



2026 South Dakota Legislature

House Bill 1111

Introduced by: **Representative** Greenfield

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

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

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

4 **38-17-14.** Any person owning or leasing and operating farm machinery to process
5 a crop has a lien from the date of operation on all grain threshed or combined~~;~~ corn
6 shelled, husked or shredded~~;~~ silage cut~~;~~ seeds hulled~~;~~ or agricultural products baled,
7 mowed, ground, raked, or pulverized by the person ~~with the machine~~ for the value of the
8 services ~~so rendered in operation.~~

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

10 **38-17-15.** Any person entitled to a lien under § 38-17-14 shall ~~provide a written~~
11 ~~account stating the kind of grain, and the quantity harvested, threshed, shelled, or~~
12 ~~otherwise processed, the price agreed upon for such work, which may not exceed the price~~
13 ~~usually charged for the service, the name of the person for whom the work was done, and~~
14 ~~a description of the land on which the crop was grown.~~ perfect the lien as provided in
15 chapter 57A-9 and in this section. Any financing statement filed to perfect the lien must
16 contain or have attached to it the following information:

- 17 (1) The name and address of the owner or lessee and operator claiming the lien;
18 (2) The name and address of the person for whom a service specified in § 38-17-14
19 was performed;
20 (3) The amount due for the service;
21 (4) The amount of grain, seed, hay, silage, or other agricultural product covered by
22 the lien;
23 (5) The place where the grain, seed, hay, silage, or other agricultural product is
24 located;
25 (6) The date on which the service was commenced; and

(7) The date on which the service was completed.

~~After making oath to the correctness of the account, the person shall file the account in the office of the register of deeds in the county in which the land producing the crop is located, and also in the county of the residence of the person who produced the crop, if the person is a resident of this state. The office of the register of deeds shall file and enter the account in the manner required by law in the personal property index. The filing serves as notice to all purchasers and encumbrancers subsequent to the date of the filing statement, the person shall file the statement electronically with the secretary of state. The filing serves as notice of the lien, to all, including 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 processing of the crop was finished. At the time the financing statement is filed, the lienholder shall provide a copy of the financing statement 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 consign the grain, seed, hay, silage, or other agricultural product, before the time to perfect the lien has expired, the person must notify the consignee or purchaser that the bill for the threshing, combining, shelling, husking, shredding, cutting, hulling, baling, mowing, grinding, raking, or pulverizing 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 agricultural product covered by the lien pursuant to § 38-17-14 is sold or consigned with the written consent of the person entitled to a lien, within thirty days after the date of the completion of the processing and no financing statement has been filed, the lien does not attach to the agricultural product covered by the lien pursuant to § 38-17-14, or to the purchase proceeds, unless the person entitled to the lien notifies the purchaser in writing of the lien before the purchase.

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, ~~if filed within thirty days from the day on which the harvesting, threshing, shelling, or other processing was completed~~ threshed or combined; corn shelled, husked or shredded; silage cut; seeds hulled; or agricultural products baled,

1 mowed, ground, raked, or pulverized, if filed within thirty days from the day on which the
2 processing of the crop was completed.

3 A lien created under §§ 38-17-14 to 38-17-18, inclusive, must be treated as an
4 agricultural lien, as provided in chapter 57A-9, and may be enforced in the manner and
5 form provided for the enforcement of secured transactions, except that the action to
6 enforce the lien must be commenced within thirty days after the filing of the financing
7 statement.

8 If the lien claimant does not commence an action to enforce the lien within thirty
9 days of filing the financing statement, the lien is terminated, and the person for whom the
10 processing was done may cause the financing statement to be expunged from the record
11 by filing a termination statement, together with a sworn statement that no action to
12 enforce the lien has been commenced within thirty days of the filing of the lien claimant's
13 financing statement.

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

15 The provisions of § 54-13-10 do not apply to liens created under §§ 38-17-14 to
16 38-17-18, inclusive.

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

18 **38-17-19.** Any person having a lien under the provisions of §§ 38-17-3 to 38-17-
19 18, inclusive, may foreclose the same under the provisions of ~~chapter 21-53 or under the~~
20 ~~provisions of chapter 21-54, subject to the right of any person adversely interested to~~
21 ~~require foreclosure under the provisions of chapter 21-53~~ chapter 57A-9.

22 **Section 6.** The 2025 Session Laws, chapter 166, §§ 1 to 6, inclusive, are superseded as of
23 July 1, 2026.

24 **Section 7.** Sections 1 to 5, inclusive, of this Act are effective beginning July 1, 2027.