County Land Management in Northwestern South Dakota

R. J. Penn

C. W. Loomer

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Highlights

1. The problem of county land management is to find some use for county landholdings that will return adequate income to the county, that will preserve the land resources, and that will safeguard private as well as public interests.

2. In eight counties of northwestern South Dakota, 43 per cent of the total land area is nontaxable land which does not contribute tax income for the support of local governments.

3. Nearly two million acres (17 per cent of the total area) was subject to tax deed action on February 1, 1938.

4. In 1938 there were 903,000 acres under contract for the payment of back taxes.

5. Less than a fourth of the total land area of the eight counties was taxable land on which taxes were fully paid up.

6. County land ownership has assumed considerable importance in western South Dakota. In June, 1938, four counties of the northwestern area together owned more than a million acres of land, and the other counties have acquired large acreages.

7. Only a small fraction of county landholdings can be sold to private buyers. Estimated total county land sales to date in the eight county area amount to about a tenth of the present county landholdings.

8. Leasing to private operators is the most common use for county land. In 1938, approximately 883,000 acres of county property, or 70 per cent of all county land, were leased to farm and ranch operators. Grazing lands predominate, and the usual lease price is five cents per acre.

9. State legislation outlines the procedure to be followed by all counties in the administration of county land, but there is much variation in the policies and results of the land programs of individual counties. Actual experiences indicate that there is much room for improvement, both in local administrative policies and in the statutory provisions established by state laws.

10. It is recommended that where landholdings are large, local governments establish property departments capable of giving adequate supervision to the administration of county lands.

11. County governments should reserve the right to control the use of leased county land in order to prevent abuse and to provide the basis for conservation programs.

12. Lease rates should be proportional to the productive value of the land with differential rentals established for different grades of county land. Provision should be made for a flexible scale of rents that may be raised or lowered as the condition of range and crop land fluctuates from year to year.

13. As a means of stabilizing lease income and lease tenure, counties should offer long term renewable leases and should safeguard the interests of current lessees when leases are made subject to sale.

14. The practice of offering first rights to lease county land to private operators within whose units the property is situated has advantages for both the county government and private individuals.

15. State law should provide an effective means of dealing with trespass on county lands.

16. Tax deed procedure should be shorter and less expensive for the counties. The weak tax title should be given more legal strength.
Foreword

This survey of county land policies in northwestern South Dakota has been prepared with the hope that it may be of interest and assistance in connection with the management of county lands.

Considerable emphasis has been placed on proper land utilization by state and federal agencies. The most urgent need for counties is to secure adequate revenue from the resources of the county to supplement the rapidly declining tax base. However, the county governments are in a position to effect some fundamental changes in land utilization by the control of the land they now own. County management programs should consider their responsibility to private individuals by stabilizing land use practices and encouraging a permanent type of agriculture. The authors sincerely hope that in the development of county programs both of these objectives will be kept in mind.

A number of suggestions have been ventured, not in the belief that they constitute the best answers for current problems but for the purpose of suggesting new lines of thought and stimulating the interest of those public-minded citizens and officials who will ultimately work out a solution for the problems of county land ownership.
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County Land Management in Northwestern South Dakota

By
R. J. Penn and C. W. Loomer

Introduction

In recent years county governments have been facing a host of problems resulting from wholesale tax delinquency and the reversion of privately-owned lands to public ownership. With the shrinking of the tax base has come a decrease in public revenue, and local governments have experienced some difficulty in providing for the public institutions already in existence.

In the search for new sources of revenue, it is only natural to turn to the counties' great and growing resource—land. At the same time that the tax base and tax income have diminished, county lands have accumulated to such an extent that now four counties of northwestern South Dakota together own more than a million acres of land. In these and other counties similarly situated, the need for an effective system of land management is apparent, both to assure orderly use of the new public domain and to furnish a new source of income in place of the dwindling flow of tax revenue.

The scope of this study has been limited to an area of northwestern South Dakota comprising Harding, Perkins, Corson, Butte, Meade, Ziebach, Dewey and Armstrong counties. Although most of the conclusions are applicable to a wider area, particularly since large-scale county land ownership is common to most of west-river South Dakota, this smaller area was chosen as the basis for the survey because the problems of all eight counties are relatively similar. All have acquired a considerable amount of county land, all have a preponderance of unbroken grazing land, and all have developed some sort of leasing policy.

The authors wish to emphasize the fact that other counties have gone far in developing land policies to meet much the same problems, and hope that the application of this study will have a much wider scope than the area and data upon which it is based.

Most of the information used in this report was collected in a series of interviews with county officials throughout the western half of South Dakota, and their interest and assistance is hereby gratefully acknowledged. Additional factual material from individual counties was procured through the circulation of questionnaires. The South Dakota State Planning Board has contributed much general information on taxation and land ownership, and the cooperation of the Land Planning Section, Bureau of Agricultural Economics, United States Department of Agriculture, has been of much assistance. An excellent document prepared by Leonard C. Dull was of help in summarizing South Dakota laws pertaining to county land management.1

This study of county land policies treats the methods and results of current practice in acquiring, leasing, and selling county land, and summarizes state legislation which has application in these respects. The major emphasis of the report is upon lease procedure, as the writers are of the opinion that the present needs of local government are best served by an improved leasing program by which county lands can be put to immediate use. Although the most important objective from the viewpoint of county governments is income, it should not be overlooked that an adequate leasing policy benefits the private operator as well, assuring him of stability of tenure and encouraging correct land use practices.

The concluding section comprises some suggestions for administrative and legislative reform that might help in developing county land policies of maximum benefits to public and private interests.

I. Situation

Northwestern South Dakota is characterized by extensive public land ownership, particularly by county governments, and by considerable tax delinquency on privately-owned lands. Under these circumstances, the management of county land becomes an important phase of public affairs. In the following summary of present land ownership and tax status of land, attention is drawn to three characteristics which emphasize the present and probable future importance of the county land situation.

1. In Northwestern South Dakota, the Total Area of Taxable Land Is Relatively Small.—The following table shows the relationship of taxable to non-taxable lands in the eight counties of the area.

<table>
<thead>
<tr>
<th>County</th>
<th>Total Taxable Land</th>
<th>Non-Taxable Land</th>
<th>Total Land Area</th>
<th>Per Cent Taxable Land in Total Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armstrong</td>
<td>20,405</td>
<td>315,968</td>
<td>336,373</td>
<td>6.1</td>
</tr>
<tr>
<td>Butte</td>
<td>935,743</td>
<td>512,685</td>
<td>1,448,428</td>
<td>64.6</td>
</tr>
<tr>
<td>Corson</td>
<td>600,021</td>
<td>1,005,980</td>
<td>1,606,001</td>
<td>37.4</td>
</tr>
<tr>
<td>Dewey</td>
<td>378,691</td>
<td>835,316</td>
<td>1,214,007</td>
<td>31.2</td>
</tr>
<tr>
<td>Harding</td>
<td>979,974</td>
<td>732,789</td>
<td>1,712,763</td>
<td>57.2</td>
</tr>
<tr>
<td>Meade</td>
<td>1,817,932</td>
<td>405,757</td>
<td>2,223,689</td>
<td>81.8</td>
</tr>
<tr>
<td>Perkins</td>
<td>1,425,177</td>
<td>424,035</td>
<td>1,849,212</td>
<td>77.1</td>
</tr>
<tr>
<td>Ziebach</td>
<td>448,229</td>
<td>812,777</td>
<td>1,261,006</td>
<td>35.5</td>
</tr>
<tr>
<td>Total</td>
<td>6,606,174</td>
<td>5,045,307</td>
<td>11,651,481</td>
<td>56.7</td>
</tr>
</tbody>
</table>

Source: South Dakota State Planning Board.

Inasmuch as taxable lands are usually expected to support the local public finance structure, the fact that 43 per cent of all the land in these eight counties is non-taxable indicates one of the major problems facing county governments in this area. Non-taxable lands cannot be expected to contribute to the support of local government, yet indirectly they absorb a share of the public services; from this relationship comes a serious problem in public finance in areas where the tax base is proportionately small.

Non-taxable lands include several different kinds belonging to the federal government, to the state, to counties and to certain classes of private
owners. The heavy concentration of non-taxable lands in the four eastern counties of this group—Corson, Dewey, Ziebach and Armstrong counties—is due to the inclusion of the Cheyenne River Indian Reservation and a portion of the Standing Rock Reservation. These four counties together include more than two million acres of non-taxable Indian land.

Common school endowment lands are another feature of land ownership in this part of the state. In these eight counties, there are nearly a million acres of school endowment lands, most of which are included in Harding, Perkins, Meade and Butte counties. In Harding county, this class of land accounts for approximately 22 per cent of the total land area. Federal land is an important classification of land ownership. Including forests, parks, monuments and unreserved public domain federal land comprises 328,000 acres or about three per cent of the total area of the eight counties. Patent-pending homestead land—land which has been entered under homestead provisions but which has not yet been proved up—accounts for a larger proportion. In 1936, eight counties had approximately 400,000 acres of patent-pending homestead land. This class of land is ultimately destined for private ownership, and, since the Presidential proclamation of 1934, withdrawing the remaining public domain from homestead entry, it may be expected that this class of land ownership will disappear. Land belonging to public corporations is land owned by the Federal Land Bank and by the South Dakota Rural Credits Department. Inasmuch as this land is subject to a certain amount of local taxation, it is included as taxable land, although it has a status that is more public than private in nature. These lands are important in all eight counties, but particularly so in Perkins and Ziebach counties where they comprise 6 and 5 per cent respectively of the total area.

2. County Governments in This Area Have Become Large-scale Land Owners, Acquiring Land from Private Owners Through Tax Deed Action and School Loan Foreclosures.—County governments have become one of the principal land owners in northwestern South Dakota, and, considering that county land is acquired through the foreclosure of school loans or delinquent taxes, the implications for public finance are considerable.

An ownership study showing the situation as of March 1, 1936, estimated county landholdings at nearly seven per cent of the total area of the eight counties. Table 2 shows that approximately nine-tenths of the total was land acquired through tax deed action.

Since 1936, county governments have acquired much additional land. No comprehensive data are available, but the landholdings of several counties in June, 1938, are given in Table 3.

County land ownership, in general, has increased enormously in the past few years, and in many cases the amount of land owned before 1930 was negligible. Since 1935, the rate of increase in county land has been particularly great.

In some counties, the practice for several years has been to take title as soon as the land becomes subject to tax deed. Harding county has followed such a practice for some time, and data show that, while the

1. The following statistics on land ownership are based on a study conducted by the Land Use Planning Section of the Resettlement Administration, United States Department of Agriculture, in cooperation with the South Dakota State Planning Board, and the Department of Agricultural Economics, South Dakota State College. The data were summarized as of March 1, 1936. See Appendix Table I.
TABLE 2.—County Lands in Northwestern South Dakota, March 1, 1936

<table>
<thead>
<tr>
<th>County</th>
<th>School Fund Foreclosures acres</th>
<th>Tax Deed Land acres</th>
<th>Total County Land acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armstrong</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Butte</td>
<td>22,480</td>
<td>140,660</td>
<td>163,140</td>
</tr>
<tr>
<td>Corson</td>
<td>10,240</td>
<td>73,840</td>
<td>84,080</td>
</tr>
<tr>
<td>Dewey</td>
<td>11,170</td>
<td>83,928</td>
<td>95,098</td>
</tr>
<tr>
<td>Harding</td>
<td>15,080</td>
<td>154,440</td>
<td>169,520</td>
</tr>
<tr>
<td>Meade</td>
<td>8,200</td>
<td>92,705</td>
<td>100,905</td>
</tr>
<tr>
<td>Perkins</td>
<td>8,720</td>
<td>133,047</td>
<td>141,767</td>
</tr>
<tr>
<td>Ziebach</td>
<td>10,320</td>
<td>22,620</td>
<td>32,940</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>86,210</strong></td>
<td><strong>701,240</strong></td>
<td><strong>787,450</strong></td>
</tr>
</tbody>
</table>

Source: Land Use Planning Section, Resettlement Administration, U. S. Dept. of Agriculture, cooperating with the South Dakota State Planning Board and the Department of Agricultural Economics, South Dakota State College.

TABLE 3.—County Land Holdings in Northwestern South Dakota, June, 1938

<table>
<thead>
<tr>
<th>County</th>
<th>School Fund Foreclosures acres</th>
<th>Tax Deed Land acres</th>
<th>Total County Land acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armstrong</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Butte</td>
<td>34,773</td>
<td>238,512</td>
<td>273,218</td>
</tr>
<tr>
<td>Corson</td>
<td>10,000*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Harding</td>
<td>21,773</td>
<td>204,953</td>
<td>226,726</td>
</tr>
<tr>
<td>Meade</td>
<td>12,856</td>
<td>260,000*</td>
<td>272,856*</td>
</tr>
<tr>
<td>Perkins</td>
<td>22,600</td>
<td>230,052</td>
<td>252,652</td>
</tr>
<tr>
<td>Ziebach</td>
<td>14,307</td>
<td>49,381</td>
<td>63,688</td>
</tr>
</tbody>
</table>

* Estimate of county official.

Source: From county records.

amount has steadily increased, as far back as 1931 the county owned 84,269 acres of county land, including 71,652 acres of tax deed. In other counties, the amount of land has grown much more rapidly. In Ziebach county, approximately 9,000 acres were taken in 1934 and preceding years, while 54,000 acres have been taken since that time. In one month, 130 quarters (approximately 20,800 acres) were taken. In Meade county, practically all of the 242,949 acres on hand January 1, 1938, were taken in the four years prior to that date, and the rate of accumulation is increasing. From January to June, 1938, approximately 20,000 acres were acquired and on June 20 action was in progress on from 35,000 to 40,000 acres. Perkins county owned 126,374 acres of tax deed land in December, 1935. In the next 12 months, the county acquired 29,563 acres on tax

2. These facts and other data which follow were collected in interviews with the officials of different counties, and hereafter the sources will not be acknowledged in every case. Unless otherwise indicated, the statistics applying to individual counties were furnished by the offices of the County Auditors, the offices of the County Treasurers, or the Property Departments of the counties.
deed; the following year 42,195 acres were taken; and from December, 1937, to June 20, 1938, another 31,920 acres had been acquired.

Corson county had, in 1928, only 4,318 acres of county land, and the total in 1937 was 96,804. A county official estimated land holdings in 1938 at 100,000 acres.

In other counties, the rate of acquisition was even greater. Haakon county reports 71,877 acres of tax deed land on June 24, 1938. Of this total, approximately 50 per cent had been taken in the preceding year and about 75 per cent in the preceding two years.

In Tripp county, only three or four tax deeds were recorded in 1938, but 438 separate tax deed descriptions, averaging approximately 160 acres or 70,000 acres in all, were under way at the time. The agent taking tax titles as a full-time occupation estimated that approximately 100 quarters would be taken in Todd county.

The manager of the Pennington county property department states that Pennington county had taken few tax titles before 1936 and that county land ownership has increased at the rate of approximately 50,000 acres per year since that time. At the end of June, 1938, the county owned 138,089 acres.

3. A Large Proportion of the Land in Private Ownership Is Tax Delinquent, a Condition Which Foretells the Acquisition of More County Land and a Further Decrease in the Tax Base.—Forty-four per cent of all taxable land in the eight-county area was tax delinquent in February, 1938, and approximately two-thirds of the delinquent land had been tax delinquent so long that it was subject to tax deed action by the counties. The tax status of various counties is shown in Table 4.

