

# State of South Dakota

EIGHTY-SECOND SESSION  
LEGISLATIVE ASSEMBLY, 2007

400N0766

## SENATE BILL NO. 218

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 South Dakota Building Authority to  
2 provide for the construction, reconstruction, renovation, and modernization of state park  
3 facilities and infrastructure at Custer State Park near Custer for the Department of Game,  
4 Fish and Parks and to allow the general fund to temporarily cover the initial construction  
5 costs.

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

7 Section 1. It is in the public interest that the South Dakota Building Authority contract for  
8 the construction, reconstruction, renovation, and modernization of facilities and related  
9 infrastructure at Custer State Park including buildings, fixtures, plumbing, water, sewer, electric  
10 facilities, domestic water treatment systems, asbestos removal, electrical upgrades, architectural,  
11 engineering, and bonding services, site preparation, construction of facilities and improvements  
12 to the outside of the facilities, and landscaping the grounds of the facilities. The construction,  
13 reconstruction, renovation, and modernization of facilities and related infrastructure shall  
14 address priority needs identified in the Custer State Park Concession Facility Assessment  
15 prepared in 2005 and other needs and revenue enhancement opportunities in Custer State Park.



1 The Building Authority may finance this project, including the issuance of revenue bonds not  
2 to exceed twelve million dollars, in accordance with this Act and chapter 5-12.

3 Section 2. There is hereby created within the state treasury the Custer State Park  
4 improvement fund. The sole purpose of this fund is to facilitate the provisions of this Act.

5 Section 3. There is hereby transferred from the general fund an amount not to exceed twelve  
6 million dollars (\$12,000,000) to the Custer State Park improvement fund for the expenditures  
7 authorized by this Act. The balance in the Custer state park improvement fund shall be invested  
8 through the State Investment Council as part of the state cash flow fund.

9 Section 4. The entire amount transferred pursuant to section 3 of this Act, shall be repaid,  
10 with interest, to the general fund. The repayment to the general fund shall take no longer than  
11 four years from the date of the transfer of monies from the general fund to the Custer State Park  
12 improvement fund as provided in section 3 of this Act, and the interest rate used to calculate the  
13 annual repayment amount shall equal the average interest rate earned by the state cash flow fund  
14 over the last four quarters as supplied by the Bureau of Finance and Management. Starting on  
15 January 1, 2009, the Department of Game, Fish and Parks shall make annual payments to the  
16 general fund based upon a twenty year amortization schedule for the outstanding balance due  
17 to the general fund.

18 Section 5. To minimize the length of time required to fully reimburse the general fund for  
19 the amounts transferred to the Custer State Park improvement fund, the Department of Game,  
20 Fish and Parks shall work with the Building Authority and other departments and agencies of  
21 the state to take advantage of every future opportunity to issue tax exempt bonds, up to the  
22 maximum amount allowed under §§ 103 and 140 to 150, inclusive, of the Internal Revenue  
23 Code for each bond issue. Any additional funds generated from each tax exempt bond issue not  
24 required or dedicated to be used by any such other department or agency of the state shall be

1 used to repay the general fund until the total amount transferred from the general fund pursuant  
2 to section 3 of this Act, has been repaid with interest.

3 Section 6. Pursuant to section 4 of this Act, if the Building Authority and the Department  
4 of Game, Fish and Parks determine tax exempt bonding opportunities and other sources of  
5 repayment are insufficient to repay the total amount transferred from the general fund, the  
6 Department of Game, Fish and Parks shall work with the Building Authority to issue bonds in  
7 an amount sufficient to fully repay the remaining amount required to fully restore the general  
8 fund.

9 Section 7. If at any point in time before the general fund has been fully repaid, the  
10 Legislature determines that the need exists to fully restore the amounts transferred from the  
11 general fund to the Custer State Park improvement fund as provided in section 3 of this Act,  
12 then the Department of Game, Fish and Parks shall work with the Building Authority to issue  
13 bonds in an amount great enough to fully restore the amounts transferred from the general fund.

14 Section 8. No indebtedness, bond, or obligation incurred or created under authority of this  
15 Act may be or may become a lien, charge, or liability against the State of South Dakota, nor  
16 against the property or funds of the State of South Dakota within the meaning of the  
17 Constitution or statutes of South Dakota.

18 Section 9. The Building Authority may accept and expend in addition to the amount  
19 specified in section 1 of this Act for the purpose stated in section 1 of this Act, any funds  
20 obtained from gifts, contributions, or other sources for the purpose.

21 Section 10. The Department of Game, Fish and Parks may make and enter in a lease  
22 agreement with the Building Authority and make rental payments under the terms thereof,  
23 pursuant to chapter 5-12, from appropriations to be made by the Legislature for the payment of  
24 rent to support the construction, completion, furnishing, equipping, payment of revenue bonds

1 issued pursuant to this Act, and repayment of construction costs paid through the funds  
2 transferred from the general fund pursuant to section 3 of this Act. All amounts so transferred  
3 shall be applied to pay lease rental amounts to the Building Authority or to restore the general  
4 fund, as applicable.

5 Section 11. Upon receipt of payment of the balance of rental payments made under the terms  
6 of any lease entered into pursuant to section 10 of this Act, the Building Authority shall convey  
7 the leased property improvements in Custer State Park to the Department of Game, Fish and  
8 Parks pursuant to § 5-12-15.

9 Section 12. The design and construction of improvements shall be under the general charge  
10 and supervision of the Bureau of Administration as provided in § 5-14-2.

11 Section 13. Except as provided in section 3 of this Act, no money from the general fund nor  
12 any money appropriated for statewide maintenance and repair may be used to finance the  
13 maintenance and repair of the facilities specified in this Act.