

AN ACT

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

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

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

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

- (1) In three of the previous five years, a gross income is derived from the pursuit of agriculture as defined in subdivision (2) of this section that is at least ten percent of the taxable valuation of the bare land assessed as agricultural property, excluding any improvements. Furthermore, at least two thousand five hundred dollars of gross income is annually derived from the pursuit of agriculture from the land. If there is a crop share arrangement, the gross income from the land of both the landlord and tenant shall be combined and used to meet this criteria;
- (2) Its principal use is devoted to the raising and harvesting of crops or timber or fruit trees, the rearing, feeding, and management of farm livestock, poultry, fish, or nursery stock, the production of bees and apiary products, or horticulture, all for intended profit pursuant to subdivision (1) of this section. Agricultural real estate also includes woodland, wasteland, and pasture land, but only if the land is held and operated in conjunction with agricultural real estate as defined and it is under the same ownership; or
- (3) It consists of not less than twenty acres of unplatted land or is a part of a management unit of not less than eighty acres of unplatted land. The same acreage specifications apply to platted land, excluding land platted as a subdivision, which is in an unincorporated area. However, the board of county commissioners may increase the minimum acre

requirement up to one hundred sixty acres.

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

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

Notwithstanding the provisions of § 10-6-31.3, any state-owned public shooting area or a state-owned game production area as identified pursuant to § 41-4-8 that is owned and managed by the Department of Game, Fish and Parks shall be assessed and taxed as agricultural land.

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I certify that the attached Act originated in the

SENATE as Bill No. 3

Secretary of the Senate

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President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 3
File No. _____
Chapter No. _____

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Received at this Executive Office this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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The attached Act is hereby approved this _____ day of _____ , A.D., 20____

Governor

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STATE OF SOUTH DAKOTA,
ss.

Office of the Secretary of State

Filed _____ , 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State