

# State of South Dakota

SEVENTY-SIXTH SESSION  
LEGISLATIVE ASSEMBLY, 2001

547E0776

HOUSE LOCAL GOVERNMENT COMMITTEE

ENGROSSED NO. **HB 1282** - 02/13/2001

Introduced by: Representatives Garnos, Burg, Duenwald, Juhnke, and Monroe and  
Senators de Hueck, Diedrich (Elmer), and Duxbury

1 FOR AN ACT ENTITLED, An Act to revise the conditions under which certain contracts with  
2 a local officer 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,~~  
7 However, the contract is voidable if the provisions of the applicable subdivision were not fully  
8 satisfied or present at the time the contract was entered into:

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

1 provided that the consideration therefor is reasonable and just and further provided  
2 that the accumulated total of such contracts paid during any given fiscal year do not  
3 exceed 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, ~~and~~  
7 if the consideration therefor is reasonable and just, unless the majority of the  
8 governing body are members or stockholders who collectively have controlling  
9 interest, or any one of them is an officer or manager of any such firm, association,  
10 corporation, or cooperative association, then any such contract is null and void;

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

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

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

23 (7) Any contract or agreement between a governmental entity specified in § 6-1-1 and a  
24 public postsecondary educational institution when an employee of the Board of

1 Regents serves as an elected or appointed officer for the governmental entity,  
2 provided that the employee does not receive direct compensation or payment as a  
3 result of the contract or agreement; and

4 (8) Any contract involving more than five thousand dollars if there is no other source of  
5 supply or services available within the county, municipality, township, or school  
6 district, provided that the consideration therefor is reasonable and just and further  
7 provided that the provider of the supply or services is subject to the jurisdiction of the  
8 Public Utilities Commission or other applicable state regulatory agency.