



2023 South Dakota Legislature
Senate Bill 200
ENROLLED

AN ACT

ENTITLED An Act to authorize participation in contracts by certain board members and employees of water districts.

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

Section 1. That chapter 46A-9 be amended with a NEW SECTION:

The board may authorize a director, or an employee of the water user district whose responsibilities include approving, awarding, or administering a contract on behalf of the district, to be a party to a contract or derive a direct benefit from a contract with the district, if:

- (1) The person provides a written disclosure of the person's interest to the board;
- (2) The board reviews the terms of the contract and the person's obligations and benefits under the contract;
- (3) The board determines that the contract is fair and reasonable to the district and not contrary to the public interest; and
- (4) The board adopts a resolution of approval that is in written form and retained as a public record.

Section 2. That chapter 46A-9 be amended with a NEW SECTION:

For purposes of section 1 of this Act, a direct benefit from a contract is derived if the director or employee, the spouse of the director or employee, or any other person with whom the director or employee lives and commingles assets:

- (1) Has more than a five percent ownership interest in an entity that is a party to the contract;
- (2) Derives income, compensation, or commission directly from the contract or from an entity that is a party to the contract;
- (3) Acquires real or personal property under the contract; or
- (4) Serves as a director on the board of a for-profit entity that:

- (a) Derives income or a commission from the contract; or
- (b) Acquires real or personal property under the contract.

A direct benefit is not derived solely from the value associated with any investment or holdings by a director or employee, the spouse of the director or employee, or any other person with whom the director or employee lives and commingles assets.

An Act to authorize participation in contracts by certain board members and employees of water districts.

I certify that the attached Act originated in
the:
Senate as Bill No. 200

Received at this Executive Office
this ____ day of _____,
2023 at _____ M.

Secretary of the Senate

By _____
for the Governor

President of the Senate

The attached Act is hereby
approved this _____ day of
_____, A.D., 2023

Attest:

Secretary of the Senate

Governor

STATE OF SOUTH DAKOTA,

ss.

Office of the Secretary of State

Speaker of the House

Attest:

Filed _____, 2023
at _____ o'clock __ M.

Chief Clerk

Secretary of State

Senate Bill No. 200
File No. _____
Chapter No. _____

By _____
Asst. Secretary of State