### Table 4. Tax Status of Taxable Land in Northwestern South Dakota, February 1, 1938

<table>
<thead>
<tr>
<th>County</th>
<th>Tax Delinquent 3 Years or Less acres</th>
<th>Subject to Tax Deed acres</th>
<th>Total Tax Delinquent Land acres</th>
<th>Per Cent of all Taxable Land Tax Delinquent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armstrong</td>
<td>255</td>
<td>12,075</td>
<td>12,330</td>
<td>60.4</td>
</tr>
<tr>
<td>Butte</td>
<td>74,939</td>
<td>140,225</td>
<td>215,164</td>
<td>23.0</td>
</tr>
<tr>
<td>Corson</td>
<td>146,290</td>
<td>272,949</td>
<td>419,239</td>
<td>69.9</td>
</tr>
<tr>
<td>Dewey</td>
<td>63,655</td>
<td>167,481</td>
<td>231,136</td>
<td>61.0</td>
</tr>
<tr>
<td>Harding</td>
<td>85,305</td>
<td>300,242</td>
<td>385,547</td>
<td>39.3</td>
</tr>
<tr>
<td>Meade</td>
<td>271,127</td>
<td>352,989</td>
<td>624,116</td>
<td>34.3</td>
</tr>
<tr>
<td>Perkins</td>
<td>223,139</td>
<td>515,953</td>
<td>739,092</td>
<td>51.9</td>
</tr>
<tr>
<td>Ziebach</td>
<td>66,096</td>
<td>208,758</td>
<td>274,854</td>
<td>61.3</td>
</tr>
<tr>
<td>Total</td>
<td>930,806</td>
<td>1,970,672</td>
<td>2,901,478</td>
<td>43.9</td>
</tr>
</tbody>
</table>

Source: South Dakota State Planning Board.

The fact the approximately two million acres of land in northwestern South Dakota were subject to tax deed is of much significance. In the first place, land with such a status is in a transitional stage somewhere between public and private ownership. With several years of delinquent taxes charged against the land, the private owner has to a large extent relinquished his claim to future ownership. At the same time, the taxing

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3. Data on the tax status of privately-owned land are taken from a study conducted by the South Dakota State Planning Board, and summarized February 1, 1938.
jurisdiction has not exercised its right to take title to the land, and the property, for all practical purposes, has become an uncontrolled no-man's land and is often seriously abused and exploited.

In the second place, the accumulation of large acreages of land subject to tax deed indicates that county governments have found no satisfactory way of using county land. Local governments take title to land in lieu of unpaid taxes, presumably with the expectation of making such use of the land that it will yield an income in place of the tax income or so that it will be sold and returned to the tax roll and a tax-paying status. Theoretically, tax delinquent land should be taken over shortly after the four-year period of redemption following the first tax sale, and the amount of land subject to tax deed should be relatively small. In actual practice, however, tax delinquent land has been allowed to accumulate, and counties have not seen fit to go to the trouble of taking tax title, either because of the costs involved, because no profitable use could be found for county land, or in the hopes that a succession of good years will encourage redemption.

Privately-owned land that has been tax delinquent for less than four years has a similar significance. Although some may be redeemed by the payment of back taxes, much of such land in this area will probably become subject to tax deed with the expiration of the four-year period of redemption.

Another form of tax delinquency must be noted before the picture is complete. South Dakota legislatures of 1933, 1935 and 1937 provided for the payment of delinquent taxes in installments, and numerous tax contracts have been issued.4 The terms of the contracts call for the payment of current tax levies in full with all delinquent taxes, accrued interest and penalties to be paid in 10 annual installments beginning one year after the date of the contract. Private land on which tax contracts are in force are not included in the preceding estimates of tax delinquency, although it is obvious that the tax status is less than fully paid up. Table 5 shows the amount of land in northwestern South Dakota on which tax contracts are in force.

**TABLE 5.—Land Under Contract for Payment of Delinquent Taxes, February 1, 1938**

<table>
<thead>
<tr>
<th>County</th>
<th>Tax Contracts in Force acres</th>
<th>Total Contracts Issued acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armstrong</td>
<td>1,760</td>
<td>1,760</td>
</tr>
<tr>
<td>Butte</td>
<td>163,973</td>
<td>276,501</td>
</tr>
<tr>
<td>Corson</td>
<td>48,810</td>
<td>129,219</td>
</tr>
<tr>
<td>Dewey</td>
<td>67,190</td>
<td>100,000</td>
</tr>
<tr>
<td>Harding</td>
<td>131,261</td>
<td>251,781</td>
</tr>
<tr>
<td>Meade</td>
<td>213,266</td>
<td>288,568</td>
</tr>
<tr>
<td>Perkins</td>
<td>159,302</td>
<td>291,856</td>
</tr>
<tr>
<td>Ziebach</td>
<td>117,017</td>
<td>162,932</td>
</tr>
<tr>
<td>Total</td>
<td>902,579</td>
<td>1,502,617</td>
</tr>
</tbody>
</table>

Source: South Dakota State Planning Board.

4. South Dakota Session Laws 1933, Ch. 194; Laws 1935, Ch. 194; Laws 1937, Ch. 241.
Obviously, land under contract for the payment of back taxes is not fully tax-paying. Furthermore, there is a large probability that many of the tax contracts will become delinquent, in which case the land automatically assumes the status it would have if no tax contract had been issued. Nearly a third of the tax contracts issued since 1933 have become delinquent, as the following table indicates.

**TABLE 6.—Delinquent Tax Contracts on Privately-Owned Land, February 1, 1938**

<table>
<thead>
<tr>
<th>County</th>
<th>Total Tax Contracts Issued acres</th>
<th>Delinquent Tax Contracts acres</th>
<th>Per Cent of Tax Contracts Delinquent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armstrong</td>
<td>1,760</td>
<td>66,847</td>
<td>24.2</td>
</tr>
<tr>
<td>Butte</td>
<td>276,501</td>
<td>32,650</td>
<td>32.6</td>
</tr>
<tr>
<td>Corson</td>
<td>129,219</td>
<td>53,729</td>
<td>41.6</td>
</tr>
<tr>
<td>Dewey</td>
<td>100,000</td>
<td>32,650</td>
<td>32.6</td>
</tr>
<tr>
<td>Harding</td>
<td>251,781</td>
<td>86,800</td>
<td>34.4</td>
</tr>
<tr>
<td>Meade</td>
<td>288,568</td>
<td>75,302</td>
<td>26.1</td>
</tr>
<tr>
<td>Perkins</td>
<td>291,856</td>
<td>107,319</td>
<td>36.8</td>
</tr>
<tr>
<td>Ziebach</td>
<td>162,932</td>
<td>45,755</td>
<td>28.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,502,617</strong></td>
<td><strong>468,402</strong></td>
<td><strong>31.1</strong></td>
</tr>
</tbody>
</table>

Source: South Dakota State Planning Board.

Tax delinquency on a large scale has great significance for the problem of county lands, as it foretells the reversion of still more privately-owned land to county ownership. Coupled with a preponderance of non-taxable land, extensive tax delinquency implies that the tax revenues of local governments will be cut to a minimum.

The extent to which local governments are affected is shown by the following data which apply to the eight-county area of northwestern South Dakota.°

**TABLE 7.—The Tax Base of Northwestern South Dakota, 1938**

<table>
<thead>
<tr>
<th>Land Description</th>
<th>Acres</th>
<th>Per Cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total land area, eight counties</td>
<td>11,651,481</td>
<td>100.0</td>
</tr>
<tr>
<td>Nontaxable land, Federal, State, and county</td>
<td>5,045,307</td>
<td>43.3</td>
</tr>
<tr>
<td>Tax delinquent land:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subject to tax deed</td>
<td>1,970,672</td>
<td>16.9</td>
</tr>
<tr>
<td>Subject to tax deed</td>
<td>930,806</td>
<td>8.0</td>
</tr>
<tr>
<td>Land under contract for payment of delinquent taxes</td>
<td>902,579</td>
<td>7.7</td>
</tr>
<tr>
<td>Total taxable land, taxes paid up</td>
<td>2,802,117</td>
<td>24.1</td>
</tr>
</tbody>
</table>

For the eight counties as a whole, only 24 per cent of the entire area is land on which property taxes are regularly paid. Local governments are therefore under some compulsion to find alternative sources of income. Inasmuch as county land has been accumulating at the same time that the tax base has diminished, attention is directed to this new public resource, and the management of county lands comes to have a real significance.

° Data adapted from ownership and tax studies previously cited.
II. Acquisition

Although acquisition is not strictly speaking a phase of land management it has an importance with regard to the later use and disposal of county lands. The weakness of a tax title, the time and expense of tax deed procedure, the obligations to the permanent school fund for school fund foreclosure land, and the acquisition policy of the counties have their effects upon its subsequent management. For these reasons this section treats some of the more important phases of acquisition procedure with relation to general land policies.

Practically all county land is acquired in one of two ways, either by tax deed action or by the foreclosure of school loan mortgages. This study is primarily concerned with tax deed land, as approximately nine-tenths of all county property in this area has been acquired in satisfaction of unpaid taxes. Furthermore, the large amount of current tax delinquency indicates that this class of land will continue to hold its present importance. School fund foreclosure lands, on the other hand, account for a smaller proportion although from the standpoint of actual acreages play an important part in county land management.

Tax deed and school fund foreclosure lands are acquired by two distinct methods, but, once in county ownership, all county land is managed according to a general policy, and, as far as leasing is concerned, the distinction between tax deed and foreclosure land has no significance. With regard to sale, however, the difference between the methods of acquisition has some implications. In the disposition of the proceeds of lease or sale, also, a distinction is made between these two classes of county land. In the following discussion, these differences will be pointed out.

Acquisition of Land Through Tax Deed Proceedings.—Tax title proceedings are more properly an aspect of public finance than of county land management, but it is through this means that local governments acquire most of their land and the procedure has considerable influence on subsequent management.

When property taxes are not paid on a tract of land, the county treasurer sells tax liens against the property concerned. In recent years, the lack of demand for land in general and the state legislation providing for the payment of delinquent taxes on contract in particular have reacted to the disadvantage of the counties when land is sold for taxes. Usually no private buyers appear at the tax sale; under these circumstances the county may bid in for the amount of taxes, interest, and costs, thus giving the county the same rights as any private purchaser of tax liens. When the county holds the tax sale certificates, the land is not sold again for taxes but subsequent tax levies are charged against the land, and the total must be paid before the tax lien is assigned or redeemed. The owner or any other person having an equitable interest in the real estate may redeem it at any time before tax deed is taken. Failing in this, the land becomes subject to tax deed four years after the tax sale, and the county may begin proceedings to acquire tax title.

Apparently there is no time limit specified within which a county must take tax title to land which becomes subject to acquisition, although an individual who purchases a tax sale certificate is required by statute to take tax deed within six years of the date of the tax sale or lose his rights
acquired with the certificate.¹ The county must institute tax deed proceedings, however, at any time when requested by a minor political subdivision to do so.²

State law provides a long and complicated procedure for giving notice of the institution of tax deed proceedings. The purpose of this cumbersome method is to insure that notice is given to every person with a redeemable interest in the land. Consequently, the county must attempt to notify the record owner, the person in possession, the person in whose name the property is taxed, mortgagees, assignees, holders of special liens and certificates, and so on. Personal notice must be served on persons residing in the state. For persons living elsewhere, service by registered mail to the last known address is required, supplemented by publication of notice in the official county newspaper.

After service is completed, a period of 60 days must elapse before the final step in the procedure. At the expiration of the redemption period, the county treasurer may issue the tax deed, thus giving the county a tax title to the land.³

Status of Tax Title.—A tax deed acquired by the foregoing procedure is not usually considered to be a good title to the land. South Dakota courts usually interpret tax foreclosure statutes strictly, and any error in the process of taking tax title is considered sufficient to cause the tax title to be set aside. Since the procedure is long and detailed, the possibilities of error are many, and the tax deed is accordingly insecure. Legislative action has attempted to remedy this shortcoming of tax titles by a statute of limitations which provides that after three years certain objections to such a title cannot be raised,⁴ but apparently this qualification fails to reach all the defects of tax title. Since the only alternative is a civil action to quiet title, the holder of a tax deed has only a precarious legal hold on the property.

Difficulties of Acquiring Tax Titles.—The preceding summary of tax deed action should reveal the outstanding characteristics of the procedure. Tax title proceedings require both time and money, a fact which works against the interests of the county when privately-owned land becomes tax delinquent. After the initial tax sale, at least four years must elapse before the county can institute proceedings.⁵ Tax deed action, in itself, requires about three months, on the average, according to the estimates of county officials, as service requires at least a month and must be followed by a 60-day redemption period. As a result, for more than four years after becoming tax delinquent, the land is allowed to remain in private ownership although in many respects the individual owner has abandoned his rights to the land. During this period, the land furnishes absolutely no revenue for the local government, and at the same time, the land may be badly abused, either by the owner who, having relinquished his future rights of ownership, is tempted to exploit the land by improper use, or by neighboring operators who may trespass on the unoccupied, uncontrolled prop-

¹. South Dakota Laws 1937, Chapter 248, Sec. 6804, amending Sec. 6804, South Dakota Revised Code, 1919, as amended by Laws 1933, Ch. 198, as amended by Laws 1935, Ch. 195.
². South Dakota Session Laws, 1937, Ch. 206.
⁴. Compiled Laws of South Dakota, 1929, Sec. 6825.
⁵. South Dakota Session Laws, 1937, Ch. 248.
The county government is powerless to interfere until it has taken tax title.

Tax title action is also a relatively expensive procedure, considering that much of the land being taken is worth from $1 to $3 an acre. The personal service required by the statutes must be performed by officials of the county or of other counties in the state who receive milage expenses as well as a fee. When advertisement is necessary, newspaper costs add to the total. In addition, most counties pay a fee to the person who institutes tax deed proceedings; in Stanley county, for instance, a special agent who was engaged in taking tax deeds in 1938 worked on a fee basis, being paid $4 for each completed service. Much the same situation applied in several other counties. Estimates made by county officials of a dozen west-river counties indicate that the average cost of taking a tax title ranges from $10 to $16 per description.

In Meade county, approximately $39,000 has been spent in taking tax titles over a four-year period; the average cost per title was estimated at $25, which includes approximately $15 for sheriff's fees alone. In the four years from May 8, 1934, to May 1, 1938, the cost of taking tax titles in Perkins county was $9,268.99. On January 1, 1938, $39,083.60 were due Pennington county as tax deed costs on the 91,401 acres of tax deed property owned at that time. In other counties, much the same costs are encountered, and there is reason to believe that several counties in which much land is subject to tax foreclosures simply do not have the money to begin a policy of wholesale tax deed action. In one such instance the county does not prorate the proceeds from leasing tax deed land back to lesser jurisdictions but is using lease income to build up a fund for taking tax deeds.

Foreclosure of School Loans.—School loan foreclosure lands are acquired by county governments in connection with the administration of the permanent state school fund. Originally the fund was apportioned among the various counties of the state, and, under the direction of county officials, was invested principally in farm mortgages with the county governments guaranteeing the interest and repayment of the principal to the state.

In case of default in the terms of the mortgages, the land is foreclosed and offered to the public at sheriff's sale. When no other person offers to buy the land for the full amount due upon the mortgage and costs, the county governments must bid the land in, becoming indebted to the state for this minimum amount and receiving in return the ownership of the land. Over a period of years, widespread default on school loan mortgages and a lack of buyers at sheriffs' sales have made county governments the owners of large amounts of school loan foreclosure land.

Significance of the Distinction Between Tax Deed and Foreclosure Lands.—Proceeds from the lease or sale of county tax deed land are used, theoretically, to extinguish the claims of back taxes against the land and are applied accordingly in the same way that tax revenues from the land would be used. State law provides that after costs are deducted the proceeds from the sale of tax deed lands are to be prorated among the various

6. Unless otherwise indicated, statistics which apply to individual counties have been furnished by officials of the various counties.
jurisdictions in the same proportions as taxes are distributed, using as a model the distribution of any year of which the taxes are included in the sale. Income from foreclosure lands, however, is used to apply on the school loan indebtedness of the county. In most counties, it is common practice to divert rental income to an interest fund and to apply the proceeds from sale on the principal of the school loan debt.

Foreclosure land represents for the county an asset which must be liquidated for the amount of the mortgage and costs, if possible, if the local government is not to lose on the transaction. Accordingly, the foreclosed property is appraised and held for sale at a price that is large enough to cover the debt against the land. Although state law specified that the original school loans were not to exceed one-third of the actual value of the mortgaged land, the subsequent decline in property values has altered the situation, and in many cases the amount of the mortgage and costs exceeds the actual selling value of the land. Tax deed lands, on the other hand, are commonly appraised and sold at a dollar or two an acre.

