

State of South Dakota

SEVENTY-EIGHTH SESSION
LEGISLATIVE ASSEMBLY, 2003

474I0126

SENATE BILL NO. 87

Introduced by: Senators Knudson, Dempster, and Earley and Representatives Dykstra and Michels

1 FOR AN ACT ENTITLED, An Act to permit bonding authorities to enter into contracts for the
2 purpose of managing payments or interest rate risk.

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

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

6 The authority may enter into any contract that the authority determines necessary or
7 appropriate to manage payment or interest rate risk for bonds issued pursuant to this chapter,
8 the investment of proceeds, or other funds of the authority. The contracts may include: interest
9 rate exchange agreements; contracts providing for payment or receipt of funds based on levels
10 of or changes in interest rates; contracts to exchange cash flows or series of payments; or
11 contracts incorporating interest rate caps, collars, floors, or locks.

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

14 The authority may enter into any contract that the authority determines necessary or
15 appropriate to manage payment or interest rate risk for bonds issued pursuant to this chapter,



1 the investment of proceeds, or other funds of the authority. The contracts may include: interest
2 rate exchange agreements; contracts providing for payment or receipt of funds based on levels
3 of or changes in interest rates; contracts to exchange cash flows or series of payments; or
4 contracts incorporating interest rate caps, collars, floors, or locks.

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

7 The authority may enter into any contract that the authority determines necessary or
8 appropriate to manage payment or interest rate risk for bonds issued pursuant to this chapter,
9 the investment of proceeds, or other funds of the authority. The contracts may include: interest
10 rate exchange agreements; contracts providing for payment or receipt of funds based on levels
11 of or changes in interest rates; contracts to exchange cash flows or series of payments; or
12 contracts incorporating interest rate caps, collars, floors, or locks.

13 Section 4. That chapter 5-12 be amended by adding thereto a NEW SECTION to read as
14 follows:

15 The authority may enter into any contract that the authority determines necessary or
16 appropriate to manage payment or interest rate risk for bonds issued pursuant to this chapter,
17 the investment of proceeds, or other funds of the authority. The contracts may include: interest
18 rate exchange agreements; contracts providing for payment or receipt of funds based on levels
19 of or changes in interest rates; contracts to exchange cash flows or series of payments; or
20 contracts incorporating interest rate caps, collars, floors, or locks.

21 Section 5. That chapter 11-11 be amended by adding thereto a NEW SECTION to read as
22 follows:

23 The authority may enter into any contract that the authority determines necessary or
24 appropriate to manage payment or interest rate risk for bonds issued pursuant to this chapter,

1 the investment of proceeds, or other funds of the authority. The contracts may include: interest
2 rate exchange agreements; contracts providing for payment or receipt of funds based on levels
3 of or changes in interest rates; contracts to exchange cash flows or series of payments; or
4 contracts incorporating interest rate caps, collars, floors, or locks.

5 Section 6. That chapter 46A-1 be amended by adding thereto a NEW SECTION to read as
6 follows:

7 The district may enter into any contract that the district determines necessary or appropriate
8 to manage payment or interest rate risk for bonds issued pursuant to this chapter, the investment
9 of proceeds, or other funds of the district. The contracts may include: interest rate exchange
10 agreements; contracts providing for payment or receipt of funds based on levels of or changes
11 in interest rates; contracts to exchange cash flows or series of payments; or contracts
12 incorporating interest rate caps, collars, floors, or locks.

13 Section 7. That chapter 49-16B be amended by adding thereto a NEW SECTION to read
14 as follows:

15 The authority may enter into any contract that the authority determines necessary or
16 appropriate to manage payment or interest rate risk for bonds issued pursuant to this chapter,
17 the investment of proceeds, or other funds of the authority. The contracts may include: interest
18 rate exchange agreements; contracts providing for payment or receipt of funds based on levels
19 of or changes in interest rates; contracts to exchange cash flows or series of payments; or
20 contracts incorporating interest rate caps, collars, floors, or locks.