

AN ACT

ENTITLED, An Act to revise the purpose of the agriculture mediation program.

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

Section 1. That § 54-13-1 be amended to read as follows:

54-13-1. Terms used in this chapter mean:

- (1) "Agricultural land," a parcel of land larger than forty acres not located in any municipality and used in farming or ranching operations carried on by the owner or operator within the preceding three- year period for the production of farm products as defined in subdivision 57A-9-102(a)(34) and includes wasteland lying within or contiguous to and in common ownership with land used in farming or ranching operations for the production of farming or ranching products;
- (2) "Ag finance counselor," a person contracted by the Department of Agriculture mediation program who is trained to assist in resolving agricultural loan disputes;
- (3) "Agricultural property," agricultural land or personal property or a combination thereof used in the pursuit of, or arising out of, or related to, the occupation of farming or ranching;
- (4) "Borrower," an individual, corporation, trust, cooperative, joint venture, or any other entity entitled to contract who is engaged in farming or ranching and who derives more than sixty percent of total gross income from farming or ranching and who has borrowed from any one creditor on any single farm related debt in excess of fifty thousand dollars;
- (5) "Creditor," any individual, organization, cooperative, partnership, trust, or state or federally chartered corporation to whom is owed debt in excess of fifty thousand dollars by a borrower. A judgment creditor with a judgment of fifty thousand dollars or more against a debtor with agricultural property is a creditor within the meaning of this chapter;

- (6) "Federal land mediation," assistance provided to individuals or organizations seeking to mediate disputes with federal land management agencies;
- (7) "Mediation," a process by which creditors and borrowers present, discuss, and explore practical and realistic alternatives to the resolution of a borrower's debts;
- (8) "Mediator," anyone responsible for and engaged in the performance of mediation pursuant to this chapter, who is trained and certified by the Department of Agriculture; and
- (9) "Oil and gas mediation," assistance provided to individuals or organizations seeking to mediate disputes with oil and gas developers related to surface damages.

Section 2. That § 54-13-2 be amended to read as follows:

54-13-2. The Department of Agriculture shall administer an agriculture mediation program to:

- (1) Provide assistance to borrowers and creditors who seek to use mediation as a method for resolving loan disputes;
- (2) Provide federal land mediation to individuals or organizations seeking to mediate disputes with federal land management agencies concerning decisions made by those federal agencies; and
- (3) Provide oil and gas mediation to individuals or organizations seeking to mediate disputes over surface damages related to oil or gas development.

The secretary of the Department of Agriculture shall promulgate rules pursuant to chapter 1-26 necessary for mediation, federal land mediation, and oil and gas mediation including the establishment of fees, training requirements for mediators and ag finance counselors and their certification, mediation request forms, and any other mediation procedures as may be necessary for the prompt and expeditious mediation of agriculture related disputes, including the receipt of funds pursuant to the Agricultural Credit Act of 1987.

The agriculture mediation program may not, as a condition to mediation, require that the

borrower of any creditor waive any respective legal or equitable remedies or rights.

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I certify that the attached Act
originated in the

HOUSE as Bill No. 1003

Chief Clerk

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Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1003

File No. _____

Chapter No. _____

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Received at this Executive Office
this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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The attached Act is hereby
approved this _____ day of
_____, A.D., 20____

Governor

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STATE OF SOUTH DAKOTA,
ss.

Office of the Secretary of State

Filed _____, 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State