

State of South Dakota

NINETY-FIRST SESSION
LEGISLATIVE ASSEMBLY, 2016

483X0032

SENATE BILL NO. 3

Introduced by: Senators Tidemann, Cammack, Peterson (Jim), and Sutton and Representatives Qualm, Bartling, Duvall, and Feickert at the request of the Agricultural Land Assessment Implementation and Oversight Advisory Task Force

1 FOR AN ACT ENTITLED, An Act to revise the income criteria for determining if property is
2 classified as agricultural land for property tax purposes.

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

4 Section 1. That § 10-6-31.3 be amended to read:

5 10-6-31.3. For tax purposes, land is agricultural land if it meets two of the following three
6 criteria:

7 (1) ~~At least thirty-three and one-third percent of the total family gross income of the~~
8 ~~owner is derived~~ In three of the previous five years, a gross income is derived from
9 the pursuit of agriculture as defined in subdivision (2) of this section ~~or it is a state-~~
10 ~~owned public shooting area or a state-owned game production area as identified in~~
11 ~~§ 41-4-8 and it is owned and managed by the Department of Game, Fish and Parks~~
12 that is at least ten percent of the taxable valuation of the bare land assessed as
13 agricultural property, excluding any improvements. Furthermore, at least two
14 thousand five hundred dollars of gross income is annually derived from the pursuit



1 of agriculture from the land. If there is a crop share arrangement, the gross income
 2 from the land of both the landlord and tenant shall be combined and used to meet this
 3 criteria;

4 (2) Its principal use is devoted to the raising and harvesting of crops or timber or fruit
 5 trees, the rearing, feeding, and management of farm livestock, poultry, fish, or
 6 nursery stock, the production of bees and apiary products, or horticulture, all for
 7 intended profit pursuant to subdivision (1) of this section. Agricultural real estate also
 8 includes woodland, wasteland, and pasture land, but only if the land is held and
 9 operated in conjunction with agricultural real estate as defined and it is under the
 10 same ownership; or

11 (3) It consists of not less than twenty acres of unplatted land or is a part of a ~~contiguous~~
 12 ~~ownership~~ management unit of not less than eighty acres of unplatted land. The same
 13 acreage specifications apply to platted land, excluding land platted as a subdivision,
 14 which is in an unincorporated area. However, the board of county commissioners
 15 may increase the minimum acre requirement up to one hundred sixty acres.

16 For the purposes of this section, the term, management unit, means any parcels of land,
 17 whether adjoining or not, under common ownership located within this state and managed and
 18 operated as a unit for one or more of the principal uses listed in this section. No parcel of land
 19 less than twenty acres within a management unit may be more than twenty air miles from the
 20 nearest other parcel within the management unit. If requested by the director of equalization, the
 21 owner shall provide supporting documentation of the land contained in the management unit.

22 Section 2. That chapter 10-6 be amended by adding a NEW SECTION to read:

23 Notwithstanding the provisions of § 10-6-31.3, any state-owned public shooting area or a
 24 state-owned game production area as identified pursuant to § 41-4-8 that is owned and managed

1 by the Department of Game, Fish and Parks shall be assessed and taxed as agricultural land.