

10-6-112. Classification of agricultural land--Criteria.

For tax purposes, land is agricultural land if the land's 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. Agricultural land also includes woodland, wasteland, and pasture land, but only if the land is held and operated in conjunction with agricultural land and is under the same ownership. For purposes of this section, the term, principal use, means the primary use to which the land is devoted. This definition is intended to reference the primary and predominant use of the land as opposed to a mere secondary and incidental use.

In addition, to be classified as agricultural land for tax purposes, the land must meet one of the following criteria:

- (1) In three of the previous five years, an annual gross income of at least two thousand five hundred dollars is derived from the pursuit of agriculture from the land, excluding transactions between:
 - (a) An individual and anyone with whom the individual shares a residence;
 - (b) An individual and an entity in which the individual and anyone who shares a residence with the individual have an aggregate ownership interest of more than fifty percent; or
 - (c) Entities that are members of the same controlled group, as defined in § 10-45-20.3.
The owner shall produce to the director of equalization any writing that is requested by the director for the purpose of verifying that the requirement of this subdivision has been satisfied; or
- (2) Subject to the board of county commissioners increasing the minimum acre requirements, the land consists of at least twenty acres or is a part of a management unit of not less than eighty acres. The board of county commissioners may not increase the minimum acre requirements of this subdivision to an amount greater than one hundred sixty acres.

For the purposes of this section, the term, management unit, means any two or more 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 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, the owner shall provide supporting documentation of the land contained in the management unit.

Source: SL 1979, ch 65; SL 1991, ch 81; SL 1992, ch 77; SL 1992, ch 78; SL 1993, ch 83; SL 1998, ch 51, § 7; SL 2008, ch 44, § 18, eff. July 1, 2009; SL 2016, ch 57, § 1; SL 2017, ch 62, § 1; SL 2021, ch 44, §§ 13, 44; SL 2021, ch 45, § 1.