

AN ACT

ENTITLED, An Act to revise certain provisions regarding lease purchase agreement payments and to ratify certain lease purchase agreements with the Health and Educational Facilities Authority.

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

Section 1. That § 1-16A-93 be amended to read as follows:

1-16A-93. 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. Proposed issuance of obligations must comply with sections 4 and 5 of this Act. In issuing additional bonds, the authority may conclusively rely upon the determination of the board.

Section 2. That § 1-16A-95 be amended to read as follows:

1-16A-95. Beginning on July 1, 2013, the issuance of any additional 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 shall be approved by the Legislature

before issuance. The South Dakota Board of Education must approve the issuance of additional bonds, notes, or other obligations prior to issuance. The Legislature in accordance with §§ 1-16A-93 and 1-16A-94 and applicable administrative rules shall consider the Department of Education's analysis prior to authorizing any additional bonds, notes, or other obligations. The requirement, however, for approval by the Legislature before issuance does not apply to the issuance of bonds for the purposes of refinancing or refunding existing bonds, notes, or other obligations.

Section 3. That § 1-16A-96 be amended to read as follows:

1-16A-96. Beginning in fiscal year 2015, lease payments made to the authority 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 administered by the Department of Education that is dedicated to the current year lease purchase agreement payments.

No provision of this chapter is deemed to adversely affect any of the covenants or other agreements of the South Dakota Board of Education or the secretary of education in the lease purchase agreement with the authority dated August 1, 1988, as amended and supplemented, for the benefit of the holders of any bonds issued by the authority, and such covenants and agreements in the lease purchase agreement dated August 1, 1988, as amended and supplemented, are hereby ratified and confirmed.

Section 4. The total principal amount of debt outstanding through the South Dakota Building Authority and the vocational education program of the South Dakota Health and Educational Facilities Authority may not exceed one and two-tenths percent of South Dakota's gross domestic product for the most recently completed calendar year as calculated by the United States Bureau of

Economic Analysis.

Section 5. The total annual debt service payments of the South Dakota Building Authority and the vocational education program of the South Dakota Health and Educational Facilities Authority may not exceed four percent of the total ongoing general fund receipts for the most recently completed state fiscal year.

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I certify that the attached Act originated in the

SENATE as Bill No. 43

Secretary of the Senate

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President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 43
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

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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