For the purposes of this section, the term, management unit, means any parcels of land,
20 whether adjoining or not, under common ownership located within this state and managed and
21 operated as a unit for one or more of the principal uses listed in this section. No parcel of land
22 ~~less than twenty acres~~ within a management unit may be more than twenty air miles from the
23 nearest other parcel within the management unit. If requested by the director of equalization, the
24 owner shall provide supporting documentation of the land contained in the management unit.