

# State of South Dakota

SEVENTY-FIFTH SESSION  
LEGISLATIVE ASSEMBLY, 2000

636D0365

SENATE LOCAL GOVERNMENT COMMITTEE

ENGROSSED NO. **HB1215** - 2/22/00

Introduced by: Representatives Clark, Cutler, Derby, Earley, Engbrecht, Fitzgerald, Michels, Sutton (Daniel), and Young and Senators Vitter, Ham, and Whiting

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

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 one 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, provided that the consideration therefor is reasonable and just;

12 (2) Any contract involving more than one thousand dollars but less than the amount for  
13 which competitive bidding is required, and there is no other source of supply or  
14 services available within the county, municipality, township, or school district  
15 provided that the consideration therefor is reasonable and just and further provided  
16 that the accumulated total of such contracts paid during any given fiscal year ~~shall do~~

1 not exceed the amount specified in § 5-18-3;

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

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

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

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

21 (7) Any contract or agreement between a governmental entity specified in § 6-1-1 and a  
22 public postsecondary educational institution when an employee of the Board of  
23 Regents serves as an elected or appointed officer for the governmental entity,  
24 provided that the employee does not receive direct compensation or payment as a  
25 result of the contract or agreement.

1 **BILL HISTORY**

2 1/20/00 First read in House and referred to Local Government. H.J. 158

3 2/1/00 Scheduled for Committee hearing on this date.

4 2/1/00 Local Government Do Pass Amended, Passed, AYES 12, NAYS 1. H.J. 336

5 2/3/00 House of Representatives Deferred to another day. H.J. 401

6 2/4/00 House of Representatives Do Pass Amended, Passed, AYES 53, NAYS 10. H.J. 432

7 2/7/00 First read in Senate and referred to Local Government. S.J. 343

8 2/16/00 Scheduled for Committee hearing on this date.

9 2/16/00 Deferred by Chair.

10 2/18/00 Scheduled for Committee hearing on this date.

11 2/18/00 Local Government Do Pass Amended, Passed, AYES 6, NAYS 0. S.J. 568

12 2/18/00 Local Government Place on Consent Calendar.