

# SOUTH DAKOTA BOARD OF REGENTS

## Policy Manual

**SUBJECT:** Acquisition and Disposal of Real Property

**NUMBER:** 6.2

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### **A. PURPOSE**

To document the planning and acquisition steps involved with acquiring real property.

### **B. DEFINITIONS**

**1. Real Property:** Land, all structures, improvements or fixtures affixed to the land.

### **C. POLICY**

#### **1. Land Acquisition Plans**

Where long range plans developed under BOR Policy 6.1 require expansion of the campus, planning documents shall include land acquisition plans. Land acquisition plans shall include the following elements:

- A discussion of the need for the acquisition of additional real property in order to achieve the objective set forth in the long range plan;
- Identification of property to be acquired and an explanation of the basis for selecting that property to achieve the objectives set forth in the long range plan;
- Proposed funding sources; and
- Alternative acquisition plans to take effect in the event that the primary plan cannot be implemented, for financial reasons, because certain tracts fail to pass the environmental audit, or for any other reason.
  - Alternative plans should address the disposition that shall be made of tracts that have been acquired in the event that it becomes impossible to acquire all the tracts sought.

#### **2. Land Acquisition and Conveyance**

The Board's powers to acquire and convey interests in real property vary depending upon the circumstances in which the transactions arise. No proposal may be brought to the Board for its consideration until the General Counsel has certified that the proposed transaction conforms to the legal limitations on the Board's authority.

### **3. Supporting Documentation for Land Acquisition**

All proposals brought to the Board for its consideration must be accompanied by the following background documentation:

- The certificate of the General Counsel that the proposed structure for the transaction conforms to the legal limitations on the Board's authority;
- A statement of the business rationale for the acquisition referencing the land acquisition plan set forth in BOR Policy 6.2(Section 1) and identifying any additional actions or expenditures that shall be needed to make use of the property;
- A report from an independent appraiser stating a fair market price for the property;
- An environmental audit report, including any action plan required to abate identified environmental hazards; and
- A financial plan and acquisition budget addressing (a) the land price, (b) incidental expenses and (c) costs for related improvements or services needed to make the property serviceable.

These materials may be presented to the Board in executive session pending completion of negotiations for an acquisition, but shall become public records once the acquisition is complete.

### **4. Supporting Documentation for Conveyance of Interests in Real Property**

All proposals brought to the Board for its consideration must be accompanied by the following background documentation:

- The certificate of the General Counsel that the proposed structure for the transaction conforms to the legal limitations on the Board's authority.
- A statement of the business rationale for the transaction, including a discussion of the effects of the conveyance on current operations and on plans made pursuant to BOR Policies 6.1 and 6.2(Section 1);
- A report from an independent appraiser stating the fair market value of the interest to be conveyed;
- For transactions conveying title or control of Board property, except conveyance or highway purposes, an environmental audit report including any action plan required to remove Board liability for identified environmental hazards; and
- A financial plan identifying costs associated with the transaction, funding sources and disposition of the proceeds.

These materials may be presented to the Board in executive session pending completion of negotiations for a conveyance, but shall become public records once the acquisition is complete.

## **5. Gifts of Real Property**

In addition to the documentation required under BOR Policy 6.2(Section 3) and 6.2(Section 4), before a gift of real property may be accepted, the following external review procedures must be completed:

- Gifts of real property cannot be accepted, received or administered without approval of the Legislature.
- The Board of Regents may accept gifts of real property from the federal government provided that the acceptance of such gift is approved by the Governor.

## **FORMS / APPENDICES:**

None

## **SOURCE:**

SDCL 13-52-1, 13-52-2, 13-52-3; BOR September 1991; June 1992; April 2019; October 2023 (Clerical).