There is usually a considerable difference between the appraisal values of the two classes of land. In Butte county, for instance, the estimated average value of tax deed land is $2 per acre and that of foreclosure land is approximately $4. The Pennington county property department estimates that tax deed land averages $3.75 per acre in value while foreclosure land is $7.50 or nearly twice as much.

Records of county land show that a higher percentage of tax deed land is being sold than is true of foreclosure land. Part of this difference must be attributed to the differences in sale prices; some county officials have expressed the opinion that it is often impossible to sell foreclosure land at its appraised value when tax deed land is being sold for as little as a dollar an acre. Apart from the difference in price, it is of some significance that foreclosure land is often improved farm land while much tax deed land is unimproved grass land. As the principal demand is for unimproved land which may be added to present operating units, foreclosure land is more difficult to dispose of than county tax deed property.

Tax deed property passes to county ownership under tax title, the shortcomings of which have been mentioned. The sheriff’s deed, which is the vehicle for the transfer of foreclosure land, is considered more secure and marketable than a tax deed, and in this respect foreclosure lands have a greater value that tax deed land. It is usually true that tax delinquency accompanies default in the terms of a school loan and that local governments usually have the option of acquiring delinquent land through tax deed action or foreclosure proceedings, as they prefer.

Of these alternatives, the sheriff’s deed is usually chosen, although in a few cases the county secures both sheriff’s deed and tax deed. When a school loan becomes delinquent, it is permissible for the county to accept a warranty deed from the mortgagor in place of going through regular foreclosure proceedings, and when the mortgagor’s title to the land is clear and unencumbered, this course is preferable to a sheriff’s

8. South Dakota Session Laws, 1937, Ch. 83, Sec. 6803 (i).
10. South Dakota Session Laws, 1933, Ch. 83.
sale. For leasing purposes, tax title seems to provide adequate security of tenure for the county government, but when land is sold, a weak title is probably reflected in lower prices.

**Acquisition Policies**—As there is no time limit during which county governments must take tax title to lands subject to tax deed, there is much diversity among the various counties as to the policies followed in the acquisition of such lands. The tacit assumption of the law is that when land ceases to pay taxes and the four-year period of grace has elapsed, the local government will take title at once, accepting the ownership of the land in lieu of the unpaid taxes.

In actual practice, however, there are several reasons for not doing this. In areas of excessive tax delinquency the demand for land is usually such that the county does not benefit particularly by owning land. Tax foreclosure, culminating in an uncertain title for the county, is a long and expensive procedure, in return for which there may be no apparent benefits. During drought and depression years there are few opportunities to resell the land after it is in public ownership; even though the land may be leased immediately, which is not always the case, the rental income may be so low that one or two years are required to repay the costs of acquisition. There is always the hope that time will improve and that, if land is left alone, the private owners will pay delinquent taxes and redeem the property.

Furthermore, there is a general feeling that tax delinquency and reversion to public ownership is an abnormal, if not temporary, condition in a system based on the public taxation of private property. County authorities, confronted with tax delinquency on a large portion of the taxable land, may hesitate to embark on a campaign which apparently runs counter to the accepted idea of the normality of private ownership.

As a consequence, in many localities where tax delinquency is so general and long-established as to leave large areas subject to tax deed foreclosure, nothing is done about the situation, and the delinquent land is simply left in an ownership status which is neither public nor private. In other counties delinquent lands are taken on tax deed, not in the order in which they become subject to tax deed but according to some selective policy of one kind or another. In a few counties, delinquent land is taken as soon as it becomes subject to acquisition. A few illustrations may show this diversity of policy.

In prior years, Stanley county (managing Armstrong county, also) took tax title to all land for which there was the prospect of sale or leasing. At present, the county takes title only to the land for which the county has had an offer to buy.

Ziebach, Dewey and Jones counties make a practice of taking all land which can be sold or leased immediately or from which the county can derive some income through Federal farm or range programs.

The Pennington county property department takes title to all land as it becomes subject to acquisition and makes a special effort to return it to the tax roll by sale to private parties.

In Butte and Harding counties, all land is taken with the expectation that the majority of it will be leased and providing revenue for the counties within a short time.
Haakon county and Walworth county make an effort to take only the delinquent land owned by persons not living in the county. As a means of accomplishing this the Haakon county officials solicit the help of local farmers and ranchers in locating absentee-owned land which may be acquired and put to profitable use by the county. Private operators are asked to check on the tax status of the land which they may be renting from private owners. If this land is tax delinquent and subject to tax deed, the county acquires title and leases it to the farmer operator. As county rentals are often lower than the price asked by private owners, operators are encouraged to cooperate.

Until the past year, Tripp county had acquired no tax deed land although a considerable area had become subject to tax deed proceedings. In 1938 a vigorous policy was begun, and tax deed action instituted on all land subject to acquisition, apparently following the chronological order of tax sales. The County Treasurer's office reported a high proportion of redemptions following the service of notice of tax foreclosure. The fact that a wholesale program of tax proceedings was begun in a year when crop prospects were unusually good has no doubt had a large effect on the amount of redemption. Tripp county, it may be said, takes tax title partly as a means of stimulating redemption and the payment of delinquent taxes. The situation in Pennington county is similar; in 265 cases, or in nearly a fourth of the tax actions begun in 1937, property was redeemed by the payment of delinquent taxes. Such an experience encourages the institution of further proceedings.

From the experience of these various counties, two general conclusions may be made. Tax deed proceedings cost both time and money, and this is the principal reason for county governments' not taking title to all land as it becomes subject to acquisition. Apparently, however, counties are ready and willing to secure title to all land which means some income in return.

It is significant to note that in the counties most willing to acquire land, there are circumstances which make county land ownership profitable. In Harding and Butte counties, a large percentage of all county land is leased, and title is taken to delinquent land with the expectation that it too will be included in the leasing program. In Pennington county, the opportunities to sell county land are probably greater than in other counties of this area, and tax deed proceedings often lead to putting the land back on the tax roll by sale. In Tripp county, the large amount of redemption following the threat of tax foreclosure is sufficient incentive to institute wholesale tax proceedings. In certain other localities, however, the cost of acquisition is not offset by these opportunities, and tax deed action is an unprofitable venture.

III. Leasing

After county governments have acquired land through tax deed action or by foreclosure of school loan mortgages, it may be sold or leased to private operators. These are the two principal uses of county land, although there are provisions for county governments to establish public
COUNTY LAND MANAGEMENT IN NORTHWESTERN S. D. 19

parks,¹ and to sell county land in or near national forests to the federal government.²

It seems to be true that in areas where county land is most common, the demand for land, as expressed in opportunities for sale, is least. Counties owning large acreages can usually dispose of only a small proportion of their holdings through sale. The rest of the land, if it is to be used at all, must be leased to private operators.

In northwestern South Dakota, leasing is the general practice for many kinds of land owners. In the eight-county area of this study, there are at least four million acres of land available for lease from a variety of organizations.³ This area includes such land as that owned by insurance companies, mortgage and land companies, commercial banks, the Federal Land Bank, the South Dakota Rural Credits department, common school and endowment lands, county tax deed and school fund foreclosure land, Indian lands and land owned by absentee landlords. These kinds of land comprise approximately a third of the total land area.

Practically all county land in the area, or approximately one and a quarter millions of acres in 1938, is offered for lease. Of this total, an estimated 70 per cent was leased for the season of 1938. Among the various counties there was a wide variation in the proportion of leasing; some of the data in the following table are only rough estimates, but it is apparent that while some counties have nearly complete leasing coverage, others lease only a half or less of their land.

<table>
<thead>
<tr>
<th>County</th>
<th>Total County Land (Acres)</th>
<th>All Land Leased (A.)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armstrong</td>
<td>2,471</td>
<td>631</td>
<td>39.2</td>
</tr>
<tr>
<td>Butte</td>
<td>273,218</td>
<td>267,218</td>
<td>97.8</td>
</tr>
<tr>
<td>Corson</td>
<td>96,804 ² ²</td>
<td>20,000 ² ²</td>
<td>20.7</td>
</tr>
<tr>
<td>Dewey</td>
<td>84,000 ³</td>
<td>67,000 ³</td>
<td>79.8</td>
</tr>
<tr>
<td>Harding</td>
<td>226,726</td>
<td>216,040</td>
<td>95.3</td>
</tr>
<tr>
<td>Meade</td>
<td>260,000 ³</td>
<td>129,766</td>
<td>49.9</td>
</tr>
<tr>
<td>Perkins</td>
<td>252,652</td>
<td>148,024</td>
<td>58.6</td>
</tr>
<tr>
<td>Ziebach</td>
<td>63,688</td>
<td>34,480</td>
<td>54.1</td>
</tr>
<tr>
<td>Eight Counties</td>
<td>1,259,559</td>
<td>883,159</td>
<td>70.1</td>
</tr>
</tbody>
</table>

1. Source: based on county records or the estimates of county officials.
2. As of June, 1937.
3. Estimate.

It is probable that the land leased in 1938 was both the largest acreage ever leased in this area and the largest proportion of the total county land, although definite facts to this effect are not available. The county land problem is one of comparatively recent development, and leasing systems and policies, which have lagged somewhat behind the acquisition of land, have begun to function even more slowly.

1. South Dakota Session Laws, 1935, Ch. 76, Sec. 1. (as amended by S. Dak. Session Laws, 1937, Ch. 81.)
2. South Dakota Session Laws, 1931, Ch. 112.
3. Based on ownership study of 1938.
All counties, however, have developed some form of leasing program and make this attempt to convert county land into a source of public revenue. The following discussion of leasing procedure describes the general policies being followed by the various counties and summarizes the state laws which apply to the leasing of county land.

**Legal Provisions for Leasing County Land.**—Until recent years, state laws had little to say regarding the management of county land except to prescribe a procedure for taking tax title, to specify certain requirements for sale, and to state that the responsibility for the management of county land rested with the board of county commissioners. The method of leasing, apparently, was left entirely to the discretion of the local governments.

In a bill providing for the formation of cooperative grazing associations, the legislative session of 1935 made several provisions for the leasing of county land to such an organization. Counties were empowered to offer 10-year leases subject to sale only to the association itself. Furthermore, “In order to conserve and protect the existing forage resources on such county land and to restore the maximum carrying capacity of such land,” the board of county commissioners is required to reserve the right to regulate and limit the grazing thereon, incorporating such restrictions in the terms of the lease. The county commissioners may provide for a variable scale of rentals based on the market prices of livestock and/or livestock products, or on the number and kinds of livestock to be grazed.

A general leasing policy was prescribed by the legislature of 1937. The provisions of Chapter 86, Laws of 1937, apply specifically to grazing lands, and it seems to have been the intention of the legislature to design this statute for the west-river counties, as counties in which agricultural land predominates are not required to offer their land for lease under the provisions of this law, although they may elect to do so.

All grazing land acquired through tax deed procedure or school loan foreclosure must be offered for lease at public auction on a date determined by the board of county commissioners. It is the duty of the county auditor to publish notice of such leasing in the official county newspapers once in each of the two calendar weeks preceding the auction, stating the time and place of the leasing and the location of the land offered for lease.

The county board establishes the terms of the leases. Prior to the lease day, the board determines a minimum rental rate, and no land is leased for less than that amount. The county commissioners also determine the length of the lease offered, although it cannot be for more than five years. If for longer than the current year, the rental is paid annually, due on the first day of each successive calendar year; if not paid by the last day of January, the lease automatically terminates and the land is offered again for general bid at the next lease date. If the lease is for longer than the current year, it is made subject to the sale of the land, usually with the provision that the sale of the property is subject to the lease for the current leasing season.

Under the direction of the county auditor, each tract of county land is offered at public auction on lease day and leased to the highest bidder,

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5. South Dakota Session Laws, 1937, Ch. 86, Sec. 2.
provided that the bid is at least as large as the minimum rental rate. A former lessee who has the tract under his fence or enclosure is given preference at the highest bid rate. When a satisfactory bid is received, the bidder must pay the first annual rental to the county treasurer and take his receipt to the county auditor who thereupon issues the lease.

Any land not leased at auction, either because no satisfactory bid was received or because it was acquired by the county after lease day, may be leased privately by the county auditor at the minimum rental rate, although such a lease can be for no longer than the current year and the land must come up for public auction at the next regular lease date.

The statute attempts to guard against a situation in which the leasing of a key area might cause other land to go unleased by stipulating that a legal subdivision of less than 160 acres containing a water privilege or right cannot be leased separately if such a lease would jeopardize the leasing price of the remaining acreage of the quarter section. However, when a tract is offered for lease and no satisfactory bid is received, a subdivision thereof may be offered or it may be offered in connection with a contiguous tract for which no satisfactory bid has been received.

The intention of the legislature is clearly that all county lands must be offered for competitive bid at public auction each year, or when the lease is for a longer period than one year, at the expiration of the lease. No bidder secures a right to a lease except by offering to pay at least as much as the minimum rate set by the county board and more than other bidders competing for the land. No provision is made for a lessee of county land to secure any right to the renewal of his lease except by a repetition of the process.

Leasing Authority.—The board of county commissioners of each county is nominally in charge of all county land. When the amount of such land was relatively small, it was usually handled directly by the commissioners, either as a group or individually as the land was divided among the various commissioners' districts. As the amount of county land has increased, it has become customary to delegate at least part of this responsibility to other county officials, although the commissioners remain in charge of the general administrative policies.

Before 1937, state law made no reference to leasing authority other than to say that "The board of county commissioners shall have control of the rental of property acquired by their county under tax deed." The legislative session of 1937, in tacit recognition of the growing administrative problem resulting from the large land holdings of county governments, provided for the employment of a special agent or agents to assist in the administration of such lands. Heretofore, regular county officials had been obliged to administer county land in addition to their prescribed duties. Under the new legislation, county commissioners retain the responsibility for the county land, but provision is made for special county officers who may assume the whole administrative burden of land management.

6. South Dakota Session Laws, 1937, Ch. 86, Sec. 3-7.
7. South Dakota Session Laws, 1933, Ch. 66.
8. South Dakota Session Laws. 1937, Ch. 87.
Provided the county has a total area of more than 250,000 acres of which five per cent or more of the taxable land has been acquired or is subject to acquisition through tax deed proceedings or the foreclosure of school loan mortgages, the board of county commissioners may appoint such agents, who are to act under the supervision of the board and who, with the approval of the commissioners, may enter into contracts in the name of the county. These agents may be directed to assist the county treasurer in the preparation and institution of tax deed proceedings and may render assistance to the county auditor in the leasing and sale of county lands. Their compensation is fixed by the county board who may provide office space, additional clerical assistance, and such facilities as they see fit.9

Under the provisions of this law, the county may establish a centralized property department to handle all phases of county land management from acquisition to sale. Pennington county has organized such an office to handle all matters pertaining to county land. The department institutes tax deed actions, working closely with the county treasurer to remain familiar with the tax delinquency and land subject to tax deed. After the land is acquired, the property department arranges for leasing or the details of sale. Another important function is keeping all records applying to county land. The department is headed by a manager who is given travel authority and assistance, apparently on a part-time basis from other county departments.

In most counties, the board of county commissioners determines the general land policies, the county treasurer institutes tax deed action and handles all the receipts from sale or lease, and the county auditor keeps the records of county land, arranges for lease or for sale of county property, and has a number of duties such as advertising land for sale or lease, conducting auctions, and so on. This is the general system followed by the majority of the counties although many have made individual adaptations. In some counties, other officials handle land management. The Corson county highway superintendent has charge of all county lands. Dewey county has a leasing clerk. In Butte county the county assessor is also the leasing clerk, working with the county commissioners in this phase of the administration of county property.

In counties where there are large areas of privately-owned land subject to tax deed, it is common practice to hire an agent to institute tax deed actions. This agent, usually hired by the county treasurer, sometimes receives a salary but more often is employed on a fee basis with a prescribed payment for each completed service.

Harding county at times has employed a special agent to collect lease rentals and to inspect county lands for cases of trespass. This agent is given travel authority so that he may actually supervise county land without taking out leases. Under such circumstance, it has been the practice for the leasing agent to hold the trespassing livestock and inform its owners that they are liable for unpaid rentals and for an additional penalty charge amounting to one-half the lease rent.

