

# State of South Dakota

SEVENTY-SEVENTH SESSION  
LEGISLATIVE ASSEMBLY, 2002

751H0453

HOUSE COMMERCE COMMITTEE ENGROSSED NO.

**HB 1181** - 01/24/2002

Introduced by: Representatives Madsen, Broderick, and Olson (Mel) and Senators Munson  
and Volesky

1 FOR AN ACT ENTITLED, An Act to prohibit directed suretyship.

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

3 Section 1. No public servant may, directly or indirectly, require or direct a bidder on any  
4 public building or construction contract which is about to be or has been competitively bid to  
5 obtain from a particular insurer or insurance producer any surety bond or contract of insurance  
6 required in such bid or contract or required by any law, ordinance, or regulation. However, the  
7 surety insurer shall be an authorized insurer under Title 58. Nothing in this section prevents any  
8 such public servant acting on behalf of the government from exercising the right to approve or  
9 reject a surety bond or contract of insurance as to its form or sufficiency or the lack of financial  
10 capability of an insurer selected by a bidder.

