



2026 South Dakota Legislature  
**House Bill 1111**  
**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 or leasing 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 the 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 and in this section. 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 lessee and 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;
- (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;
- (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 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 sixty 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 debt 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 sixty 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 threshed or combined; corn shelled, husked or shredded; silage cut; seeds hulled; or agricultural products baled, mowed, ground, raked, or pulverized, if filed within sixty days from the day on which the processing of the crop was completed.

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

If the lien claimant does not commence an action to enforce the lien within sixty days of filing the financing statement, the lien is terminated, and the person for whom the processing was done may cause the financing statement to be expunged from the record by filing a termination statement, together with a sworn statement that no action to

enforce the lien has been commenced within sixty days of the filing of the lien claimant's financing statement.

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

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

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.** The 2025 Session Laws, chapter 166, §§ 1 to 6, inclusive, are superseded as of July 1, 2026.

**Section 7.** Sections 1 to 5, inclusive, of this Act are effective beginning July 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. 1111

Received at this Executive Office this \_\_\_\_ day of \_\_\_\_\_, 2026 at \_\_\_\_\_ M.

\_\_\_\_\_  
Chief Clerk of the House

By \_\_\_\_\_ for the Governor

\_\_\_\_\_  
Speaker of the House

The attached Act is hereby approved this \_\_\_\_\_ day of \_\_\_\_\_, A.D., 2026

Attest:

\_\_\_\_\_  
Chief Clerk of the House

\_\_\_\_\_  
Governor

**STATE OF SOUTH DAKOTA,**

ss.

Office of the Secretary of State

\_\_\_\_\_  
President of the Senate

Attest:

Filed \_\_\_\_\_, 2026 at \_\_\_\_\_ o'clock \_\_ M.

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
Secretary of State

House Bill No. 1111  
File No. \_\_\_\_\_  
Chapter No. \_\_\_\_\_

By \_\_\_\_\_  
Asst. Secretary of State