

SOUTH DAKOTA BOARD OF REGENTS

Planning, Governance and Resource Development

AGENDA ITEM: 4 – H
DATE: December 4-6, 2018

SUBJECT

2019 Board Sponsored Legislation

CONTROLLING STATUTE, RULE, OR POLICY

[BOR Policy 6:10 - Legislative Authorization of Private or Grant Funded Facilities](#)

[BOR Policy 1:12 - State Relations](#)

[SDCL 13-51-1 - Legislative approval for facilities.](#)

BACKGROUND / DISCUSSION

The following bills have been developed for the Board’s review:

- 1. Vet 2 + 2 Program (SDSU)

An Act to authorize the Board of Regents to redirect funding to provide for the establishment of the collaborative program in Rural Veterinary Medical Education at South Dakota State University that enables students to complete the remainder of their professional veterinary degree at the University of Minnesota or other accredited college of veterinary medicine, to provide for the use of endoparasiticides and ectoparasiticides tax revenue to support veterinary students, to transfer certain funds, and to make an appropriation.

This bill redirect funds from a partnership with Iowa State University veterinary school slots to the SDSU Vet 2+2 program and to support scholarships and grants for tuition differentials for students when they attend the University of Minnesota.

- 2. Demolish Scobey Hall (SDSU)

An Act to Authorize the Board of Regents to demolish a South Dakota State University building and to make an appropriation therefor.

(Continued)

DRAFT MOTION 20181204_4-H:

I move to authorize the Executive Director to (1) submit the proposed bills and make such modifications or amendments to the bills as are necessary and appropriate, provided such modifications or amendments do not change the fundamental purpose of the legislation, and (2) submit such additional legislation as may be necessary and appropriate, upon concurrence of a majority of the executive committee.

This bill authorizes SDSU to demolish SDSU Building 504, Scobey Hall. The estimated cost is \$593,000. The fund source is from other (i.e., local or private) funds.

3. Land Transactions (SDSU)

An Act to authorize the Board of Regents to sell certain extraneous real property and place funds in the State Treasury, to purchase certain real property, to protect the permanent endowment trust through exchanges of real estate and facilities, to appropriate funds, all for the benefit of South Dakota State University, and to declare an emergency.

This bill allows for the following land transactions to realign real property holdings to effectively support mission-driven activities. SDSU needs to obtain legislative approval to move two (2) parcels of land (Box Elder, Highmore) that are no longer being efficiently used out of the Section 7 trust, authorize their sale, and to designate other real property to be determined and held for the use of SDSU into the trust to ensure the trust is kept whole. SDSU also needs legislative approval to sell its Volga Grassland parcel located northwest of campus with the proceeds of these parcels to be used to purchase both, other previously approved land parcels, and suitable agricultural property. The applicable legal descriptions, acreage and dollar amounts will be included once the specifics of the transaction have been finalized with the Commissioner of School and Public Lands.

4. Regional Sports Complex (NSU)

An Act to authorize the Board of Regents to contract for the construction of a regional sports complex at Northern State University and to make an appropriation therefor.

This bill authorizes the Board to build a regional sports complex comprised of a football stadium and softball stadium, associated spectator seating, restrooms, concession stand, locker rooms, offices for coaches, club room, service area, meeting rooms, and storage at NSU. The estimated cost is \$33,000,000. The fund source is private donations.

5. Campus Security Officers (System)

An Act to revise the definition of “campus security officers” for purposes of the South Dakota Retirement System.

This bill will expand the definition of “campus security officers” for purposes of the South Dakota Retirement System, to all university law enforcement officers subject to the minimal educational training standards established by the law enforcement standards commission pursuant to chapter 23-3 and who satisfactorily

complete the training required by chapter 23-3 within one year of employment. The current definition is limited to USD and SDSU.

6. Bond Savings (System)

An Act to provide for the deposit of certain revenues in the educational facilities fund established by chapter 13-51.

This bill would allow the South Dakota Building Authority to deposit bond savings associated with projects funded with higher education facilities funds or local funds into the higher education facilities fund established by SDCL chapter 13-51. Currently any such savings are required to be deposited into the general fund pursuant to SDCL § 5-12-23

IMPACT AND RECOMMENDATIONS

With approval, Board office staff will introduce the Board-sponsored legislation in substantively similar form to those contained in the attachments and work with members of the Legislature and the Governor's office to have the legislation become law.

