



## 2025 South Dakota Legislature

# Senate Bill 145

SENATE APPROPRIATIONS ENGROSSED

Introduced by: **Senator Karr**

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;

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

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

Terms used in section 3 of this Act mean:

- (1) "Base rent," the amount paid by the state to a party for the use of real property pursuant to the terms of a written lease. "Base rent" does not include expenses or lease charges for taxes, insurance, utilities, maintenance, repairs, common area charges, and improvements; and
- (2) "Long-term lease," any proposed real property lease by the state where the initial term of the lease exceeds a commitment of fifteen years and the base rent due during the initial term either exceeds \$5,000,000 in total for the rental payments due during the term of the lease or \$50,000 per month during the term of the lease.

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

Before the Bureau of Human Resources and Administration may enter a long-term lease on behalf of the state, the Legislature must authorize the proposed long-term lease.

1 The legislative authorization must be in the form of a concurrent resolution, adopted by  
2 both chambers of the Legislature.

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

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

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

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

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

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

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

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

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

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