This agent was hired on a commission basis for the first time several years ago. At the time there had been no provision made for the employment of such an official, and it was the opinion of the state director of

audits and accounts, as stated in a 1934 report to the county, that the legal position of such an agent was not tenable. Since the enactment of Chapter 87, Laws of 1937, it is probable that this objection has been overcome. That the performance of a leasing agent has been to the advantage of the county can hardly be questioned. For his services during one season, he was paid approximately $1,100 as per diem and travel expenses and 10 per cent commission on leases collected. The lease rentals paid to the county as a result of his operations amounted to approximately $3,460.  

Terms of the Lease.—The terms of the leases offered by local governments are established by the various boards of county commissioners, as state law makes only general specifications in this regard.

County land is leased with the stipulation that the lease may be broken if the county has an opportunity to sell the land. Although all leases are made subject to sale, the rights of the lessee are usually protected for the current year. Sometimes, as in Butte county, grazing leases are automatically terminated by sale on the first day of March following the sale. In other cases, sale of county land is subject to the lease for the current calendar year, terminating on January 1. Counties customarily reserve the right to enter upon leased land and sell and remove coal, oil, gas, metals, timber, stone, gravel, sand and such resources. Usually the right-of-way for highways is reserved although such rights are seldom exercised.

Other provisions often include the right of the lessee to erect fences on the leased property and to remove them at the expiration of the lease. The lessee usually agrees to use the property only for the specified farm or ranch purposes and to exercise ordinary care in protecting the resources and improvements of the land. Lessee is not permitted to sell, assign, or sublet the premises without the consent of the county. Less common is the provision included in Haakon county lease forms stipulating that the lessee “sign up on and cooperate with federal and/or state farm programs if any there be.”

Length of Lease.—Leases may be made out for any period not longer than five years, according to the 1937 leasing statute, and as a result there is considerable variation among the different counties of west-river South Dakota. Ziebach county, formerly offering three-year leases, in 1938 was giving a one-year lease on grazing land. Perkins, Dewey, Jones and Tripp counties offered a one-year lease. Pennington county leases were made out for one year but carried a five-year option of renewal. Corson county offered a two-year lease with a provision for automatic renewal in succeeding years if the lessee pays the regular lease rental before lease day. Haakon county was offering a three-year grazing lease. In a few counties—Jackson, Butte and Harding—a five-year lease was available.

When a lease is made out for more than the current year the lessee pays the rental for the first year when the lease is issued. Thereafter, the rental for each successive year becomes due upon a specified date, usually January 1, and must be paid within a certain period. If the rental charge is not paid, the lease is canceled. Such an arrangement may be likened to a one-year lease that may be automatically renewed in the successive years of a specified period. As this is common practice, it is

10. Unless otherwise indicated, statistics applicable to an individual county were supplied by officials of that county.
apparent that the length of the lease is not the significant proviso and that the provisions for renewal really determine the effective length of the lease tenure. In this regard, the one-year lease offered by Pennington county carrying an option of renewal for five years to all effects is much the same as a five-year lease offered by Harding or Butte county.

It seems to have been the intention of the legislative session of 1937 to specify that all county land should be offered at public auction every year or at the expiration of the lease period, and the leasing statute makes no provision for safeguarding the interests of a lessee of county land when his lease expires. At the public auction which follows, any bidder who cares to outbid the former lessee may take over the leasehold.

It is apparent that strict interpretation of the law sometimes operates to the disadvantage of the private operator as well as the county, and that security of lease tenure is imperiled by the periodic auction of the lease. Some counties have made an effort to promote stability of tenure. In Corson county, the two-year lease may be renewed without recourse to auction if the lease-holder continues to pay his annual rental on or before March 1. The five-year lease offered by Butte county is renewable upon application to the county leasing agent without being submitted for competitive bid. In these and similar ways lessees are assured of a longtime tenure which should react to the advantage of both county and individual in promoting better and more stable land use practices. It may be also that the income to the county is less variable when lease tenure is more or less secure over a period of years.

Lease Rentals.—State laws do not specify the rental to be charged for the use of county land, but require that some time prior to public lease day, the board of county commissioners of each county is to establish a minimum rental rate for grazing land and no lands are to be leased for less than this amount.\(^{11}\) Competitive bidding over and above the minimum rental is to determine the actual price at which each tract of county land is leased.

Among the different counties there was considerable variation in the minimum rates asked for grazing land in 1938, although it is probable that these rates are tending to become more standardized for similar grades of land. Table 9 shows the minimum rates per acre at which grass land was being rented in the season of 1938.

In several counties, the present minimum rates represent a decrease from what was asked in former years. Until 1938, Ziebach county had a minimum rate of 8 cents per acre. In Corson county, the minimum rate was 10 cents per acre until 1938 when it was reduced to 7 cents. In Harding county, the minimum rate of 6 cents per acre held until 1934 when it was lowered to the present level of 5 cents; during 1937, in order to meet the emergency of drought conditions, the rate was temporarily cut in half, but was restored to the former level the following year.

Theoretically, competitive bidding for leases might be expected to compensate for the actual differences between different grades of land even when the minimum price asked was the same for the entire county. Actually, however, most county land is finally leased at or near the minimum price; practically all county officials report little competitive bidding except in isolated cases. Where minimum prices prevail and one

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11. South Dakota Session Laws, 1937, Ch. 86.
TABLE 9.—Minimum Rental per Acre, Grass Land, 1938

<table>
<thead>
<tr>
<th>County</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Butte</td>
<td>5 to 20c</td>
</tr>
<tr>
<td>Corson</td>
<td>7c</td>
</tr>
<tr>
<td>Dewey</td>
<td>5c</td>
</tr>
<tr>
<td>Haakon</td>
<td>5c</td>
</tr>
<tr>
<td>Harding</td>
<td>5c</td>
</tr>
<tr>
<td>Jackson</td>
<td>5c</td>
</tr>
<tr>
<td>Jones</td>
<td>8c</td>
</tr>
<tr>
<td>Meade</td>
<td>4-5-6c</td>
</tr>
<tr>
<td>Pennington</td>
<td>4c and up</td>
</tr>
<tr>
<td>Perkins</td>
<td>6c</td>
</tr>
<tr>
<td>Stanley (and Armstrong)</td>
<td>5c</td>
</tr>
<tr>
<td>Tripp</td>
<td>5c</td>
</tr>
<tr>
<td>Ziebach</td>
<td>5c</td>
</tr>
</tbody>
</table>

Source: Statements of county officials.

Minimum rental applies to all county land, it is apparent that some leases are relatively over-priced while on others the county fails to exact the highest returns that it might expect. Under these circumstances, the practice of some counties of establishing differential minimum rates for various grades of land is highly significant. In this way a higher minimum lease rental is asked for better grades of land than for inferior grades.

In Butte county, the minimum rates for grass land vary from 5 to 20 cents per acre. Each tract is considered individually and a minimum rate established by the board of county commissioners with the help of the county assessor who is the leasing clerk and is personally familiar with most of the land.

In Meade county, differential rentals are established by districts rather than by considering each tract separately. The county is subdivided into ten areas, each of which is evaluated as a whole and finally rated into one of the three general classes bearing minimum leasing rates of 4, 5 and 6 cents per acre. In establishing these rentals, the county board makes use of Agricultural Adjustment Administration records for the range program which have estimated the livestock carrying capacity of the rangeland.

In Pennington county, a similar differential rent scale is established by a county board of appraisal consisting of the county superintendent of schools, the county auditor, and the county treasurer.

Another innovation which deserves consideration is the attempt which has been made in two counties to introduce flexibility in the rental scale. In 1937 the Harding county board of commissioners elected to cut the lease rates in half to meet an emergency situation resulting from the long-continued drought. It was hoped that the lowered rates would enable livestock operators to keep county land under lease even though their herds were temporarily depleted and the forage capacity of the range was low. During that year Harding county leased more of its land than in any preceding year. In 1938, with better prospects for range conditions, the lease rates were restored to their former level and a still larger proportion of county land was leased. Butte county grazing leases include provision for changes in the lease rate. A minimum rental of five cents per acre for each lease year is established, but the county reserves the "right
to raise the minimum price during the term of this lease for any year or years from the first of March following notice to lessee of increase in minimum price.”

These and similar plans recognize the fact that the value of the land for private lessees may change from year to year, and that it is desirable to keep lease rentals in rough agreement with the value of land as a producing agent. When this policy is combined with the practice of giving long-term leases, the lease must carry provisions for changing the rental during the term of the lease as in the Butte county example.

In all counties, farm land is leased for different rentals from those of grass land. In this area cropland is usually leased on a share basis with the counties accepting as rent a specified share, usually one-third or one-fourth of the crop, delivered free to a designated point. Some counties offer an alternative of cash or share rentals with cash payments ranging from 15 to 50 cents per acre. In 1936, the Corson county board established a scale of lease rents which differentiated between small grains and corn, cane, or other forage crops; grass land was to rent for 10 cents per acre, land used for small grain was to lease for 10 cents in cash and one-fourth crop, and land used for forage crops was to lease for 50 cents per acre. Ordinarily, when the county property has buildings, the land is rented separately on shares and cash payment is demanded for the use of the buildings.

Block System of Leasing.—Two counties of northwestern South Dakota make use of a block system of leasing that has given good results. Briefly, the system consists of locating the operating patterns of individual ranchers for the purpose of deciding to whom county land should be leased.

Butte county has developed a plan under which most of the county land is leased. The county leasing clerk has prepared a plat book for the whole county in which most of the operating units are mapped in place under the name of the private operator. Each unit includes all of the land being used or under the enclosure of an individual rancher whether or not it is leased or in private ownership. In most cases, the operating units are mapped according to present use of the land. In a few cases where operators cannot agree as to their boundaries, the county official acts as an arbitrator and attempts to work out a compromise. Failing in this, he arbitrarily determines the boundaries according to the best of his knowledge and judgment, and the blocks are established on this basis. As the attempt has been made to map all units, the greater part of the area of the entire county is blocked out and included in one or another operating pattern. When county land is acquired, it is mapped in place and the county leasing clerk offers it for lease to the operator in whose ranching unit the land is included. The main purpose of this procedure is to find the most ready market for the lease of the land, but private operators are benefitted as this plan assists them in blocking out and consolidating their operating units.

In Harding county, the block system does not have as wide an application as in Butte county, largely because the procedure is more involved and formal. Under the Harding county plan, private operators, if they wish to establish a lease block, are required to certify as to the size and location of their ranches. As in Butte county, the boundaries of operating units include both owner-operated and leased land and in addition,
any land which the operator may desire to include in his unit. To prevent controversies among neighboring ranchers as to the location of boundaries, the lease blocks are approved and established only after consenting statements have been secured from all neighbors of the operator. When such agreements cannot be reached, the blocks are not established. If the necessary statements and signatures are secured, the application of the operator is passed on by the board of county commissioners who may then declare that a lease block is established.

County land within the lease block, whether it be acquired before or after the application is approved, is then subject to noncompetitive lease by the operator of the ranch. If he fails to lease land as it is acquired by the county or if he fails to renew leases to county land within his block, the arrangement is automatically cancelled, and the land is open to competitive bidding.

The Harding county program became effective in 1933 and 31 lease blocks, consisting of approximately 200,000 acres, were established under the original plan. These original blocks included about 39,000 acres of county land which represent an income of nearly $2,000 to the county from leases. The sponsors of the plan hoped that it might eventually apply to most of the area of the county, but in operation the plan has not shown itself to be readily adaptable to more than a few large ranchers. Some difficulty has been encountered in reaching an agreement among neighboring operators as to the location of boundaries, and under the regulations when such agreement is not reached the block is not established.

Apparently, the legality of the block system of leasing has never been tested in court. Lease of county land to an individual without offering the land for competitive bid conflicts with State legislation, and there may be other objections in that there are small costs to the county when lease blocks are established. The payment of these costs may be questioned on the grounds that the law makes no such provision.

Trespass.—Trespass on unleased county land is often a serious problem as county land holdings are usually so extensive as to hinder adequate supervision and county governments do not have recourse to any effective way of dealing with trespasses. It is probably true to say that little county land is absolutely unused and that when it is not leased much of it is subject to trespass. Unauthorized use of county land represents a loss of income to the county. In effect, the bona fide lessee is penalized as the trespasser has the same use of land without paying for it; as a result, leasing may be discouraged and the county subjected to additional loss.

The general trespass law provides that damages may be recovered by the county in civil action, and that under certain circumstances, the county may retain the animals involved until damages are paid. Instead of holding the livestock, the county may accept a bond from the owner of the stock conditioned upon the payment of the damages, and thus allow the owner to retain possession of his livestock. 12

The great disadvantage of this course of action is that when grazing land rents for only a few cents an acre, the amount of actual damages incurred in a few weeks may be too insignificant to warrant recourse to

law. However, there is provision made in South Dakota for the granting of exemplary damages in certain cases. While this provision apparently has not been put to use with regard to trespass on county lands, it might be that a jury, for the sake of setting an example, might allow damages several times as great as the actual damage done.

If the county elects to hold trespassing livestock until damages are paid, reasonable care in protecting the health of the animals is required or the county itself will be liable for damages. When the returns to the county are not great, the trouble of handling livestock may be too large to justify this course. As one of the principal handicaps of county land management is the lack of personnel, it is obvious that impounding trespassing livestock is not often a practicable solution to the problem of trespass.

A few counties take an aggressive attitude in dealing with trespass. One county has sometimes held trespassing livestock to force the payment of unpaid rentals and an additional trespass penalty amounting to half the rental charge. The results, for the county, are satisfactory, but the legality of such proceedings is questionable. It is doubtful if there are any circumstances under which the county can force a trespasser to lease county land for the current year or for any other period. The trespass penalty is entirely unauthorized and probably would be given little consideration in court. Amounts involved are small and trespassers have been willing to pay rather than take the case to court, hence legality of the policy never has been tested.

This county has also had some success in collecting rentals for unleased land by refusing to make out other leases to the trespasser until the trespass has been adjusted to the satisfaction of the county.

In Butte county, operators who refuse to lease land but attempt to use it without authorization are threatened with a permanent court injunction. This procedure should prevent further trespass and force the trespassing operator, if he needs the use of the land, to take out a regular lease. In some cases, a threat to lease land to other operators is effective when a private operator assumes the right to use county land in his operating unit without leasing.

Revenue from Leasing Program.—Among the various counties there is considerable difference in the total revenue from leasing. Most of the difference can be explained by differences in the amount of land leased, but to some extent it must be attributed to characteristics of the land as the higher qualities of farm land return much more income to the counties.

Harding county has collected $43,511.66 in lease rentals in the period from 1934 to June, 1938. The amount received annually has grown fairly steadily from $8,900 in 1934 to $11,374.15 in 1938, with the exception of 1937 in which year the lease revenue was cut in half by reducing lease rates.

Meade county has collected approximately $24,000 in the four years preceding June, 1938. On the lease day of the 1938 season, the county took in about $6,900.

Perkins county received $31,102.65 from leases in the four years from May 8, 1934 to May 1, 1938. Of this total, about 90 per cent was received from tax deed land.
For the 1938 season, Butte county leased 267,218 acres for $27,851. Foreclosure land brought proportionately greater revenue to the county than did tax deed land; 232,512 acres of tax deed property yielded $22,601, while 34,706 acres of foreclosure land brought $5,250.

Pennington county leased 60,006 acres of tax deed land for 1938 and collected $3,322.37. For 6,140 acres of foreclosure land, the rent amounted to $606.98. In the preceding year, 4,080 acres of foreclosure land were leased for $360.78. Approximately 47,500 acres of grass land acquired on tax deed were rented for $3,066.45, and 1,578 acres of crop land leased for $255.92.

More important in some respects than the total revenue received from leasing county land is the comparison between lease income and the tax income that might be expected from the same land if it had remained in private ownership. Unfortunately, no facts are available upon which to make an estimate, but without doubt the income from leasing county land is usually much less than the taxes that would be levied on the same land.