ATTACHMENTS

Attachment I – Vet 2+2 Program (SDSU)

Attachment II – Demolish Scobey Hall (SDSU)

Attachment III – Land Transactions (SDSU)

Attachment IV – Regional Sports Complex (NSU)

Attachment V – Campus Security Officers (System)

Attachment VI – Bond Savings (System)

**STATE OF SOUTH DAKOTA
NINETY-FOURTH SESSION
LEGISLATIVE ASSMEBLY, 2019**

BILL NO.

Introduced by:

FOR AN ACT ENTITLED, An Act to authorize the Board of Regents to redirect funding to provide for the establishment of the collaborative program in Rural Veterinary Medical Education at South Dakota State University that enables students to complete the remainder of their professional veterinary degree at the University of Minnesota or other accredited college of veterinary medicine, to provide for the use of endoparasiticides and ectoparasiticides tax revenue to support veterinary students, to transfer certain funds, and to make an appropriation.

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

Section 1. That § 13-49-20.14 be amended to read:

13-49-20.14. Contracts to reserve spaces for South Dakota veterinary students. The Board of Regents may negotiate and enter into contractual agreements with ~~Iowa State University~~ other accredited institutions of higher education, including the University of Minnesota, to reserve spaces for South Dakota ~~resident~~ State University students ~~entering~~ completing the remaining course of veterinary medicine.

Section 2. That §10-45-16.1 be amended to read:

10-45-16.1 Exemption of pesticides and related products or substances used for agricultural purposes--Use of funds from tax on endoparasiticides and ectoparasiticides. There are hereby specifically exempted from the provisions of this chapter and from the computation of the amount of tax imposed by it, gross receipts from the sale of pesticides, as defined in § 38-

20A-1, to be used exclusively by the purchaser for agricultural purposes. Any product or substance to be used in conjunction with the application or use of pesticides for agricultural purposes is also exempt. The products or substances include adjuvants, surfactants, ammonium sulfate, inoculants, drift retardants, water conditioners, seed treatments, foam markers, and foam dyes. Equipment, other than farm machinery, attachment units, and irrigation equipment used exclusively for agricultural purposes for the application of pesticides and related products and substances is not exempt. The tax imposed by this chapter on endoparasiticides and ectoparasiticides shall be used for veterinary student tuition grants, South Dakota State University veterinary program operations, and the operations and activities conducted by the State Animal Disease Research and Diagnostic Laboratory established in § 13-58-13. The amount of funding dedicated for the tuition grants and South Dakota State University veterinary program operations and the laboratory shall be based upon the difference between in-state and out-of-state tuition for veterinary student grants designated for South Dakota students at the Iowa State University veterinary program in Fiscal Year 2020 and escalating each fiscal year thereafter in accordance with the CPI index. ~~plus an amount of two hundred fifty thousand dollars.~~ An additional amount of two hundred fifty thousand dollars shall be to support the operations of the laboratory. The funding shall be budgeted and expended through the general appropriations act pursuant to chapter 4-7.

Section 3. That §10-46-17.5 be amended to read:

10-46-17.5. Exemption of pesticides and related products or substances used for agricultural purposes--Use of funds from tax on endoparasiticides and ectoparasiticides. The use in this state of pesticides as defined in § 38-20A-1 to be used exclusively for agricultural purposes is specifically exempted from the tax imposed by this chapter. Any product or

substance to be used in conjunction with the application or use of pesticides for agricultural purposes is also exempt. These products or substances include adjuvants, surfactants, ammonium sulfate, inoculants, drift retardants, water conditioners, seed treatments, foam markers, and foam dyes. Equipment, other than farm machinery, attachment units, and irrigation equipment used exclusively for agricultural purposes, for the application of pesticides and related products and substances is not exempt. The tax imposed by this chapter on endoparasiticides and ectoparasiticides shall be used for veterinary student tuition grants, South Dakota State University veterinary program operations, and the operations and activities conducted by the State Animal Disease Research and Diagnostic Laboratory established in § 13-58-13. The amount of funding dedicated for the tuition designated for South Dakota students at the Iowa State University veterinary program in Fiscal Year 2020 and escalating each fiscal year thereafter in accordance with the CPI index. ~~plus an amount of two hundred fifty thousand dollars.~~ An additional amount of two hundred fifty thousand dollars shall be to support the operations of the laboratory. The funding shall be budgeted and expended through the general appropriations act pursuant to chapter 4-7.

