

State of South Dakota

EIGHTY-SECOND SESSION
LEGISLATIVE ASSEMBLY, 2007

400N0345

SENATE BILL NO. 54

Introduced by: The Committee on Appropriations at the request of the Board of Regents

1 FOR AN ACT ENTITLED, An Act to assist fraternities and sororities at South Dakota State
2 University to obtain commercial financing for improvements on land subject to certain
3 reversionary clauses.

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

5 Section 1. That § 13-58-25 be amended to read as follows:

6 13-58-25. The Board of Regents ~~is hereby authorized to~~ may convey ~~by sale~~ real property
7 constituting a part of the campus at South Dakota State University at Brookings, South Dakota;
8 ~~on such terms as the board shall deem advisable;~~ to nationally chartered fraternal or sororital
9 organizations or to local fraternal or sororital associations whose purpose in buying such
10 property is to construct a residence for men or women students at South Dakota State University
11 who are members of the fraternal or sororital organization. The authorization granted by this
12 section is subject to the following conditions, which collectively are deemed to be covenants
13 running with the land for purposes of chapters 43-12 and 43-30:

14 (1) Any fraternal or sororital organization that acquires land pursuant to this chapter
15 covenants to enforce such rules as the Board of Regents may prescribe; to insure the
16 property and improvements at their full value, to maintain it in good repair, and to



1 effect such repairs and renovations as may be necessary to preserve the appearance,
2 integrity, utility, and safety of improvements at levels comparable to university
3 operated housing units; to design, to specify, and to construct all improvements,
4 repairs, and renovations in accordance with the requirements stated in §§ 5-14-11 to
5 5-14-13, inclusive; to deliver to the Board of Regents all plans, specifications, and
6 construction documents in the formats that the state engineer requires for the keeping
7 of such records; and to accept such other terms as the Board of Regents may deem
8 advisable;

9 (2) If ~~said~~ the real property ceases to be used as a residence for men or women students
10 at South Dakota State University, then ~~said~~ the real property and any buildings
11 thereon shall revert to the ~~body which conveyed title to said fraternal organization~~
12 Board of Regents on behalf of the State of South Dakota;

13 (3) A fraternal or sororital organization that acquires property pursuant to this section
14 may pledge its interest in the property as collateral to finance improvement, repair,
15 and renovation projects if the Board of Regents approves the financing. Such
16 approval may not unreasonably be denied by the Board of Regents if the financing
17 arrangements conform to the requirements of this section. However, no pledge may
18 impair the reversionary interest reserved to the State of South Dakota;

19 (4) If at the time that property reverts to the State of South Dakota, in lieu of any right
20 to foreclose upon property pledged to support a financing agreement, any financier
21 has the right to request that the Board of Regents enter into a lease with the financier
22 for the remaining term of the financing agreement to permit the financier to maintain
23 and to operate the facility or site as a student residence, or to sublease the property
24 for such purposes to a sublessee approved by the Board of Regents. The Board of

1 Regents shall grant such request if the financier enters into a written agreement to
2 insure the property and improvements at their full value, to maintain it in good repair,
3 and to effect such renovations as may be necessary to preserve the appearance,
4 integrity, utility, and safety of improvements at levels comparable to university
5 operated housing units. No action undertaken pursuant to this section by any private
6 actor may be or become a lien, charge, or liability against the State of South Dakota,
7 nor against the property or funds of the State of South Dakota within the meaning of
8 the Constitution or statutes of South Dakota;

9 (5) Notwithstanding any other provision of law to the contrary, any instrument of transfer
10 prepared pursuant to this Act is deemed to include express restrictions conforming
11 to this Act.