



2025 South Dakota Legislature

House Bill 1083

ENROLLED

AN ACT

ENTITLED An Act to modify the requirements for obtaining an agricultural processor's lien.

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

Section 1. That § 38-17-14 be AMENDED:

38-17-14. Any person owning and operating farm machinery to process a crop has a lien from the date of operation on all grain threshed or combined, corn shelled, husked or shredded, silage cut, seeds hulled, or agricultural products baled, mowed, ground, raked, or pulverized by the person for the value of these services.

Section 2. That § 38-17-15 be AMENDED:

38-17-15. Any person entitled to a lien under § 38-17-14 shall perfect the lien as provided in chapter 57A-9. Any financing statement filed to perfect the lien must contain or have attached to it the following information:

- (1) The name and address of the owner or operator claiming the lien;
- (2) The name and address of the person for whom a service specified in § 38-17-14 was performed;
- (3) The amount due for the service of threshing, combining, shelling, husking, shredding, cutting, hulling, baling, mowing, grinding, raking, pulverizing, or other processing;
- (4) The amount of grain, seed, hay, silage, or other agricultural product covered by the lien;
- (5) The place where the grain, seed, hay, silage, or other agricultural product is located; and
- (6) The date on which the service was performed.

After making oath to the correctness of the statement, the person shall file the statement electronically with the secretary of state. The filing serves as notice to all purchasers and encumbrancers subsequent to the date of the filing.

To perfect the lien, the financing statement must be filed within thirty days of the date the threshing or other processing was finished. At the time the lien is filed, the lienholder shall provide a copy to the person for whom the work was done.

Section 3. That a NEW SECTION be added to chapter 38-17:

If the person for whom the processing pursuant to § 38-17-14 was done desires to sell or deliver the grain, seed, hay, silage, or other agricultural product, the person must notify the consignee or purchaser that the bill for the threshing, combining, shelling, husking, shredding, cutting, hulling, baling, mowing, grinding, raking, pulverizing, or other processing has not been paid, and the lien created under § 38-17-14 applies to the purchase price paid by the purchaser or consignee.

If the grain or other agricultural product covered by the lien pursuant to § 38-17-14 is sold or consigned with the consent or knowledge of the person entitled to a lien, within thirty days after the date of the harvesting or other processing, the lien does not attach to the grain or other agricultural product covered by the lien pursuant to § 38-17-14, or to the purchase price, unless the person entitled to the lien notifies the purchaser in writing of the lien.

Section 4. That § 38-17-16 be AMENDED:

38-17-16. Any lien under § 38-17-14 has priority over all other liens and encumbrances upon the grain threshed or combined, corn shelled, husked or shredded, silage cut, seeds hulled, or agricultural products baled, mowed, ground, raked, or pulverized, if filed within thirty days from the day on which the harvesting, threshing, shelling, or other processing was completed.

A lien created under this Act must be treated as an agricultural lien as provided in chapter 57A-9 and may be enforced in the manner and form provided for enforcement of secured transactions.

The fee for filing, amending, or releasing the lien is as set forth in § 57A-9-525.

Section 5. That § 38-17-19 be AMENDED:

38-17-19. Any person having a lien under the provisions of §§ 38-17-3 to 38-17-18, inclusive, may foreclose the same under the provisions of chapter 57A-9.

Section 6. This Act is effective beginning January 1, 2027.

An Act to modify the requirements for obtaining an agricultural processor's lien.

I certify that the attached Act originated in the:

House as Bill No. 1083

Chief Clerk

Received at this Executive Office
this _____ day of _____,

2025 at _____ M.

By _____
for the Governor

Speaker of the House

The attached Act is hereby
approved this _____ day of
_____, A.D., 2025

Attest:

Chief Clerk

Governor

STATE OF SOUTH DAKOTA,

ss.

Office of the Secretary of State

President of the Senate

Attest:

Filed _____, 2025
at _____ o'clock ___ M.

Secretary of the Senate

Secretary of State

House Bill No. 1083
File No. _____
Chapter No. _____

By _____
Asst. Secretary of State