**STATE OF SOUTH DAKOTA
NINETY-FOURTH SESSION
LEGISLATIVE ASSMEBLY, 2019**

BILL NO.

Introduced by:

FOR AN ACT ENTITLED, An Act to authorize the Board of Regents to demolish a South Dakota State University building and to make an appropriation therefor.

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

Section 1. The Board of Regents may demolish, remove, and dispose of a structure known as SDSU Building 504, Scobey Hall, located on Lot 13, Block 12 in Morehouse Addition to the City of Brookings, consisting of forty-three thousand six hundred and eighty seven square feet at South Dakota State University. This project includes demolition, abatement of asbestos or other such hazardous materials, the lawful disposal of the fixtures or rubble, and any other action reasonably necessary to restore the site to grade.

Section 2. There is hereby appropriated the sum of five hundred and ninety three thousand dollars (\$593,000), or so much thereof as may be necessary, in other fund expenditure authority to the Board of Regents for the purposes authorized in section 1 of this Act.

Section 3. The executive director of the Board of Regents shall approve vouchers, and the state auditor shall draw warrants to pay expenditures authorized by this Act.

Section 4. Any amounts appropriated in this Act not lawfully expended or obligated shall revert in accordance with the procedures prescribed in chapter 4-8.

**STATE OF SOUTH DAKOTA
NINETY-FOURTH SESSION
LEGISLATIVE ASSMEBLY, 2019**

BILL NO.

Introduced by:

FOR AN ACT ENTITLED, An Act to authorize the Board of Regents to sell certain extraneous real property and place funds in the State Treasury, to purchase certain real property, to protect the permanent endowment trust through exchanges of real estate and facilities, to appropriate funds, all for the benefit of South Dakota State University, and to declare an emergency.

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

Section 1. Notwithstanding any other provision of law, upon the request of the Board of Regents and the Governor, the commissioner of school and public lands shall after making the trust whole pursuant to Article VIII Section 7 of the State Constitution, sell all or any portion of the following real estate described in Section 1 of this Act and any related personal property and improvements located on the property: [LEGAL DESCRIPTION].

Real estate and related personal property and improvements on the property which are generally considered a part of the tracts described in section 1 of this Act but not specifically included in the legal descriptions set out in section 1 of this Act may be sold as provided in this Act as though the property and improvements were specifically described in section 1 of this Act.

Section 2. The real estate and other property described in section 1 of this Act shall be appraised by the board of appraisal established by § 5-9-3 and may be sold in any manner authorized by law, subject to all applicable constitutional reservations.

The proceeds from the sale authorized by this Section 2 of this Act, net of any costs associated with the preparation for sale and subsequent sale of the real estate and other property, shall be deposited into the real property acquisition and capital improvement fund for the South Dakota State University, as provided in §§ 5-2-2.1 to 5-2-2.3, inclusive.

Section 3.

- (1) The Board of Regents may purchase on behalf of South Dakota State University a site comprising _____ acres, more or less, of unimproved real property, which site is described as:
- (2) There is hereby appropriated the sum of _____ (\$____), or so much thereof as may be necessary, in other fund expenditure authority from _____ for the purposes authorized in Section 3 of this Act pursuant to SDCL 5-2-2.3.
- (3) The executive director of the Board of Regents shall approve vouchers and the state auditor shall draw warrants to pay expenditures authorized by this section of this Act.

Section 4. Whereas, this Act is necessary for the support of the state government and its existing public institutions, an emergency is hereby declared to exist, and this Act shall be in full force and effect from and after its passage and approval.

Section 5. Notwithstanding the provisions of this Act or any other law to the contrary, the Board of Regents and the Governor may direct the commissioner of school and public lands to sell any real estate and related personal property described in section 1 of this Act to a political subdivision within which the real estate and related personal property is located. The sale may be made without first offering the real estate and related personal property for sale to the public. The sale price shall be at least the appraised value as determined by the board of appraisal established by § 5-9-3, and is subject to all applicable constitutional reservations.

