

State of South Dakota

SEVENTY-NINTH SESSION
LEGISLATIVE ASSEMBLY, 2004

772J0656

SENATE BILL NO. 149

Introduced by: Senators Diedrich (Larry), Dennert, Duenwald, Jaspers, and Symens and
Representatives Teupel, Hargens, Juhnke, Rhoden, and Van Gerpen

1 FOR AN ACT ENTITLED, An Act to revise certain requirements for a family farm to change
2 the requirements to qualify for a family farm corporation.

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

4 Section 1. That § 47-9A-2 be amended by adding thereto a NEW SUBDIVISION to read
5 as follows:

6 "Family," all descendants born of common parents after the year 1900 as well as their
7 spouses, step-children, and adopted children. Once a person is a family member subsequent
8 events such as death or divorce, do not disqualify that person from being a family member under
9 this chapter.

10 Section 2. That § 47-9A-14 be amended to read as follows:

11 47-9A-14. As used in this chapter, ~~unless the context otherwise plainly requires, "family~~
12 ~~farm corporation"~~ the term, family farm corporation, means a any corporation founded for the
13 purpose of farming and the ownership of agricultural land in which the majority of the voting
14 stock is held by ~~the majority of the stockholders who are members of a family related to each~~
15 ~~other within the third degree of kindred, and at least one of whose stockholders is a person who~~



1 ~~is residing on or actively operating the farm or who has resided on or has actively operated the~~
2 ~~farm, and none of whose stockholders are corporations, or a corporation founded for the purpose~~
3 ~~of farming and the ownership of agricultural land in which a majority of the voting stock is held~~
4 ~~by resident stockholders who are family farmers and are actively engaged in farming as their~~
5 ~~primary economic activity. However, a family farm corporation does not cease to qualify as such~~
6 ~~hereunder by reason of any devise or bequest of shares of voting stock or by reason of any gift~~
7 ~~of shares of voting stock to any person who is entitled to inherit from the donor if the donor~~
8 ~~were to die intestate~~ members of a family, an estate of a family member, or a trust that benefits
9 members of the family, and at least one of whose stockholders is a person who is residing on
10 or actively operating the farm or who has resided on or has actively operated the farm, and none
11 of whose stockholders are corporations. Transfers of shares to persons who are or have been
12 family members are qualified as a family member under this chapter.