

A JOINT RESOLUTION, Proposing and submitting to the electors at the June 2002 primary election amendments to Article XVII of the Constitution of the State of South Dakota, relating to restrictions on corporate farming.

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE OF SOUTH DAKOTA, THE SENATE CONCURRING THEREIN:

Section 1. That at the June 2002 primary election held in the state, the following amendments to Article XVII of the Constitution of the State of South Dakota, as set forth in sections 2 to 6 of this Joint Resolution, which are hereby agreed to, shall be submitted to the electors of the state for approval.

Section 2. That Article XVII, section 21 of the Constitution of the State of South Dakota, be repealed.

Section 3. That Article XVII, section 22 of the Constitution of the State of South Dakota, be repealed.

Section 4. That Article XVII, section 23 of the Constitution of the State of South Dakota, be repealed.

Section 5. That Article XVII, section 24 of the Constitution of the State of South Dakota, be repealed:

Section 6. That Article XVII of the Constitution of the State of South Dakota be amended by adding thereto a NEW SECTION to read as follows:

§ 25. No corporation may engage in farming or acquire, or otherwise obtain an interest, whether legal, beneficial, or otherwise, in any agricultural land in this state. For purposes of this section, the term, farming, means the ownership of livestock for more than two consecutive weeks, or the cultivation of land for the production of crops or horticultural products. For purposes of this section, the term, corporation, means any legal entity that limits the liability of any investor or owner, except:

- (1) An entity in which all investors are natural persons, and one of the investors is actively engaged in the day-to-day management of the farm land or farm operation;
- (2) An entity in which a majority of the voting rights are owned by qualified persons who own agricultural land or an interest in a farming operation. For purposes of this subdivision, a qualified person is either a natural person or an entity that meets the requirements of subdivision (1) of this section;
- (3) An entity that engages in farming primarily for scientific, medical, research, or experimental purposes;
- (4) An entity that owns only a mineral right, a right-of-way, a utility easement, a transportation easement, a water line easement, a drainage easement, a telecommunication easement, or any less than fee simple interest in land which is held primarily for a nonfarming purpose or use;
- (5) An entity that purchases any interest in agricultural land primarily for a nonfarming purpose, if the nonfarming purpose is applied to the land within five years of the date of purchase. This exemption applies if the land is used for the nonfarming purpose, and if any farming operations on such land are merely incidental to the primary use and are conducted by contract or lease to a person or entity who is not otherwise prohibited from farming or owning agricultural land in this state;
- (6) An entity that is a lender and acquires land or livestock as collateral on a debt, if the lender disposes of the land within five years and the livestock within one year of acquisition;
- (7) A trustee holding lands or livestock for the benefit of persons or entities who are not prohibited from farming or owning agricultural land in South Dakota;
- (8) An entity or person with a vested property interest in agricultural land or farming on June 1, 2002, or who lawfully engaged in farming or owned agricultural land in this state

on November 1, 1998. However, no expansion is allowed under this exemption beyond the size and extent of the farming operation on June 1, 2002; and

- (9) A nonprofit entity as defined in law by the South Dakota Legislature.

Proposing and submitting to the electors at the June 2002 primary election amendments to Article XVII of the Constitution of the State of South Dakota, relating to restrictions on corporate farming.

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I certify that the attached  
Resolution originated in the

HOUSE as Joint Resolution No.  
1009

\_\_\_\_\_  
Chief Clerk

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

Attest:

\_\_\_\_\_  
Chief Clerk

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

Attest:

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

House Joint Resolution No. 1009  
File No. \_\_\_\_\_  
Chapter No. \_\_\_\_\_

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STATE OF SOUTH DAKOTA,  
\_\_\_\_\_  
Office of the Secretary of State

Filed \_\_\_\_\_, 20\_\_\_\_  
at \_\_\_\_\_ o'clock \_\_ M.

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

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

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