

2025 South Dakota Legislature

Senate Bill 145**AMENDMENT 145C
FOR THE INTRODUCED BILL**

1 **An Act to require legislative approval of real property leases that are necessary for**
2 **the operation of state government and exceed specified durations or rental**
3 **payments.**

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

5 **Section 1. That § 1-33-9 be AMENDED:**

6 **1-33-9.** The Bureau of Human Resources and Administration shall:

- 7 (1) Provide workers' compensation coverage and a group health and flexible benefit
8 plan for all state employees unless ~~such~~ the duties are delegated to another agency
9 pursuant to chapter 1-24;
- 10 (2) Administer recruitment and classification for all civil service employees unless
11 ~~such~~ the duties are delegated to another agency pursuant to chapter 1-24;
- 12 (3) Provide human resource management and programs including programs governing
13 human resource planning, training and development, internships, performance
14 evaluation, employee assessment and testing, classification, compensation,
15 recruitment, and other matters relating to human resource management for all of
16 the executive branch of state government under the control of the Governor and
17 by agreement for other state government agencies;
- 18 (4) Perform all administrative functions for the Civil Service Commission;
- 19 (5) Employ ~~such~~ staff as are necessary to perform its duties;
- 20 (6) Contract as is necessary to perform its duties;
- 21 (7) Keep an exact and true inventory of all property, real and personal, belonging to
22 the state and promulgate rules pursuant to chapter 1-26 enumerating the types
23 and classes of public personal property to be included in the inventory required by
24 § 5-24-1;
- 25 (8) Administer the procurement of supplies, services, and public improvements as
26 prescribed in chapters 5-18A, 5-18B, and 5-18D;

- 1 (9) Supervise ~~such central administrative services as~~ transportation, mail, records
 2 management, ~~and~~ document reproduction services, and other central
 3 administrative services, and make provisions for the supplying of office supplies
 4 and furniture;
- 5 (10) Maintain the buildings and grounds of the capitol complex and install central
 6 facilities to be used by all state agencies under rules the bureau promulgates
 7 pursuant to chapter 1-26;
- 8 (11) Contract for the provision of food services, candy, and beverages in the capitol
 9 complex;
- 10 (12) Supervise the administration of the Office of Hearings Examiners;
- 11 (13) Administer the federal surplus property allotted to the state;
- 12 (14) Provide for the lease of real property necessary for the operation of state
 13 government, in accordance with the limitations set forth in section ~~2 3~~ of this Act;
- 14 (15) Administer a program of risk management for state government;
- 15 (16) Contract for services required by multiple state agencies, if the contract improves
 16 the efficiency of state government; and
- 17 (17) Take any other function as may be required by statute, executive order, or
 18 administrative action.

19

20 **~~Section 2. That a NEW SECTION be added to chapter 1-33:~~**

21 ~~The Bureau of Human Resources and Administration may not, without legislative consent,~~
 22 ~~enter into or otherwise authorize the lease of real property necessary for the operation of~~
 23 ~~state government, if the term of the lease exceeds ten years or the amount of rental payments~~
 24 ~~due during the term of the lease exceeds five million dollars.~~

25 ~~In order to receive legislative consent, the commissioner of bureau human resources and~~
 26 ~~administration shall:~~

27 ~~(1) If the legislature is in session, seek the introduction and adoption of a joint resolution~~
 28 ~~consenting to the lease; or~~

29 ~~(2) If the Legislature is in a recess or between legislative sessions, request that the Executive~~
 30 ~~Board of the Legislative Research Council review and consent to the terms and conditions of~~
 31 ~~the lease.~~

~~1 A lease of real property necessary for the operation of state government may not be divided
2 or structured in order to avoid or otherwise defeat the approval threshold established in this
3 section.~~

~~4 Any lease entered into in violation of this section is void and unenforceable.~~

5 Section 2. That a NEW SECTION be added to chapter 1-33:

6 Terms used in section 3 of this Act mean:

7 (1) "Base rent," the amount paid by the state to a party for the use of real property
8 pursuant to the terms of a written lease. "Base rent" does not include expenses or
9 lease charges for taxes, insurance, utilities, maintenance, repairs, common area
10 charges, and improvements; and

11 (2) "Long-term lease," any proposed real property lease by the state where the initial
12 term of the lease exceeds a commitment of fifteen years and the base rent due
13 during the initial term either exceeds \$5,000,000 in total for the rental payments
14 due during the term of the lease or \$50,000 per month during the term of the
15 lease.

16 Section 3. That a NEW SECTION be added to chapter 1-33:

17 Before the Bureau of Human Resources and Administration may enter a long-term
18 lease on behalf of the state, the Legislature must authorize the proposed long-term lease.
19 The legislative authorization must be in the form of a concurrent resolution, adopted by
20 both chambers of the Legislature.

21 To be a valid legislative authorization under this section, the concurrent resolution
22 must only contain content related to the following:

23 (1) The maximum initial term of the proposed long-term lease;

24 (2) The maximum amount of base rent for the initial term of the proposed long-term
25 lease;

26 (3) A description of the project for which the proposed long-term lease is required;
27 and

28 (4) The county and municipality, if any, where the project is to be located.

29 The Bureau of Human Resources and Administration may not, without receiving
30 legislative authorization as required by this section, enter or otherwise authorize the lease
31 of real property necessary for the operation of state government under any long-term
32 lease.

1 A lease of real property for a proposed project at a single site may not be divided
2 or structured as multiple leases to avoid the requirements of this section.

3 A lease renewal or extension or any amendment to a long-term lease after the
4 initial lease term ends is excluded from the requirements of this section, if the renewal,
5 extension, or amendment does not exceed fifteen years and the base rent due resulting
6 from the renewal, extension, or amendment does not either exceed \$5,000,000 in total
7 for the rental payments due during the new term or \$50,000 per month during the new
8 term.

9 Any long-term lease entered in violation of this section is voidable in a legal action
10 initiated by the attorney general.

11 **Section 4.** This Act applies to long-term leases entered into on or after July 1, 2025.