

State of South Dakota

EIGHTY-NINTH SESSION
LEGISLATIVE ASSEMBLY, 2014

400V0687

SENATE ENGROSSED NO. **HB 1206** - 03/11/2014

Introduced by: The Committee on Appropriations at the request of the Office of the
Governor

1 FOR AN ACT ENTITLED, An Act to authorize the payment of lease rental obligations to the
2 South Dakota Building Authority by the Bureau of Finance and Management and to make
3 an appropriation therefor.

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

5 Section 1. There is hereby appropriated from the general fund fifty-six million two hundred
6 fifty-seven thousand two hundred fifty-one dollars (\$56,257,251) to the Bureau of Finance and
7 Management to be transferred to the South Dakota Building Authority public building fund for
8 the purposes of prepaying lease rental obligations.

9 Section 2. The funds appropriated in section 1 of this Act shall be used to pay or prepay
10 lease rental and associated fees in the amounts specified below to the South Dakota Building
11 Authority relating to the leases between the South Dakota Building Authority and the
12 departments or offices and the related real or personal property financed by the South Dakota
13 Building Authority all as described below:

14 (1) Lease rentals and fees in an estimated amount of eleven million eighteen thousand
15 eight hundred fifty-three dollars in connection with the lease between the South



1 Dakota Building Authority and the Department of Human Services relating to the
2 George S. Mickelson Center for the Neurosciences financed with the proceeds of a
3 sale by the South Dakota Building Authority of series 1992 bonds and refinanced
4 with proceeds of series 1993A lease revenue trust certificates;

5 (2) Lease rentals and fees in an estimated amount of six million forty thousand two
6 hundred ninety-three dollars in connection with the lease between the South Dakota
7 Building Authority and the Office of Attorney General and Department of Public
8 Safety relating to the George S. Mickelson Criminal Justice Center financed with
9 proceeds of the South Dakota Building Authority's series 2005B bonds;

10 (3) Lease rentals and fees in an estimated amount of thirty-two million four hundred
11 sixty-five thousand five hundred forty dollars in connection with a lease between the
12 South Dakota Building Authority and the Board of Regents relating to the portion of
13 the costs of the science facilities and laboratories at various public universities
14 supported by rent paid from general fund appropriations by the Legislature and
15 financed by proceeds of the South Dakota Building Authority's series 2008 bonds;
16 and

17 (4) Lease rentals and fees in an estimated amount of six million seven hundred thirty-two
18 thousand five hundred sixty-five dollars in connection with a lease between the South
19 Dakota Building Authority and the Department of Human Services relating to the
20 George S. Mickelson Center for the Neurosciences dietary wing financed with the
21 proceeds of the South Dakota Building Authority's series 2010B bonds.

22 Section 3. The South Dakota Building Authority may enter into an irrevocable escrow
23 agreement to provide for the defeasance and payment of the series 1993A lease revenue trust
24 certificates, the series 2005B bonds and the series 2008 bonds issued to finance the costs of the

1 buildings and other real or personal property described in subdivisions (1), (2) and (3) of section
2 2 of this Act. The authority may enter into such other arrangements to pay or prepay, from time
3 to time, any governmental expenses permissible under chapter 5-12, including payment or
4 prepayment of debt service and associated fees and expenses relating to series 2010B bonds
5 issued to finance the costs of the buildings and other real or personal property described in
6 subdivision (4) of section 2 of this Act. The authority may contract with a third party for any of
7 the purposes of this section. Upon determination by the authority of the amounts necessary for
8 payment or prepayment of the bonds and other governmental expenses described in this section,
9 and any associated fees and expenses, any remaining funds shall be transferred to the general
10 fund at the end of the fiscal year in which this Act was enacted. Thereafter, as of the end of each
11 fiscal year to and including the fiscal year ending June 30, 2021, the South Dakota Building
12 Authority shall file an annual report with the Bureau of Finance and Management specifying any
13 lease rentals, any fees received pursuant to this Act, and any interest earnings thereon, which
14 the authority has determined are no longer expected to be required for the purposes set forth in
15 section 2 of this Act. Any such amounts not then expected to be required shall be deposited into
16 the general fund with thirty days of the filing of the annual report. Any lease rentals and fees
17 received by the authority pursuant to this Act, or interest earnings thereon, which are not applied
18 by June 2, 2021, to pay or prepay amounts described in section 3 of this Act, shall be deposited
19 into the general fund by June 30, 2021.

20 Section 4. The commissioner of the Bureau of Finance and Management shall approve
21 vouchers for payment and the state auditor shall draw warrants to pay expenditures authorized
22 by this Act.

23 Section 5. Any amounts appropriated in this Act not lawfully expended or obligated by
24 June 30, 2015, shall revert in accordance with the procedures prescribed in chapter 4-8.