In the opinion of county officials interviewed in the Spring of 1938, in only one of 19 west-river counties were lease rentals approximately the same as taxes on the land would be if the land were in private ownership. In most cases, tax collections would have been considerably higher. One county officer expressed great concern over the future of county finances because quarter sections of land, leased at 8 cents per acre or $12.80, had formerly paid taxes of $15 or $25 a year. In another county, an official could see no future in private land ownership when, as in his county, taxes as great as $35 were asked for a quarter section which later, in county ownership, rented for $8. He cited illustrations of individuals who had contracted to buy land but who found it to their advantage to let the contracts lapse and to rent the land from the county.

Counties are in a position to benefit from agricultural programs in one of three different ways. First, as an active cooperator the county may comply with program requirements and receive benefit payments direct. Counties, however, are not bona fide operators of county land, and without actually beginning regular farm or ranch operations may not qualify for receiving direct benefit payments from the farm or range programs. Under the restoration program, the status of landowing counties is not clear, but it seems probable that local governments may be able to qualify. In the spring of 1938, a few counties of west-river South Dakota were signing up and expecting to receive a payment of 50 cents per acre for land eligible under the restoration program.

In the second place, counties may benefit by exacting a share of the benefit payments from the leasing operator of county land. Without being a bona fide operator, a local government may be in a position to share legally in the payments as a condition of the lease. Crop land is commonly leased on a share basis; to this extent, the county is a partner in a
regular farm enterprise, and it is common practice for counties to ask for the same share of benefit payments as is asked for the crop. In some counties, the benefit checks from the range program were also being divided. In three counties, the restoration payment of 50 cents per acre was being divided equally between the county and the lessee.

Counties also benefit from the agricultural programs as a result of the stimulated demand for land. In 1938, the demand for county land and the amount of leasing was greater than in previous years, and it seemed to be the consensus of officials that the increased leasing was due to the stimulus of federal programs. Counties, of course, benefit through larger lease revenues and apparently were making every effort to acquire additional land as rapidly as possible, partly in order that it might be included under agricultural programs in the name of the county but largely because it could be leased to individuals. Whether sales are stimulated in the same way that leasing is encouraged is uncertain, but it is evident that counties as well as other land owners stand to benefit by any program which tends to make the use or ownership of land more profitable.

Among various counties, there was little uniformity in the method of handling benefit payments. In two instances, the official attitude seemed to be that the operator's business was his own and that if he paid the regular lease rentals, the county was not concerned with the way in which he might be using the land in order to obtain benefit payments under farm or range programs. In these counties, it was possible for a private operator to lease land for 5 cents an acre and receive benefit checks for several times as much as well as using the land for the lease period. In other counties, the feeling seemed to be that the county should receive all the benefits, either directly or by arrangement with the lessees of county land. In a few cases, this attitude resulted in agreements with ranchers whereby the private operators received free use of the county land under the stipulation that they would comply with range programs and turn over the benefit checks as they were received.

County Land Records.—Records of county land are usually kept in a loose-leaf book, of which a separate page is devoted to each tract. Specially-designed forms provide room for such information as the description of the property, the kind of title and when it was acquired by the county, the amount of delinquent taxes against the land, the amount due on the school fund debt, various costs and interest charged against the land, as well as the receipts from leasing or sale of the property. Sometimes, similar information is kept in a card index.

In most cases, land records are supplemented by a map showing county land holdings. Haakon county has one of the best examples, a large-scale map of the county being prominently displayed in the office of the county auditor. On this map, county tax deed land and foreclosure lands are shown in two different colors. Land subject to acquisition through tax deed is also marked and push pins are used to designate the county property under lease. The map is made up of a series of separate township plats which are put together in such a way that the map of any township may be removed or replaced without disturbing the rest. The map is kept up-to-date and easily available to the public so that private operators can keep informed as to what county land is near their operating units and whether or not it is leased.
In Butte county, similar information is kept in a large plat book in which all county property is mapped in place together with the boundaries of private operating units, an arrangement that is of assistance in the block leasing system used by that county. In Corson county, the land records are supplemented by a file card system of land classification.

**Land Classification.**—Planning agencies usually lay great emphasis on the importance of land classification as a basis for the successful administration of public lands. An old adage says, "Merchants should know their wares," and it is only through a knowledge of their lands that county governments can expect to manage leases and sales with an optimum of benefits to both public and private interests.

Land classification has not been attempted to any degree in this area. In Corson county, the beginnings of such a system have been made. One official has appraised some 400 quarter-sections of county land and has recorded the information on a specially designed form. Among the facts gathered are a general description of the property as to topography, soil, water resources; a description and evaluation of the buildings and farm fixtures; a classification as to the number of acres in crops and the acreage suitable for cropping; and similar information that might be useful in evaluating the land. Relationships between various tracts are indicated so that key areas with good water supply or crop land may be seen in relation to the value of the surrounding grass lands.

This work was done in a year's time in addition to the official's regular duties and in connection with travel undertaken for other purposes. No special order was followed in the appraisal of the various tracts, but it is planned that when the system is in full operation, all land will be appraised as soon as it becomes county property.

It should be noted that a form of land classification is being practiced in those counties where differential minimum rentals have been established for various grades of land. Before the rates are fixed, the land is graded, roughly, according to its productivity, by means which already have been mentioned. An adequate system of land classification would be expected to provide such information as would be needed in fixing sale or lease prices at points closely associated with use value.

**Conservation of Land Resources.**—Thus far, county governments have made little attempt to incorporate conservation policies in the management of public lands, although a growing interest in this phase of governmental responsibility is evident elsewhere. As a large land-owner and as a public organization, it seems that county government is in an ideal position to inaugurate policies to prevent further depletion and to promote conservation of land resources. Particularly if local governments are to remain owners of a large public domain, it is obviously to their best interests to protect the resources of county land.

The conservation elements in present county leasing practice amount to little more than a superficial distinction between grazing and cropping as intended uses for the land. One lease rate is specified for grazing and a higher rate asked when the land is farmed. To this very limited extent, county governments may direct the use to which leased land is put.

Statutes pertaining to the lease of county lands to grazing associations carry flexible provisions for the adoption of conservation policies. The statute says, "...in order to conserve and protect the existing forage resources on such county land and to restore the maximum carrying capa-
city of such land" the board of county commissioners shall reserve the right to regulate and limit the grazing thereon, incorporating such restrictions in the terms of the lease. These provisions make possible the application of a definite conservation policy in conjunction with regular lease practice. Ordinary leases, to other than grazing districts, are not provided for by state laws in this way, but in the absence of specifications to the contrary, there seems to be no reason for not applying similar policies to all leases.

IV. Sale

When county governments have acquired large land holdings through tax deed action, the course of action that is most logical in some respects is to sell the land to private buyers. The proceeds from sale, presumably, will compensate for the tax revenue lost through delinquency, the land will be returned to a tax-paying status, and the local government will avoid the trouble and responsibility of handling public lands.

Sale is one of the major aspects of county land policies in northwestern South Dakota, but in actual practice the sale of county property has fallen far short of solving the problem of county land management. In the counties of this area, the policy of selling county property to private buyers is combined with a leasing program. When an individual offers to buy county property, the land is usually sold; otherwise, the county attempts to lease its property. Only a small proportion of county land can be disposed of through sale, and leasing practice has by far the wider coverage.

From a short-time viewpoint this combination of sale and lease policies need not be questioned, but over a long period local governments may have to decide which policy is to dominate the land program. The traditional pattern of public finance calls for private ownership of land and taxation of that land for public purposes. Sale of county lands is an attempt to maintain the status quo by returning tax delinquent land to private ownership and the tax roll, and over a long period it might be possible to dispose of most county land in this way. On the other hand, if land cannot be returned to private ownership more rapidly than it is acquired by local governments, the public ownership of land will have to be accepted as a normal condition, and county governments will probably seek to find income from leasing public lands rather than from taxing private property. It is conceivable that the problem of county lands may eventually develop into a concrete demonstration in proof or refutation of the theory that private ownership of land is undesirable under some conditions.

A number of objections to sale as a general course of action have arisen from actual management of county property. Opportunities to sell land have been so few that only a small part of public holdings can be disposed of in this way. The sale prices have been low and the returns from sale, in many cases, have been disappointingly small. Much county property has been sold on contracts which later have become delinquent and allowed to lapse. Furthermore, the conditions which gave rise to the initial tax delinquency and reversion of the land to public ownership have not changed, and the county has no assurance that the land will not again become tax delinquent and the whole process be repeated.

13. South Dakota Session Laws, Ch. 64.
Law Relating to Sale of Tax Deed Property.—It is the duty of the county commissioners to offer tax deed land for sale whenever they may consider such action advisable, or whenever they receive a written request to do so from the governing board of any lesser governmental unit, such as a municipal corporation, school board, board of education, or township board, with taxing power over the property.¹

Notice of the sale must be given the general public by publishing a description of the property to be sold and the time, place, and terms of sale, such publication to be made in the official county newspapers once a week for each of the three weeks preceding the sale. At the sale, held at the county court house under the direction of the county auditor, the property is offered at auction and the land sold to the highest bidder. To be acceptable, the offer must be at least as great as the appraised value of the land determined prior to the sale by a board of appraisal consisting of the county superintendent of schools, the county treasurer, and the county auditor.

If the sale price is $250 or less, payment must be made in cash when the property is sold; if the sale price is greater than $250, at least one-fifth of the purchase price must be paid in cash, and the balance in not more than 20 annual installments with interest at 5 per cent.

After expense of taking tax title and other sale proceedings are deducted, the proceeds of the sale are prorated among the various tax jurisdictions in the same proportions as the tax for the year for which the property was sold for taxes, although the county treasurer may select any other year, the taxes for which are included in the sale, if such action will result in a more equitable distribution.²

The Extent of Land Sales.—In the recent years since county governments have begun to acquire their present large holdings of county land, the demand for land has been such that there has not been much opportunity to dispose of county property through sale. Only a small fraction of county-owned land in northwestern South Dakota is disposed of in this way, although there is considerable variation among the individual counties in the amount of land sold. Part of this is due to the characteristics of the land; in better developed agricultural regions it seems that land is more easily sold. In grazing country, operators are frequently content to lease grass land from year to year.

The difference between counties is also partly attributable to attitudes with which county officials regard land sales. In Pennington county, for instance, there is more demand for land sales and the administrative policy seems to be to pass as much land back to private ownership as possible. As a result the property department makes a determined effort to negotiate sales wherever possible. As one official expressed his view of the situation, "The solution to the county land problem is to put the land back on the tax roll as soon as possible."

In Butte county, as another example, the leasing clerk indicated that the major concern of the county is to secure as much leasing of county land as possible; county land ownership, apparently, is accepted as being a more or less permanent situation, and the solution being applied is to make the best of the ownership status by leasing. Less emphasis is placed

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¹ South Dakota Session Laws, 1937, Ch. 248.
² South Dakota Session Laws, 1937, Ch. 83.
on sale in itself, although the county is ready to dispose of its land. Such differences in attitudes are reflected to a certain extent in the sales records of the counties.

No comprehensive data regarding the amount of land sold are available, but the experiences of a few counties may serve as a guide for generalization. In Harding county, for instance, 22,301 acres of county land were sold in the period from January, 1931, to June 17, 1937, with the total land sold amounting to slightly more than a tenth of the land held at the later date.

By June 20, 1938, Perkins county had acquired 274,420 acres of county land and had sold about 8 per cent of that total. In Corson county, 9,564 acres of county land had been returned to private ownership through sale by June 25, 1937, while on the latter date the county held 96,804 acres. County records indicate that Ziebach county had taken title to 65,283 acres of land, of which 1,595 acres had been sold, up to June 17, 1938. Meade county, with approximately 260,000 acres of county land on hand June 1, 1938, had, in the four years previously, sold about 19,000 acres.

The Pennington county property department, making a determined effort to sell as much county land as possible, sold 8,790 acres of tax deed land during the year of 1937, at the end of which year the county owned 131,080 acres. The fact that 7 per cent of the county land had been sold in one year is probably due to the attitude of the officials and to the fact that much of the land is readily salable. It should be noted, however, that during the same year 51,819 acres were taken on tax deed action.

Walworth county, now owning 17,865 acres of land (June 23, 1938) had sold only one tract in the four years preceding. Stanley county, which now takes title only to those tracts for which offers to purchase have been received, had taken title to 71,114 acres of land and had sold only 14,896 acres by June 24, 1938.

V. Suggestions and Recommendations

The preceding discussion of county land management in northwestern South Dakota suggests a great diversity in the methods and results of the land policies now being used by the various counties. In this concluding section certain suggestions are made which, in the opinion of the writers of this report, might be of assistance in developing a county land policy. These particular suggestions have been developed with a view to their adaptability to the immediate situation. With such a purpose, it is apparent that they can involve no very radical changes but should be capable of operation after a few minor revisions of legislative provision or administrative policy.

It should be stressed, however, that the problems entailed by extensive county land ownership have an exceedingly great significance for public finance, for land use and for the whole system of local government. It is possible that before a satisfactory and permanent solution is reached the future may see drastic changes in the method of meeting the situation.

For one thing, it is possible that the management of various kinds of public lands will be consolidated under one control. At present there is

3. Unless another source is indicated, data applying to individual counties were supplied by county officials.
much duplication as several public agencies are performing similar services in the same area. In these eight counties of northwestern South Dakota there are at least four federal agencies—the Federal Land Bank, the Forest Service, the Indian Service, and the General Land Office—in addition to federal purchase projects offering land for lease.

Two state agencies—the Rural Credits Board and the Department of School and Public Lands—enter into this competition. This is in addition to the various county governments which offer school fund foreclosure land and tax deed land for lease. The leasing problems facing all these organizations are essentially the same, and the development of separate leasing systems, even of the most efficient type, must necessarily involve some duplication which centralized leasing administration might avoid. Before this consolidation can be realized, it is certain that some standardization in leasing procedure must be achieved. Various cooperating agencies must be in general agreement as to the technique of lease management, the rates and duration of leases and the amount of supervision and restriction of land use. It may be expected, however, that this general agreement will tend to develop as experience shows the relative worth of different views.

Such a plan might appear first as the joint enterprise of two or more similar agencies, but the possibilities of later extending it to include many forms of ownership should be considered. If lease administration could be improved and standardized and reduced to a procedure that always made the highest possible returns consistent with good land use, at the same time protecting resources by effecting conservation provisions, it might be that many land owners, private as well as public, would want to include their holding under the system. Lessees could be benefited by the standardization of the lease practice. The advantages over the present situation are obvious when it is considered that now a private operator may have to deal with several different lessors, perhaps paying different rates for similar grades of land, in blocking up a single operating unit. Should such a plan develop, county governments would be in a significant position as, regardless of the degree of centralization, local organization would be required for both leasing and supervision, and the county is in a position where it could easily develop that organization from its present set-up.

Another possibility that might be realized in the future is that the administration of tax-reverted lands, now the responsibility of local county governments, may be removed to other agencies, possibly to the state. In 19 states, tax-delinquent land reverts to the state governments and not to the counties. Michigan early developed such a plan which is today one of the best examples of this system. After land is delinquent for five years, the state represented by the department of conservation, takes possession and may reserve suitable areas for forests, state parks, recreational areas, and game preserves. Unreserved areas are open for sale to private parties, homesteading or exchange. When tax delinquent lands revert to the state governments in this way, some provision must be made for a substitute form of income for the local governments who suffer through loss of tax base. In Michigan, counties which are deprived of the use of taxation of these lands are reimbursed by annual payments.

from state funds. These payments, scaled to the acreage relinquished by the individual counties, are derived from various sources according to the use to which the land is put; thus, on lands reserved for forests, the department of conservation pays the local governments the lump sum of 25 cents an acre in extinguishment of tax liens and an annual tax of 10 cents per acre from the game protection fund.

