

# State of South Dakota

EIGHTY-SIXTH SESSION  
LEGISLATIVE ASSEMBLY, 2011

573S0494

## HOUSE BILL NO. 1114

Introduced by: Representatives Cronin, Brunner, Feickert, Olson (Betty), Street, and Wink  
and Senators Nelson (Tom), Bradford, Maher, Rhoden, and Tieszen

1 FOR AN ACT ENTITLED, An Act to revise the conditions under which contracts with local  
2 officials are permitted.

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

4 Section 1. That § 6-1-2 be amended to read as follows:

5 6-1-2. The provisions of § 6-1-1 are not applicable if the contract is made pursuant to any  
6 one of the conditions set forth in the following subdivisions, without fraud or deceit; but, the  
7 contract is voidable if the provisions of the applicable subdivision were not fully satisfied or  
8 present at the time the contract was entered into:

9 (1) Any contract involving three thousand dollars or less regardless of whether other  
10 sources of supply or services are available within the county, municipality, township,  
11 or school district, if the consideration for such supplies or services is reasonable and  
12 just;

13 (2) Any contract involving more than three thousand dollars but less than the amount for  
14 which competitive bidding is required, and there is no other source of supply or  
15 services available within the county, municipality, township, or school district if the



1 consideration for such supplies or services is reasonable and just and if the  
2 accumulated total of such contracts paid during any given fiscal year does not exceed  
3 the amount specified in § 5-18-3;

4 (3) Any contract with any firm, association, corporation, or cooperative association for  
5 which competitive bidding is not required and where other sources of supply and  
6 services are available within the county, municipality, township or school district,  
7 and the consideration for such supplies or services is reasonable and just, unless the  
8 majority of the governing body are members or stockholders who collectively have  
9 controlling interest, or any one of them is an officer or manager of any such firm,  
10 association, corporation, or cooperative association, in which case any such contract  
11 is null and void;

12 (4) Any contract ~~with any firm, association, corporation, or cooperative association~~ for  
13 which competitive bidding procedures are followed pursuant to chapter 5-18, and  
14 where more than one such competitive bid is submitted;

15 (5) Any contract for professional services with any individual, firm, association,  
16 corporation, or cooperative, if the individual or any member of the firm, association,  
17 corporation, or cooperative is an elected or appointed officer of a county,  
18 municipality, township, or school district, whether or not other sources of such  
19 services are available within the county, municipality, township, or school district,  
20 if the consideration for such services is reasonable and just;

21 (6) Any contract for commodities, materials, supplies, or equipment found in the state  
22 price list established pursuant to § 5-23-8.1, at the price there established or below;

23 ~~and~~

24 (7) Any contract or agreement between a governmental entity specified in § 6-1-1 and

1 a public postsecondary educational institution if an employee of the Board of Regents  
2 serves as an elected or appointed officer for the governmental entity, and if the  
3 employee does not receive direct compensation or payment as a result of the contract  
4 or agreement; and

5 (8) Any contract with any firm, association, corporation, individual, or cooperative  
6 association for which competitive bidding procedures are followed pursuant to  
7 chapter 5-18A, and where only one such competitive bid is submitted, provided the  
8 procedures established in section 2 of this Act are followed.

9 Section 2. That chapter 6-1 be amended by adding thereto a NEW SECTION to read as  
10 follows:

11 If competitive bidding procedures have been followed pursuant to chapter 5-18A, and the  
12 bid notice has been placed on the central bid exchange pursuant to § 5-18A-13 for two weeks  
13 prior to the opening of bids, a bid from an officer of the governing body may be opened and  
14 accepted provided the consideration is reasonable and just.