

AN ACT

ENTITLED, An Act to require the Legislature to approve bonds for lease purchase agreements with the four postsecondary technical institutes, and to approve bonds for lease purchase agreements with Western Dakota Technical Institute and Southeast Technical Institute.

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

Section 1. That chapter 1-16A be amended by adding thereto a NEW SECTION to read as follows:

Beginning July 1, 2013, any bonds, notes or other obligations of the authority which are payable out of receipts, rentals, and other payments made pursuant to lease purchase agreements with the Western Dakota Technical Institute, the Southeast Technical Institute, the Lake Area Technical Institute, the Mitchell Technical Institute, or the South Dakota Board of Education under the authority of chapter 13-39 may only be issued if the Board of Education determines, by the adoption of a resolution, that the estimated receipts, rentals, and other payments, including appropriations by the Legislature, student fee payments, or other balances or revenues pledged under the applicable bond indenture or similar agreement will not be less than one hundred three percent of the projected scheduled payments of principal and interest on all outstanding bonds which, for purposes of that determination shall include the proposed bonds to be issued and shall exclude any bonds to be refunded. In issuing additional bonds, the authority may conclusively rely upon the determination of the board.

Section 2. That chapter 1-16A be amended by adding thereto a NEW SECTION to read as follows:

The South Dakota Board of Education shall promulgate rules pursuant to chapter 1-26 establishing a methodology for forecasting anticipated contributions from student tuition and fees and additional state appropriations available pursuant to a lease purchase agreement to meet the

projected scheduled payments of principal and interest on all outstanding bonds and other benchmarks.

Section 3. That chapter 1-16A be amended by adding thereto a NEW SECTION to read as follows:

Beginning on July 1, 2013, the issuance of any additional bonds, notes, or other obligations shall be approved by the Legislature before issuance. This requirement, however, does not apply to the issuance of bonds for the purposes of refinancing or refunding existing bonds, notes, or other obligations.

Section 4. The issuance by the Health and Educational Facilities Authority of additional bonds, notes, or other obligations in a principal amount not to exceed eighteen million five hundred thousand dollars for a lease purchase agreement with the Western Dakota Technical Institute to finance the acquisition, construction, and other costs associated with technical lab space and classrooms for various programs, including diesel technician and technology, agriculture science, construction technology, fire science, paramedic and emergency medical technicians, and to remodel the South Mickelson building is hereby authorized and approved.

Section 5. The issuance by the Health and Educational Facilities Authority of additional bonds, notes, or other obligations in a principal amount not to exceed twenty million dollars for a lease purchase agreement with the Southeast Technical Institute to finance the acquisition, construction, and other costs associated with a transportation technology center to house various technical programs, including diesel, auto, and auto body collision programs and other facility improvements necessary for other programs is hereby authorized and approved.

Section 6. Beginning in fiscal year 2015, payments made pursuant to lease purchase agreements with the Western Dakota Technical Institute, the Southeast Technical Institute, the Lake Area Technical Institute, the Mitchell Technical Institute, or the South Dakota Board of Education under

the authority of chapter 13-39 shall be paid in part from an appropriation to be made by the Legislature in an amount that is equal to or greater than fifty percent of the technical institute facility fee that is administered by the Department of Education.

Section 7. That § 1-16A-77 be repealed.

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I certify that the attached Act originated in the

HOUSE as Bill No. 1098

Chief Clerk

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Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1098
File No. _____
Chapter No. _____

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Received at this Executive Office this ____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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

Governor

STATE OF SOUTH DAKOTA,
ss.

Office of the Secretary of State

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

Secretary of State

By _____
Asst. Secretary of State