Section 6. Whereas, this Act is necessary for the support of the state government and its existing public institutions, an emergency is hereby declared to exist, and this Act shall be in full force and effect from and after its passage and approval.

**STATE OF SOUTH DAKOTA
NINETY-FOURTH SESSION
LEGISLATIVE ASSEMBLY, 2019**

BILL NO.

Introduced by:

FOR AN ACT ENTITLED, An Act to authorize the Board of Regents to contract for the construction of a regional sports complex at Northern State University and to make an appropriation therefor.

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

Section 1. The Board of Regents is hereby authorized to contract for the planning, site preparation, construction, furnishing, and equipping of a regional sports complex comprised of a football stadium and softball stadium, associated spectator seating, restrooms, concession stand, locker rooms, media area, club room, service area, meeting rooms, and storage at Northern State University, including heating, air conditioning, plumbing, water, sewer, electricity, sidewalks, parking, landscaping, architectural and engineering services, and such other services or actions as may be required to accomplish the project, for an estimated cost of thirty-three million dollars (\$33,000,000), subject to permitted adjustments pursuant to section 3 of this Act.

Section 2. There is hereby appropriated to the Board of Regents for the purposes authorized in this Act the sum of thirty-three million dollars (\$33,000,000), or so much thereof as may be necessary, in other fund expenditure authority from gifts donated for the purposes of this Act, together with any additional sums received pursuant to section 4 of this Act, and permitted adjustments pursuant to section 3 of this Act.

Section 3. The cost estimates contained in this Act have been stated in terms of 2018 values. The Board of Regents may adjust such cost estimates to reflect the inflation as measured by the Building Cost Index, reported by the Engineering News Record and additional expenditures required to comply with regulations adopted after the effective date of this Act, or additional sums

received pursuant to section 4 of this Act. However, any adjustments to construction cost estimates for the project may not exceed one hundred twenty-five percent (125%) of the estimated project construction cost stated in section 1 of this Act.

Section 4. The Board of Regents may accept, transfer, and expend any funds obtained for the projects authorized in this Act from federal sources, donations, or any other external sources, all of which comprise a special fund for the benefitted project. All moneys deposited into that fund are hereby appropriated to the projects authorized by this Act, subject to limitations stated in sections 1 to 3, inclusive, of this Act.

Section 5. The administration of the design and construction of the project authorized in this Act shall be under the general charge and supervision of the Bureau of Administration as provided in chapter 5-14.

Section 6. The executive director of the Board of Regents, or a designee, shall approve vouchers and the state auditor shall draw warrants to pay expenditures authorized by this Act.

**STATE OF SOUTH DAKOTA
NINETY-FOURTH SESSION
LEGISLATIVE ASSMEBLY, 2019**

BILL NO.

Introduced by:

FOR AN ACT ENTITLED, An Act to revise the definition of “campus security officers” for purposes of the South Dakota Retirement System.

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

Section 1. That SDCL § 3-12-47(13) be amended to read as follows:

(13) "Campus security officers," employees of the Board of Regents whose positions are subject to the minimal educational training standards established by the law enforcement standards commission pursuant to chapter 23-3 and who satisfactorily complete the training required by chapter 23-3 within one year of employment and whose primary duty as sworn law enforcement officers is to preserve the safety of the students, faculty, staff, visitors and the property of the university~~University of South Dakota and South Dakota State University~~. The employer shall file with the system evidence of the appointment as a sworn law enforcement officer at the time of employment and shall file evidence of satisfactory completion of the training program pursuant to chapter 23-3 within one year of employment;

**STATE OF SOUTH DAKOTA
NINETY-FOURTH SESSION
LEGISLATIVE ASSMEBLY, 2019**

BILL NO.

Introduced by:

FOR AN ACT ENTITLED, An Act to provide for the deposit of certain revenues in the educational facilities fund established by chapter 13-51.

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

Section 1. That the code be amended by adding a NEW SECTION to read:

Notwithstanding any provision of law to the contrary, in the case of any project described in chapter 5-12 involving institutions under the control of the board of regents, for any year in which the Legislature has appropriated funds for the payment of lease rentals with respect to the project, any revenues received by the authority as a result thereof, other than from the appropriation, shall be assigned to and deposited in the educational facilities fund established by chapter 13-51;