



2026 South Dakota Legislature
Senate Bill 40
ENROLLED

AN ACT

ENTITLED An Act to revise the compliance requirements for limitations on foreign ownership of agricultural land.

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

Section 1. That § 43-2A-2 be AMENDED:

43-2A-2. The following provisions apply to the ownership or leasing of agricultural land in this state:

- (1) A prohibited entity may not own agricultural land in this state;
- (2) A prohibited entity may not lease or hold an easement on agricultural land in this state, unless:
 - (a) The lease is exclusively for agricultural research purposes and encumbers no more than three hundred and twenty acres; or
 - (b) The lease is exclusively for contract feeding of livestock, at an animal feeding operation, by a family farm unit, a family farm corporation, or an authorized farm corporation;
- (3) Excluding a prohibited entity, a foreign entity, foreign government, or foreign person may not own more than one hundred and sixty acres of agricultural land in this state, provided this limitation does not include agricultural land held as security for indebtedness; and
- (4) Excluding a prohibited entity, there is no restriction on easements or the number of acres of agricultural land that a foreign entity, foreign government, or foreign person may lease.

This section does not apply to a foreign entity, foreign government, or foreign person whose right to hold land is secured by treaty.

Section 2. That § 43-2A-6 be AMENDED:

43-2A-6. Any agricultural land owned in violation of this chapter is forfeited to the state. Any agricultural land lease, or easement, held by a prohibited entity in violation of this chapter, is terminated.

Any agriculture land acquired by devise or descent, wherein a minority owner is in violation of this chapter, is subject to forfeiture of the violating minority owner's interest share, plus an additional civil penalty in an amount equal to the fair market value of the violating minority owner's interest share.

The attorney general shall enforce the forfeiture or the termination of a lease or easement. A forfeiture or a termination of a lease or easement may not be adjudged unless the action to enforce is brought within three years after evidence of a violation of this chapter is referred to the attorney general, as provided for in § 43-2A-6.1. No title to land is invalid or liable to forfeiture by reason of the alienage of any former owner or interested person.

Any fractional interest in any land forfeited to the state must first be made available to the other equitable owners of the land at fair market value. The attorney general may determine fair market value under this section by an appraisal or a value of two times the assessed taxable valuation of the land.

Section 3. That § 43-2A-7.1 be AMENDED:

43-2A-7.1. Any person required to submit a report to the United States Department of Agriculture in accordance with the Agricultural Foreign Investment Disclosure Act of 1978, 7 U.S.C. §§ 3501 to 3508 inclusive (January 1, 2026), shall file a copy of the required report with the secretary of the Department of Agriculture and Natural Resources, within the time period required for submission under 7 U.S.C. § 3501.

If the person fails to report as required under this section, the attorney general may impose a civil penalty, not to exceed ten percent of the fair market value of the agricultural land interest held on the date the penalty was assessed. The attorney general shall forward any civil penalty collected under this section to the state treasurer, for deposit in the general fund.

The attorney general may bring an action to collect the civil penalty in the Sixth Judicial Circuit Court in Pierre or in the circuit court of any county of this state in which any portion of the relevant agricultural land is located.

An Act to revise the compliance requirements for limitations on foreign ownership of agricultural land.

I certify that the attached Act originated in
the:
Senate as Bill No. 40

Received at this Executive Office
this ____ day of _____,
2026 at _____ M.

Secretary of the Senate

By _____
for the Governor

President of the Senate

The attached Act is hereby
approved this ____ day of
_____, A.D., 2026

Attest:

Secretary of the Senate

Governor

STATE OF SOUTH DAKOTA,

ss.

Office of the Secretary of State

Speaker of the House

Attest:

Filed _____, 2026
at _____ o'clock __ M.

Chief Clerk of the House

Secretary of State

Senate Bill No. 40
File No. _____
Chapter No. _____

By _____
Asst. Secretary of State