The advantages given for state administration are that it makes possible greater efficiency and method in handling public land. Furthermore, as reverted lands are usually acquired in scattered plots and not in large blocks, the process of consolidation by exchange or purchase is important, and in this procedure state administration has a decided advantage. One of the most desirable attributes of state administration, however, is that state governments usually have larger available resources than local governments and are not under as much compulsion to exact immediate returns from the land. Under state ownership plans, the reservation of certain lands for special public uses is more feasible than if counties are left to provide such facilities. A fundamental problem is involved, though, in that county governments must either receive special compensation or must eventually curtail their public services.

A third possibility of future development is that provision may later be made so that local governments may make use of public lands in other ways than by sale or lease to private parties. County governments are usually handicapped by their necessity for turning county land into revenue by some method. When private demand for land, either through lease or sale, is lacking, county revenues fail unless an alternative use is provided. Even when demand is sustained, counties, for fiscal reasons, may be leasing or selling land that is well adapted to some public purpose as a park or a game preserve. At present, South Dakota counties receive no income from their land holdings except from leases and sales or by cooperation with agricultural programs. In other states, additional alternatives are possible. Wisconsin counties, for instance, may take advantage of the forest crop laws of that state and block out certain of the county land acquired by tax reversions for inclusion in county forests. On these forest lands, county governments receive an annual payment of 10 cents an acre from the state in addition to a certain percentage of the stump value of timber cut from such areas. While other county land may be put to lease or sale, as in South Dakota, the significant point is that Wisconsin counties have an additional alternative from which to derive income. That such provisions might sometime apply to counties of South Dakota is conceivable. Forest use is, of course, improbable, but the same method might be used for the development of parks, recreational areas and game preserves, or a similar program might be incorporated in a "range crop" law for the development of large grazing areas.

Such suggestions as these, however, involve too great a degree of change to be of much use for immediate purposes. The present situation calls for policies that may be adopted after minor changes of legislation and administrative procedure. It is important, nevertheless, that a long-time viewpoint is maintained in meeting current problems. The best program that could be adopted to meet today's needs is one that would lay the foundation for tomorrow's requirements. The conservation of natural

2. Ibid. p. 48.
resources and the stabilization of farm and ranch enterprises are therefore goals to be sought along with adequate and dependable fiscal revenue.

In the following pages are made certain suggestions which should be applicable in the immediate future but which also should be of benefit over a longer period as well. Grouped arbitrarily under four principal headings of authority, acquisition, leasing and sale, these suggestions are not intended to constitute an outline of a complete land policy for any county but are presented with the hope that they may be of some assistance to the public officers who, in the last analysis, will determine the solution for the problem of county land management.

Authority.—South Dakota state legislation prescribes a more or less definite procedure for all counties to follow in the administration of county land. However, the board of county commissioners will have to bear the greatest responsibility for developing a workable program for the handling of county land. Following is one possible way of dividing this authority so individual operators will have an equitable opportunity to use the lands and still allow efficiency in administration.

The State.—State legislation concerning county land should be limited to two general fields. First, broad policies of county land management should be included in the statutes, thus assuring a certain uniformity of purpose. This should not include detailed provisions of methods, however. Secondly, the state should enact legislation similar to enabling acts. Where counties have difficulty administering their lands because of some state statute, that statute should be modified to permit the counties to safeguard their public and private interests. It must be remembered, however, that if the state accepted the responsibility for managing tax reverted lands more detailed statutes concerning procedure would have to be passed. The state then would be in the same position the county commissioners are now.

Board of County Commissioners.—The county commissioners should have the responsibility of developing the specific policies, programs, and procedure which will be used by the county in handling its land. Such things as lease rates, terms of the lease, method of leasing, time of acquisition, and full authority to sell or not should rest entirely with the board of county commissioners. The commissioners should make an effort to acquaint themselves with leasing procedure used by the several state and federal agencies and by other counties which are facing similar problems. A certain amount of informal cooperation with these various land agencies would be of help to the counties in addition to promoting uniformity in land management.

The Property Department.—Actual administration of county land should be centralized, possibly in one individual or office. At present several individuals in two or more offices often divide the duties of managing county property, and in some cases this results in lowered efficiency, scattered land records and a general failure to hold any officer particularly responsible for the administration of county property. For all counties with as large landholdings as the eight counties of the northwestern area, it is much to be desired that administrative duties be intrusted to a full-time land agent. The creation of such an office does not necessarily mean the appointment of a new county official. In most
counties, a reapportionment of official duties among the present personnel might be effected to release an official for work on county lands. The departmental organization need not be elaborate; the land agent might be furnished all the necessary assistance on a part-time basis from the offices of the county treasurer and county auditor.

The land agent should be the center of all activities dealing with county land from its acquisition to its sale. He should keep all the land records and should direct tax deed and foreclosure proceedings, the leasing program and land sales. All of the responsibility of carrying out the land policies determined by the county board should be invested in this agent and he should be answerable only to the board.

The land agent or his deputies should have some travel authority, as it should be a part of his official duties to arrange for the periodic inspection of county land to determine the condition of the property and to check for trespass or other misuse. Under some circumstances, it might be to the county's advantage to hire a special agent during certain periods of the year to visit county land; in this respect, the experience of Harding county should be considered. State laws already provide for the employment of a county land agent and authorize the granting of such powers as have been indicated.

The Board of Appeals.—The block system of procedure has met with considerable success in several of the west river counties. Under this method the operator is given priority rights to lease county land in his unit. In two instances protection should be offered the individual: First, in case of a boundary dispute it is possible for one individual to be discriminated against; secondly, when a new operator desires to establish an operating unit he may find it difficult to lease any county land. If either of these situations arises the individual should be allowed to test his rights to lease land.

Some sort of a board of appeals should be provided to insure individuals equal opportunity in such emergencies. This board might be constituted in several ways. A group of people in the county might be appointed (not elected) to serve on the board (such a board is provided for in all zoning ordinances). Another method would be to have the state government appoint the board of appeals. (This is the type of board used by the conservation districts). This board should have the authority to hand down a decision as to which individuals should have preference in leasing the land. This decision should be based on the comparison between individuals' operation history, supplemental feed base, and location of operating unit.

Individuals in west river counties will find little, if any, need to take their case to this board in the next few years. Even when cattle numbers increase and financial conditions of the operators improve there will be but few instances when the powers of the board of appeals will be invoked.

Acquisition

Management of county-owned lands might be facilitated if certain changes were made in the procedure by which such land is acquired. Tax deed action, for example, is a long and expensive procedure that handi-
caps the local governments in their attempts to establish efficient and profitable land policies, and changes might be made in the state legislation which applies.

**Lowered Costs of Tax Deed Proceedings.**—Some attempt should be made to lower the costs of tax title procedure. At present, notice of the institution of tax deed action must be served on a number of persons who are considered to have an equitable interest in the land, and, unless these individuals are non-residents of the state, statutes require that notification must be made by personal service. Personal service involves sheriffs' fees and mileage costs and often adds considerably to the expense of tax deed action. If the state law were revised to allow service to be made by registered mail, as is now permitted for non-residents of the state, some of these costs would be avoided. The law might continue to require personal service for citizens of the county but might be changed to allow service by registered mail on all persons living outside the county, either within or outside the state, or the statute might be revised to permit service by mail in all cases. Various county officials to whom this plan was suggested were of the opinion that it would reduce tax deed costs materially, might save several days' time, and, for all practical purposes, would constitute satisfactory notice.

**Tax Title Strengthened.**—The chronically weak tax title by which counties acquire most of their land is a definite handicap to its subsequent administration, particularly in case of sale. It might be advisable for legislative action to strengthen tax titles, possibly by means of a more powerful or more inclusive statute of limitations than that now existing in South Dakota. Michigan provides a good example: under the laws of that state, the tax title taken when tax delinquent land reverts to public ownership becomes absolute after six months, and after that time no suit may be instituted to set aside the findings of the auditor general with regard to the delinquency, abandonment, and other bases for the state's title. Another possibility of strengthening the tax title is in the procedure proposed and adopted by some states whereby the tax deeds are issued by a court rather than by the executive officers of the county.

**Fund for Payment of Tax Deed Costs.**—In some cases, acquisition would be facilitated if provision were made for a fund with which to pay tax deed costs. In some counties, considerable land is subject to tax deed and represents a large potential lease income if it could be acquired by the local government, yet the counties sometimes do not have the money available for the institution of tax actions. In this anomalous situation counties are prevented from realizing income by the failure to provide funds for the initial step.

Present state laws require that income from the lease or sale of county lands be prorated back to minor taxing jurisdictions after paying the costs charged against the land. This legislation might be changed to allow counties to pay lease money into a fund to be used to pay the costs of acquiring other land. The size of the fund might be limited to a specified proportion of the amount of taxes due on land subject to tax deed. As the county acquired land and the amount of land subject to deed diminished, the size of the fund would decrease. It is to be expected that the

lease income to the county would grow larger as county land accumulated, and the money temporarily diverted to the cost fund could be repaid to the townships and school districts. The essence of the suggested change in law is the provision for counties to deduct the costs of tax deed action from income from any county land already in possession before additional land is actually acquired; under the current system, the county may not deduct the expenses of taking tax title except from the income from the specific tract.

Local Administrative Policies.—It has been pointed out that some counties, for one reason or another have not taken tax title after land has become subject to tax deed, and as a consequence a “No-Man's-land” of neither public nor private ownership has accumulated. The writers wish to emphasize that it seems desirable for counties to take tax deed as soon as privately-owned land becomes subject to such action.

Four years of tax delinquency creates a debt against the land that is repaid only rarely unless the county takes definite action. The institution of tax deed proceedings sometimes has the effect of forcing a certain amount of redemption. Under such circumstances the county is benefited by the payment of back taxes and the return of the land to the tax roll. The private owner is benefited indirectly by the fact that he is encouraged to pay up delinquent taxes before they have accumulated to such an extent that redemption is hopeless.

In a larger proportion of cases, however, private owners are unable to pay the taxes in default, and the land reverts to county ownership. There is no justification for delay in this process, as neither public nor private interests are benefited, the land does not return any income to the county, and it may be badly abused.

For these reasons it might be recommended that county governments institute proceedings on all land as it becomes subject to tax deed. It is to be expected that county officials give consideration to any owner who signifies the intention of redeeming tax delinquent property, but, on the basis of the circumstances of the individual case, the authorities should be able to estimate the probability of complete redemption and act accordingly. The amount of delinquent taxes, the productive capacity of the land, and the financial status of the individual are matters to be considered in deciding whether the owner has any real prospects of being able to redeem his land. The payment of delinquent taxes under contract is a valid method of redemption, but experience has shown that many contracts are allowed to lapse eventually. When a tax contract becomes delinquent, the county should be prepared to proceed with tax deed action instead of assuming that the owner’s action in taking out the contract in the first place means that he will ultimately be able to redeem the land.

Leasing

It is the belief of the writers of this report that an improved leasing system would furnish the best solution to county land problems. The county land program can be built around a lease policy which might be expected to furnish an adequate and reliable source of income. By renting to private operators, the county would be able to find a profitable use for all its land holdings, and might at the same time provide for the future by preserving or restoring natural resources and by encouraging stability and permanence in land use practices.
County governments, particularly in northwestern South Dakota, now own large amounts of land for which some use must be found. The return of public property to private ownership through sale does not appear to be the solution as counties have been unable in the past to sell more than a small proportion of their aggregate holdings. No other alternatives are now available except the limited extent to which local governments are able to participate directly in federal agricultural programs. On the other hand, several counties of this area are demonstrating that practically all county land can be put to a profitable use under efficient lease programs. From the standpoint of present needs, a workable policy by which all county land contributes to the income of the county has much to be recommended.

From a long-time viewpoint, leasing may be equally desirable. In the first place, such a program avoids the possibility of recurrent tax delinquency and resulting problems which might follow a policy of selling county land as fast as it was acquired. Income to the county would tend to increase as the coverage of the lease program was widened and as experience demonstrated the rates that might safely be charged for the use of county land. Under county ownership and management, public authority could be used to build up natural resources and to prevent the exploitation and destruction of land by improper land utilization. Finally, a responsible leasing system can be of great benefit to private operators as well as to the county by providing security of tenure and the use of land at reasonable cost and by promoting stability in the farm and ranch enterprises upon which the success of local government must ultimately depend.

The immediate objective of a leasing program is to furnish the county with income as large and dependable as possible. In this connection a wide coverage of the leasing of county land is essential as, ideally, each tract of county land should contribute to county revenues in direct proportion to its worth. The cumulative effect of leasing should be recognized; when only a small fraction of the land belonging to a county is leased, private operators are less willing to take out leases as they can observe many examples where county land is being used without leasing. In counties where most of the public land is leased, competition is keener and private operators tend to accept leasing as its best method of getting the use of county land.

Best results are not always obtained by asking the highest rentals possible, as to do so may affect the amount of leasing adversely, or may lead to the exploitation and misuse of the land. Over a long period, the income from county land is limited by the rate of returns from the enterprises in which the land is used. It is to the benefit of the local governments, therefore, to encourage stability in agricultural organization and to preserve and conserve the natural resources. These purposes are not served by a short-sighted attempt to wring the maximum income from county land for any one year.

It is questionable whether the leasing of land at competitive bid, as prescribed by state law, has been of benefit to either county governments or individuals. The experiences of most counties seem to be that little competition is evidenced when county land is offered at public auction, that the rental of relatively few tracts is bid up above the minimum established by the county board, and that the total income to the county is increased only slightly. Without specific information to this effect, it
appears that most county land in all counties of northwestern South Dakota is leased at or near the minimum rentals.

Actual experience thus seems to deny the two principal advantages that might be claimed for the practice of competitive bidding for leases. Counties do not receive much more income as a result of offering leases to the highest bidders. Neither does competition operate to increase the price of good land above that of inferior tracts. In general the consensus of unofficial opinions expressed by county authorities throughout this area seems to be that any competitive bidding between private operators is the exception rather than the rule. There are a few notable cases where individuals have bid the rental prices far beyond the actual value of the lease in an attempt to wrest control from others, private operators hesitate to enter into competition with each other and by mutual consent allow neighbors the uncontested right to lease tracts they are accustomed to using.

At the same time, the practice of offering leases at public auction does much to make for insecurity of lease tenure. Lessees who include county land in their operating units can never be sure that another operator will not enter into competition on lease day, either raising the rental to such an extent that the enterprise is unprofitable or taking complete control of the land. Particularly when such a practice is combined with short-term leases, many of the evils associated with unstable lease tenure may appear. Operators are unable to practice long-range planning and often adopt a short-time viewpoint in land utilization with the tendency to exploit land for its current benefits. Relatively less stable agricultural organization and greater exploitation of natural resources sooner or later reacts to the disadvantage of the county governments.

For these reasons, it is suggested that state laws which specify competitive leasing be changed so that county governments may at least have the option of adopting alternative policies of land management.

Block System of Leasing.—When land is offered for sale or lease, the officials are often able to tell in advance what private operators will be interested in getting control of the property. This is because land has a fixed situs or location and, unless it occurs in tracts large enough for a complete farm or ranch, can be used only by the operators of adjoining or nearby property. A block system of lease management makes use of this characteristic by studying the relationship between present operating patterns and available county land; land is then offered for lease to the operator who is best able to make use of it.

The methods used in block system of leasing have already been discussed, and the authors wish to mention only that since the record of operating unit boundaries is to be used for administrative purposes and not to establish legal rights, a high degree of formality in establishing ranch boundaries is not necessary. The experiences of Butte and Harding counties should provide a helpful example.

The block system might be recommended for a county lease policy as it locates the operators who represent the best potential market for county land and enables the land agent to lease land quickly and with a minimum of administrative detail. The county is also in a position to discriminate between lessees, issuing leases to the private operators who are in a favorable position to use the land properly and profitably over an indefinite period.
Since such a plan endows certain private operators with prior rights to lease county land without competitive bidding, it is desirable to safeguard the interests of other operators and the general public by providing a means by which those rights can be contested. In this connection some form of board of appeals is necessary.

Terms of the Lease.—Reservation of Right to Control Use.—In leasing county land, the leasing authorities should retain the right to direct and control the use of the land in order to prevent its misuse. Some provision should be specified in the lease so that the county may safeguard the resources of county property. State law requires that a lease to a grazing association shall incorporate a provision by which the county reserves the right to regulate and limit the grazing on the land, for the purpose of conserving and protecting the existing forage resources of such land and restoring its maximum carrying capacity. In the absence of specifications to the contrary, it seems probable that similar restrictions could be included in all leases granted by the county.

