

AN ACT

ENTITLED, An Act to allow contracts or agreements between governmental entities to be exempt from certain conflicts of interest.

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

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

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

- (1) Any contract involving one thousand dollars or less regardless of whether other sources of supply or services are available within the county, municipality, township, or school district, provided that the consideration therefor is reasonable and just;
- (2) Any contract involving more than one thousand dollars but less than the amount for which competitive bidding is required, and there is no other source of supply or services available within the county, municipality, township, or school district provided that the consideration therefor is reasonable and just and further provided that the accumulated total of such contracts paid during any given fiscal year do not exceed the amount specified in § 5-18-3;
- (3) Any contract with any firm, association, corporation, or cooperative association for which competitive bidding is not required and where other sources of supply and services are available within the county, municipality, township, or school district, and the consideration therefor is reasonable and just, unless the majority of the governing body are members or stockholders who collectively have controlling interest, or any one of them is an officer or manager of any such firm, association, corporation, or cooperative association then any such contract is null and void;

- (4) Any contract with any firm, association, corporation, or cooperative association for which competitive bidding procedures are followed pursuant to chapter 5-18, and where more than one such competitive bid is submitted;
- (5) Any contract for professional services with any individual, firm, association, corporation, or cooperative, if the individual or any member of the firm, association, corporation, or cooperative is an elected or appointed officer of a county, municipality, township, or school district, whether or not other sources of such services are available within the county, municipality, township, or school district, provided the consideration therefor is reasonable and just;
- (6) Any contract for commodities, materials, supplies, or equipment found in the state price list established pursuant to § 5-23-8.1, at the price there established or below; and
- (7) Any contract or agreement between a governmental entity specified in § 6-1-1 and a public postsecondary educational institution when an employee of the Board of Regents serves as an elected or appointed officer for the governmental entity, provided that the employee does not receive direct compensation or payment as a result of the contract or agreement.

An Act to allow contracts or agreements between governmental entities to be exempt from certain conflicts of interest.

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I certify that the attached Act originated in the

HOUSE as Bill No. 1215

Chief Clerk

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Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1215
File No. _____
Chapter No. _____

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Received at this Executive Office this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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The attached Act is hereby approved this _____ day of _____ , A.D., 20____

Governor

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STATE OF SOUTH DAKOTA,
ss.

Office of the Secretary of State

Filed _____ , 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State