The reservation of such rights is no more than good business on the part of the local government as it represents a provision for safeguarding a county asset and investment. In most cases, the reserved authority probably would not be invoked except in cases of flagrant abuse, but there is a possibility that in the future county governments will adopt active conservation policies which must depend largely upon such powers. The widespread depletion of farm and grass land resources is a matter of common observation throughout the Middle West, and there is hardly any need to mention the desirability of reversing this tendency. County governments would, of course, derive first benefits from a conservation policy through its effects on county land, but it also may be that the indirect effect on the management of land belonging to other owners would have equal significance. Nearly everyone agrees as to the worth of “conservation” as an abstract generality, but the fact remains that a concrete example of effective range management is more valuable than words in encouraging general adoption of the practice. County governments seem to be in a position where they can supply this example.

In planning and establishing such a program, local governments can benefit from the experiences of other agencies, notably the United States Forest Service which has developed an elaborate and effective conservation policy. As a beginning, local governments might cooperate as far as possible in all federal agricultural programs which attempt to conserve resources and prevent soil erosion, and private lessees might be required to restrict cropping to certain lands, to limit the numbers of livestock, and to restrict grazing to seasons in which grass is least easily damaged.

Length of Lease.—It is recommended that the county make out leases on county land for an indefinite period, renewable from year to year by the payment of the annual rental charge on or before a specified date. Such a lease might be terminated at any time by either party. The private lessee might forfeit his lease rights by failing to pay the annual rental, and the county might terminate the lease agreement by refusing to allow its renewal. The termination of the lease should be made only when the lessee abuses the rights of the lease or another operator can demonstrate he has prior rights. In such cases, the lessee may furnish evidence that he

4. South Dakota Session Laws, 1937, Ch. 64.
will correct the misuse or he may appeal the case if he feels the treatment of the land agent or the county commissioners is unjust.

This or a similar arrangement would carry the advantages of a long-term lease, and both the county and the private lessee should benefit from the greater security of tenure made possible. Administrative work and expense of renewing a lease should be less than if the lease had to be formally re-issued at the expiration of each lease period.

Flexible Lease Rates.—When the county issues a long-time lease, the terms should include some provision for changing the lease rate during the period in which the lease is in force. The condition of the range and farm land fluctuates from year to year, and the rental should be flexible enough to correspond with current productivity rather than remaining on one level for year after year. For this purpose, the lease form should reserve the right for the leasing authorities to change the lease rate for any year or years, perhaps with the requirement that notice of such change be given the lessee two or three months before the annual rental is due.

In this connection should be mentioned that the Butte County grazing lease contract reads in part: “The lessor shall have the right to raise the minimum price during the terms of this lease for any year or years from the first of March following notice to lessee of increase in minimum price.” State laws provide another suggestion for the establishment of flexible lease rates, when, in connection with leases to grazing association, the statute says, “In negotiating the terms of the lease, the county commissioners may provide for a variable scale of rentals based on the market prices of livestock and/or livestock products, or on the number and character of stock to be grazed on said land.”

Differential Lease Rates.—Flexible lease rates are a means by which counties can exact the highest returns from land that are compatible with its correct use. Another method is the establishment of a rental scale by which higher rent is asked for better grades of land than for inferior tracts. In most counties of western South Dakota, the minimum rate applies to all county land. As a result, except in the few cases where competitive bidding functions, all land rents for the same figure. Such a situation makes for inequalities among the private operators as some lessees would be paying relatively too much and some too little for the use of various grades of land. The county government probably loses income under the circumstances because, if the single minimum rate is set too high, the inferior grades of land will not be leased. If the rate is low, the better grades of land are not returning the income of which they are capable.

Following the examples set by Butte, Meade and Pennington counties, it might be recommended that county land authorities evaluate each tract of county land separately in order to determine a rental figure that is in proportion to the tract’s worth. In this work, a system of complete land records and classification would be of much assistance, and a personal knowledge of the land, such as might be acquired by a full-time land agent, would be valuable. It might be that a preliminary rental scale could be established by using information taken from the records of federal farm range programs.

5. Grazing Lease Agreement (form), Butte County, S. Dak.
6. South Dakota Session Laws, 1935, Ch. 71, Sec. 6, amended by Ch. 64, South Dakota Session Laws, 1937.
Rental of Agricultural Land.—This study is primarily concerned with the leasing of grazing land as the county land holdings in northwestern South Dakota are predominantly range rather than farm lands. A distinction is made, however, between grass and farm leases with regard to the rental charged. In all counties, county land leased for agricultural purposes bears higher rent charges; while grass land leases for five or eight cents per acre, the corresponding cash rentals for farm land is from 25 to 40 cents. Leasing on share is the more common practice in most of the counties in the northwestern area, apparently being favored by both farmers and the counties because farmers are released from their rental obligations when crops fail and because the returns to the county are relatively large when crops succeed. The crop failures of recent years have reduced county income from leased farm land considerably as share rentals have failed to materialize.

It might be recommended that county governments protect themselves by establishing a combination of cash and share rentals for agricultural land, following an example set by Corson county. Under such a system, a cash payment is required in advance when farm land is rented. The county is thereby protected against a total loss in the event of a crop failure. Should the one-fourth crop share be less than the cash rent only the amount of the one-fourth share would be refunded. When crops are harvested, however, a fourth share in the returns is due the county, after the payment of which the original cash rental is refunded. By participating in the returns on a share basis, the local government receives a proportionately higher rental when crops are harvested, and whatever the outcome of the farming venture is assured of a minimum return.

When land is leased strictly on a share basis, the result may be to stimulate a certain amount of speculation. The county offers the use of farm land free of charge and a private operator may put in crops, paying only for seed and labor, in the hope that both parties will benefit when crops are harvested. In areas where crop failures are a chronic condition, a cash payment for farm land equivalent to or slightly greater than that charged for grass land would tend to discourage the cropping of poorer areas.

In establishing cash rates, it seems apparent that the payments asked should vary according to the quality of the land and that the counties might adopt the same system of differential and variable rentals as suggested in connection with the leasing of grazing land.

Subject to Sale Clauses in the Lease.—In establishing the terms of the lease, it should be considered that a provision making for security of lease tenure helps the county as well as the individual. It is common practice to make leases subject to sale and counties should probably continue to reserve this right although it works against the security of the lease to a certain extent. It is possible, however, to strengthen the position of the lessee without foregoing any opportunities the county might have to sell the property. The lease might be made subject to sale only at intervals of a year or longer, during which period the lease is inviolate. The lessee should also be given first rights to purchase. In leasing to grazing associations, state law requires that the lease be made subject to sale only to the association itself. However, in leases made to grazing associations the counties are still retaining the right to sell after offering the property to the association.
Other Terms of The Lease.—If counties adopt the policy of cooperation with various farm and range programs, it would probably be desirable to specify in the lease form that lessees of county land should do so likewise. The practice of Haakon county may be cited as an example: the lease issued by the county specifies in part, "... the lessee agrees to sign up on and cooperate with federal and/or state farm programs, if any there be."

If county land has been included under farm programs, the lease might provide that new lessees continue to comply with program requirements in order that benefits of previous cooperation should not be lost. When county land has been turned back from cropping to grass land under the restoration program, for instance, the leasing authority should be careful to specify that the land should not be plowed again.

Trespass.—Although counties are in a weak position when dealing with trespass, it is recommended that unlawful entry on unleased county land should be dealt with as quickly and as forcefully as possible, partly to recover the damages incurred but more for the purpose of discouraging trespass elsewhere. In the long run, a firm policy should pay dividends in the form of wider lease coverage, larger income, and a more friendly attitude on the part of lessees of county land who are assured that similar land is not being used gratis by other operators.

The use of the general trespass law may be invoked with the county attempting to secure exemplary rather than actual damages from the trespasser. Although the clumsy procedure handicaps county actions, the trouble may be justified on the grounds of the effect that is attained.

In cases where a rancher is using a certain tract of county land but prefers not to pay for it, the county authorities may get results by threatening to secure permanent court injunction against the operator's unauthorized use of the land. In some cases, the threat to lease the land to a neighboring operator may persuade a trespasser to pay for a regular lease.

It would improve the situation if counties should be given a better legal weapon with which to combat the problem of trespass. As a possible method, it might be mentioned that state law specifies that trespass on state school and public lands is a misdemeanor punishable by fine or imprisonment or both. Such legislation might be adapted to apply to county land as well, and counties would be given a much stronger argument than the threat of civil action. The criminal penalty would make a formidable weapon to use in the collection of unpaid rentals.

Land Classification.—Planning agencies in particular have laid great emphasis on the importance of land classification as a prerequisite to the successful administration of public lands. The importance of knowing the characteristics of the land included under a county land program can hardly be over emphasized. Each piece of land is essentially unique and it is hardly justifiable to treat hundreds of thousands of acres of county land as an unvarying commodity, yet without an attempt at land classification, not much more can be expected.

Land classification makes possible the handling of county lands on the basis of the characteristics of the individual tracts. It is upon such a basis that the differences between separate plots of land are recognized.

7. Compiled Laws of South Dakota, 1929, Section 3832.
by differential lease rates. Land classification is also necessary in establishing and carrying out a successful conservation program. One of the first steps in such a policy would probably be the restriction of cropping to specifically suited land, yet even this first step is impossible without some sort of classification. It might also be mentioned that the development of zoning ordinances for directing the land use of a region depends upon land classification and that where this may be expected in the future a general classification of land is necessarily the first step.

Land classification, in other words, has application both from the standpoint of bettering present administration of country lands and from the standpoint of the possibilities it may permit in developing future policies. Its significance has been stressed considerably in recent years, but the fact that little work of this kind has been done in northwestern South Dakota suggests that the importance of land classification as a practical management policy is not fully accepted.

It is probable that no county of this area is in a position to undertake an ambitious program of thorough classification of all county land on a short time basis, but it should be emphasized that such information may be collected gradually at small expense. As a starting point, it is suggested that records of the various federal agricultural programs might yield information that would apply to county land. Later, other information could be collected as a by-product of trips taken by the land agent. Eventually it might be expected to collect facts for each piece of county land describing the nature and topography of the land, type of soil, crop acreage and land suitable for cropping if not all plowed, estimated grazing capacity of grass land, water facilities, number and condition of buildings, location of the land with regard to institutional features, and all such information that would be useful in estimating the value of the land for leasing or for sale.

Sale

Returning county land to private ownership and the tax roll by sale is the most obvious solution to the problem of county land management, and it involves the least change in administrative policy and organization. But before sale is adopted as a major use for county land, attention should be given to the fact that the land has previously passed out of private ownership through tax delinquency. Unless the causes of this initial delinquency are removed, the possibilities are great that the process will be repeated with additional loss to the county. Under such circumstances, the sale of land may be a short-sighted and unprofitable venture.

In this connection should be mentioned the importance of the relationship between property taxes and the productivity of the land. When land is used as a part of a farm or ranch unit, it has value for the owners for what it can produce. Charged against the land are the interest on its purchase price and the property taxes which are levied by the local government. When property taxes exceed the productivity value of land, its ownership becomes an unprofitable right, and the possibilities are great that the land will sooner or later be allowed to revert to public ownership through tax delinquency. In areas where the over-assessment of real estate is notorious, the transfer of public land to private ownership will inevitably result in a large proportion of subsequent tax delinquency,
regardless of the price at which the property is sold. Under such circum-
stances, sale should not be attempted until the level of taxes is adjusted.

Requirements for Purchase.—County land should be sold only if the
prospective purchaser appears reasonably capable of keeping the prop-
erty taxes paid up. For this reason, the application of a buyer should be
considered from several viewpoints. The operating unit to which the land
is to be added should be of such a size and balance as will allow economi-
cal farm or ranch operations. The anticipated use to which the land will
be put should conform to the nature of the land; in the long run, the
county would lose by selling land suitable only for grazing to an individ-
ual who intended to farm. The past record and the financial condition of
the prospective buyer might be other indices of the probability of success
for the enterprise.

A county land policy might require that the land agent investigate the
applications of prospective buyers and report his findings to the board
of commissioners who will authorize the sale only if to the best of their
judgment, the purchaser might be expected to operate the farm or ranch
successfully for an indefinite period. Land sales are often made on a de-
ferred-payment contract basis, following the provisions of state law, and
under these conditions it is even more important that the buyer be a good
risk as the county stands to lose both through tax delinquency and on un-
fulfilled sales contracts.

Sale Policy Determined by County Board.—The decision of the county
board should have final authority. Present state laws provide that tax
deed land must be offered for sale if any minor political subdivision with
taxing power over the land makes such a request. Under these pro-
visions, the discretion of the county board is subject to the demands of
a township, school district, or municipality, and county land may be put
up for sale without the authorization of the nominal directors of the land
policy. If the county board is to have full control of the management of
county property, this statute should be changed slightly so that the re-
quest of a minor subdivision is not mandatory, although it should receive
the due consideration of the board.

Sale of School Fund Foreclosure Land.—It is possible that the sale
policies of some South Dakota counties might be affected if the status
of counties with regard to the school loan debt was clearly defined. Land
acquired through the foreclosure of school loan mortgages is now offered
for sale only at a price that is large enough to cover the principal of the
mortgage and the accumulated interest and costs, although more sales
might be possible at lower prices.

Many county officials apparently feel that the state may eventually
assume the burden of the school loan debt, taking foreclosed land at its
appraised value in extinguishment of the counties’ debt to the state.
Under such circumstances, a county would have lost upon every tract of
land sold for less than the amount of the mortgage debt against it. On
the other hand, if the school loan debt is to remain a permanent obliga-
tion of the county government, it might be to its advantage to deflate
artificial land values and, when sales seem desirable, to offer the land
at prices that will be accepted.

Subject to Sale Clauses in County Leases.—When the policies of sale
and leasing are combined in a land program, a difficulty is encountered
in the attempt to preserve the rights of a lessee without restricting the
rights of the county to sell land when an acceptable offer is received. It is general practice to make leases subject to sale, but some provision should be included to give the lessee first rights to purchase land at any given price. This might take the form of a provision by which a lessee would have prior rights to purchase county land if he meets the price offered by any other buyer. Greater stability in tenure might result if the current lessee of a tract of county land were allowed to apply the amount he has paid the county in leasing the land on the purchase price after deducting a specified interest rate. Under this sort of plan a lessee would acquire greater preference rights with the payment of each lease rental. An operator who has controlled county land by lease for a number of years would have proportionately greater rights than a new lessee. By building up a lessee's equitable interest, the operator might be encouraged to adopt better land use practices and a long-time viewpoint in the utilization of the land. It might also be expected that such an arrangement would tend to encourage a lessee to assume ownership of the land in due time.

When sale is contemplated, the county should also consider carefully the property being sold, as the unconsidered sale of land containing water rights or a good feed base may give control of a much larger range area to a private operator. The relationship between tracts of county land should be indicated by an adequate system of land classification and should be of assistance in this phase of the sale of county land.

Appendix Tables

TABLE I.—Land Ownership Summary, March 1, 1936

<table>
<thead>
<tr>
<th>Type of Ownership</th>
<th>Armstrong</th>
<th>Butte</th>
<th>Corson</th>
<th>Dewey</th>
<th>Harding</th>
<th>Meade</th>
<th>Perkins</th>
<th>Ziebach</th>
<th>8-County Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Acres</td>
<td>Acres</td>
<td>Acres</td>
<td>Acres</td>
<td>Acres</td>
<td>Acres</td>
<td>Acres</td>
<td>Acres</td>
<td>Acres</td>
</tr>
<tr>
<td>Individual</td>
<td>6,794</td>
<td>863,990</td>
<td>555,396</td>
<td>336,145</td>
<td>962,640</td>
<td>1,751,255</td>
<td>1,373,840</td>
<td>418,268</td>
<td>6,270,508</td>
</tr>
<tr>
<td>Insurance Companies</td>
<td>--</td>
<td>7,420</td>
<td>13,840</td>
<td>3,260</td>
<td>3,720</td>
<td>3,415</td>
<td>12,840</td>
<td>2,560</td>
<td>47,055</td>
</tr>
<tr>
<td>Mortgage and Land Companies</td>
<td>--</td>
<td>24,135</td>
<td>21,170</td>
<td>12,803</td>
<td>8,430</td>
<td>25,300</td>
<td>33,390</td>
<td>4,850</td>
<td>140,078</td>
</tr>
<tr>
<td>Commercial Banks</td>
<td>--</td>
<td>15,560</td>
<td>11,433</td>
<td>7,020</td>
<td>7,220</td>
<td>14,730</td>
<td>5,560</td>
<td>5,080</td>
<td>66,603</td>
</tr>
<tr>
<td>Miscellaneous Companies</td>
<td>12,431</td>
<td>17,610</td>
<td>6,100</td>
<td>18,823</td>
<td>2,520</td>
<td>10,800</td>
<td>6,810</td>
<td>3,640</td>
<td>78,734</td>
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<tr>
<td>All Private Corporations</td>
<td>12,431</td>
<td>74,725</td>
<td>52,543</td>
<td>41,906</td>
<td>21,890</td>
<td>54,245</td>
<td>58,600</td>
<td>16,130</td>
<td>328,478</td>
</tr>
<tr>
<td>Federal Land Bank</td>
<td>7,810</td>
<td>7,460</td>
<td>640</td>
<td>5,320</td>
<td>4,040</td>
<td>4,880</td>
<td>2,400</td>
<td>32,550</td>
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</tr>
<tr>
<td>State Rural Credits</td>
<td>1,568</td>
<td>11,570</td>
<td>48,960</td>
<td>27,360</td>
<td>49,095</td>
<td>44,800</td>
<td>108,978</td>
<td>61,710</td>
<td>354,341</td>
</tr>
<tr>
<td>All Public Corporations</td>
<td>1,368</td>
<td>19,380</td>
<td>56,420</td>
<td>28,590</td>
<td>54,415</td>
<td>48,840</td>
<td>113,858</td>
<td>64,110</td>
<td>386,991</td>
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<td>Common School Endowment</td>
<td>--</td>
<td>116,700</td>
<td>76,930</td>
<td>42,290</td>
<td>385,865</td>
<td>171,650</td>
<td>141,400</td>
<td>49,160</td>
<td>983,996</td>
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<td>Permanent School Loan Foreclosure</td>
<td>--</td>
<td>22,480</td>
<td>10,240</td>
<td>11,170</td>
<td>15,080</td>
<td>8,200</td>
<td>8,720</td>
<td>10,320</td>
<td>86,210</td>
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<tr>
<td>County Tax Deed</td>
<td>--</td>
<td>140,660</td>
<td>73,840</td>
<td>83,928</td>
<td>154,440</td>
<td>92,705</td>
<td>133,047</td>
<td>22,620</td>
<td>701,240</td>
</tr>
<tr>
<td>Federal Land</td>
<td>--</td>
<td>104,005</td>
<td>18,940</td>
<td>12,200</td>
<td>95,615</td>
<td>76,875</td>
<td>83,560</td>
<td>14,150</td>
<td>328,141</td>
</tr>
<tr>
<td>All Nontaxable Public Land</td>
<td>383,485</td>
<td>179,950</td>
<td>149,588</td>
<td>649,000</td>
<td>349,430</td>
<td>291,523</td>
<td>96,250</td>
<td>2,099,586</td>
<td></td>
</tr>
<tr>
<td>Total Public Land</td>
<td>1,368</td>
<td>403,225</td>
<td>236,370</td>
<td>178,008</td>
<td>703,415</td>
<td>398,270</td>
<td>405,351</td>
<td>160,360</td>
<td>2,486,477</td>
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<tr>
<td>Indian Land</td>
<td>315,641</td>
<td>667,010</td>
<td>629,830</td>
<td>280</td>
<td>770</td>
<td>1,440</td>
<td>555,870</td>
<td>2,188,841</td>
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<tr>
<td>Total Nontaxable Land</td>
<td>315,641</td>
<td>478,765</td>
<td>955,200</td>
<td>804,274</td>
<td>676,080</td>
<td>370,100</td>
<td>308,163</td>
<td>760,340</td>
<td>4,666,563</td>
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</tbody>
</table>

Source: Land ownership study conducted by the Land Use Planning Section of the Resettlement Administration, U. S. Dept. of Agriculture, in cooperation with the South Dakota State Planning Board and the Dept. of Agricultural Economics, South Dakota State College.

Note: These data summarize the latest available ownership of the survey area, but attention should be drawn to the great increase in county land ownership since the data of this study. Partial statistics as presented in Table 8, page 19.
**TABLE II.—Harding County Land and Leases, 1931-1938**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total County Land (acres)</th>
<th>Total Tax Deed Land (acres)</th>
<th>Foreclosure Land (acres)</th>
<th>Total Leases (per cent of county land)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1938</td>
<td>226,726</td>
<td>204,953</td>
<td>21,773</td>
<td>216,040</td>
</tr>
<tr>
<td>1937</td>
<td>198,172</td>
<td>178,604</td>
<td>19,568</td>
<td>178,597</td>
</tr>
<tr>
<td>1936</td>
<td>200,392</td>
<td>180,984</td>
<td>19,408</td>
<td>162,766</td>
</tr>
<tr>
<td>1935</td>
<td>166,603</td>
<td>151,505</td>
<td>15,098</td>
<td>148,329</td>
</tr>
<tr>
<td>1934</td>
<td>150,783</td>
<td>136,034</td>
<td>14,749</td>
<td>135,902</td>
</tr>
<tr>
<td>1933</td>
<td>137,675</td>
<td>122,838</td>
<td>14,887</td>
<td>120,383</td>
</tr>
<tr>
<td>1932</td>
<td>118,295</td>
<td>105,618</td>
<td>12,677</td>
<td>108,172</td>
</tr>
<tr>
<td>1931</td>
<td>84,269</td>
<td>71,652</td>
<td>12,617</td>
<td>68,783</td>
</tr>
</tbody>
</table>

* Source: County records, Office of the County Auditor, Harding County, S. D.

**TABLE III.—Perkins County Land and Leases, 1935-1938**

<table>
<thead>
<tr>
<th>Date</th>
<th>Total County Land (acres)</th>
<th>Total Tax Deed Land (acres)</th>
<th>Foreclosure Land (acres)</th>
<th>Total Leases (acres)</th>
<th>(per cent) **</th>
</tr>
</thead>
<tbody>
<tr>
<td>1935</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oct.</td>
<td>127,794</td>
<td>121,794</td>
<td>6,000</td>
<td>81,720</td>
<td>63.9</td>
</tr>
<tr>
<td>Nov.</td>
<td>129,754</td>
<td>123,754</td>
<td>6,000</td>
<td>82,200</td>
<td>63.4</td>
</tr>
<tr>
<td>Dec.</td>
<td>133,574</td>
<td>126,374</td>
<td>7,200</td>
<td>82,840</td>
<td>62.0</td>
</tr>
<tr>
<td>1936</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan.</td>
<td>135,774</td>
<td>127,254</td>
<td>8,520</td>
<td>86,800</td>
<td>63.9</td>
</tr>
<tr>
<td>Feb.</td>
<td>136,614</td>
<td>127,614</td>
<td>8,000</td>
<td>88,960</td>
<td>65.1</td>
</tr>
<tr>
<td>Mar.</td>
<td>136,614</td>
<td>127,614</td>
<td>9,000</td>
<td>89,720</td>
<td>65.7</td>
</tr>
<tr>
<td>Apr.</td>
<td>137,754</td>
<td>128,574</td>
<td>9,160</td>
<td>92,120</td>
<td>66.9</td>
</tr>
<tr>
<td>May</td>
<td>138,550</td>
<td>128,540</td>
<td>10,040</td>
<td>98,880</td>
<td>71.4</td>
</tr>
<tr>
<td>June</td>
<td>139,060</td>
<td>128,940</td>
<td>10,120</td>
<td>101,280</td>
<td>72.8</td>
</tr>
<tr>
<td>July</td>
<td>142,140</td>
<td>131,820</td>
<td>10,420</td>
<td>105,500</td>
<td>74.2</td>
</tr>
<tr>
<td>Aug.</td>
<td>145,300</td>
<td>134,980</td>
<td>10,320</td>
<td>107,980</td>
<td>74.3</td>
</tr>
<tr>
<td>Sep.</td>
<td>149,494</td>
<td>140,294</td>
<td>9,200</td>
<td>106,860</td>
<td>71.5</td>
</tr>
<tr>
<td>Oct.</td>
<td>154,654</td>
<td>145,454</td>
<td>9,200</td>
<td>107,020</td>
<td>69.2</td>
</tr>
<tr>
<td>Nov.</td>
<td>157,217</td>
<td>147,697</td>
<td>9,520</td>
<td>106,883</td>
<td>68.0</td>
</tr>
<tr>
<td>Dec.</td>
<td>165,457</td>
<td>155,937</td>
<td>9,520</td>
<td>107,103</td>
<td>64.7</td>
</tr>
<tr>
<td>1937</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan.</td>
<td>165,457</td>
<td>155,937</td>
<td>9,520</td>
<td>107,103</td>
<td>64.7</td>
</tr>
<tr>
<td>Feb.</td>
<td>174,057</td>
<td>159,337</td>
<td>14,720</td>
<td>107,103</td>
<td>61.5</td>
</tr>
<tr>
<td>Mar.</td>
<td>177,697</td>
<td>161,217</td>
<td>16,480</td>
<td>107,103</td>
<td>60.3</td>
</tr>
<tr>
<td>Apr.</td>
<td>180,772</td>
<td>163,572</td>
<td>17,200</td>
<td>92,580</td>
<td>51.2</td>
</tr>
<tr>
<td>May</td>
<td>181,892</td>
<td>164,692</td>
<td>17,200</td>
<td>92,620</td>
<td>50.9</td>
</tr>
<tr>
<td>June</td>
<td>185,012</td>
<td>167,812</td>
<td>17,200</td>
<td>74,264</td>
<td>40.1</td>
</tr>
<tr>
<td>July</td>
<td>192,412</td>
<td>175,212</td>
<td>17,200</td>
<td>83,064</td>
<td>33.3</td>
</tr>
<tr>
<td>Aug.</td>
<td>195,732</td>
<td>178,532</td>
<td>17,200</td>
<td>91,784</td>
<td>47.0</td>
</tr>
<tr>
<td>Sept.</td>
<td>197,012</td>
<td>179,812</td>
<td>17,200</td>
<td>99,844</td>
<td>50.7</td>
</tr>
<tr>
<td>Oct.</td>
<td>201,732</td>
<td>184,532</td>
<td>17,200</td>
<td>101,444</td>
<td>50.3</td>
</tr>
<tr>
<td>Nov.</td>
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<td>189,852</td>
<td>17,200</td>
<td>106,524</td>
<td>51.4</td>
</tr>
<tr>
<td>Dec.</td>
<td>215,492</td>
<td>198,132</td>
<td>17,200</td>
<td>106,524</td>
<td>49.4</td>
</tr>
<tr>
<td>1938</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan.</td>
<td>224,052</td>
<td>207,052</td>
<td>17,000</td>
<td>106,524</td>
<td>47.5</td>
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<tr>
<td>Feb.</td>
<td>230,052</td>
<td>213,052</td>
<td>17,000</td>
<td>109,004</td>
<td>45.6</td>
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<td>221,852</td>
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<td>116,284</td>
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<tr>
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<td>244,812</td>
<td>224,212</td>
<td>22,600</td>
<td>133,804</td>
<td>54.2</td>
</tr>
<tr>
<td>June</td>
<td>252,212</td>
<td>229,612</td>
<td>22,600</td>
<td>141,784</td>
<td>56.2</td>
</tr>
<tr>
<td>June 20</td>
<td>252,652</td>
<td>230,052</td>
<td>22,600</td>
<td>148,024</td>
<td>58.6</td>
</tr>
</tbody>
</table>

* Source: County records, Office of the County Treasurer, Perkins County, S. D.
** Per cent of total county lands.
TABLE IV.—Status of County Lands in Butte and Pennington Counties, 1938

<table>
<thead>
<tr>
<th></th>
<th>Butte County</th>
<th>Pennington County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total land</td>
<td>273,218 acres</td>
<td>138,089 acres</td>
</tr>
<tr>
<td>Tax deed land</td>
<td>238,512 acres</td>
<td>131,080 acres</td>
</tr>
<tr>
<td>Foreclosure land</td>
<td>34,706 acres</td>
<td>7,009 acres</td>
</tr>
</tbody>
</table>

Estimated average value per acre:

<table>
<thead>
<tr>
<th></th>
<th>Butte County</th>
<th>Pennington County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax deed land</td>
<td>$2.00</td>
<td>$3.75</td>
</tr>
<tr>
<td>Foreclosure land</td>
<td>4.00</td>
<td>7.50</td>
</tr>
</tbody>
</table>

Acres sold during past year:

<table>
<thead>
<tr>
<th></th>
<th>Butte County</th>
<th>Pennington County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total land</td>
<td>2,302 acres</td>
<td>9,510 acres</td>
</tr>
<tr>
<td>Tax deed land</td>
<td>1,982 acres</td>
<td>8,790 acres</td>
</tr>
<tr>
<td>Foreclosure land</td>
<td>320 acres</td>
<td>720 acres</td>
</tr>
</tbody>
</table>

Acreage leased for 1938:

<table>
<thead>
<tr>
<th></th>
<th>Butte County</th>
<th>Pennington County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total land</td>
<td>267,218 acres</td>
<td>66,146 acres</td>
</tr>
<tr>
<td>Tax deed land</td>
<td>232,512 acres</td>
<td>60,006 acres</td>
</tr>
<tr>
<td>Foreclosure land</td>
<td>34,706 acres</td>
<td>6,140 acres</td>
</tr>
</tbody>
</table>

Approximate revenue from leasing:

<table>
<thead>
<tr>
<th></th>
<th>Butte County</th>
<th>Pennington County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total land</td>
<td>$27,861</td>
<td>$3,929.35**</td>
</tr>
<tr>
<td>Tax deed land</td>
<td>$22,601</td>
<td>$3,322.37</td>
</tr>
<tr>
<td>Foreclosure land</td>
<td>5,250</td>
<td>606.98</td>
</tr>
</tbody>
</table>

Acreage leased during 1937:

<table>
<thead>
<tr>
<th></th>
<th>Butte County</th>
<th>Pennington County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total land</td>
<td>250,000 acres</td>
<td>53,270 acres</td>
</tr>
<tr>
<td>Tax deed land</td>
<td>220,000 acres</td>
<td>49,150 acres</td>
</tr>
<tr>
<td>Foreclosure land</td>
<td>30,000 acres</td>
<td>4,120 acres</td>
</tr>
</tbody>
</table>

Approximate acreage of grass land:

<table>
<thead>
<tr>
<th></th>
<th>Butte County</th>
<th>Pennington County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total land</td>
<td>268,212 acres</td>
<td>64,084 acres***</td>
</tr>
<tr>
<td>Tax deed land</td>
<td>234,512 acres</td>
<td>57,424 acres</td>
</tr>
<tr>
<td>Foreclosure land</td>
<td>33,700 acres</td>
<td>6,660 acres</td>
</tr>
</tbody>
</table>

* Butte County data as of August 1, 1938.
** Pennington County data as of June 30, 1938.
*** Grass land leased.

Source: Questionnaire form completed by Mr. Wm. C. Meyer, Property Manager, Pennington County, South Dakota, and Mr. Elmer Ellis, Butte County Land Department, Butte County, South Dakota.
COUNTY LAND MANAGEMENT
In Northwestern South Dakota

By R. J. PENN, Assistant Economist And
C. W. LOOMER, Research Assistant

AGRICULTURAL ECONOMICS DEPARTMENT
AGRICULTURAL EXPERIMENT STATION
SOUTH DAKOTA STATE COLLEGE OF AGRICULTURE
AND MECHANIC ARTS
BROOKINGS, S. D.