

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 COMMITTEE SUBSTITUTE
4 FOR ENGROSSED
5 SENATE BILL NO. 1075

By: Barrington of the Senate

and

6 Dorman of the House

7
8 COMMITTEE SUBSTITUTE

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10 An Act relating to municipal contracting; amending 11
11 O.S. 2011, Section 8-113, which relates to
12 prohibiting municipal employees from contracting for
13 certain services; modifying certain population
14 restrictions; providing exception for certain
15 competitive bidding; requiring certain information be
16 open to public inspection; and providing an effective
17 date.

18 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

19 SECTION 1. AMENDATORY 11 O.S. 2011, Section 8-113, is
20 amended to read as follows:

21 Section 8-113. A. Except as otherwise provided by this
22 section, no municipal officer or employee, or any business in which
23 the officer, employee, or spouse of the officer or employee has a
24 proprietary interest, shall engage in:

1. Selling, buying, or leasing property, real or personal, to
or from the municipality;

1 2. Contracting with the municipality; or

2 3. Buying or bartering for or otherwise engaging in any manner
3 in the acquisition of any bonds, warrants, or other evidence of
4 indebtedness of the municipality.

5 B. The provisions of this section shall not apply to any
6 officer or employee of any municipality of this state with a
7 population of not more than ~~two thousand five hundred (2,500)~~ five
8 thousand (5,000) according to the latest Federal Decennial Census,
9 who has a proprietary interest in a business which is the only
10 business of that type within five (5) miles of the corporate limits
11 of the municipality. However, any activities permitted by this
12 subsection shall not exceed ~~Five Hundred Dollars (\$500.00)~~ Two
13 Thousand Five Hundred Dollars (\$2,500.00) for any single activity
14 and shall not exceed ~~Ten Thousand Dollars (\$10,000.00)~~ Fifteen
15 Thousand Dollars (\$15,000.00) for all activities in any calendar
16 year. Provided, however, such activity may exceed ~~Ten Thousand~~
17 ~~Dollars (\$10,000.00)~~ Fifteen Thousand Dollars (\$15,000.00) per year
18 if the municipality purchases items therefrom that are regularly
19 sold to the general public in the normal course of business and the
20 price charged to the municipality by the business does not exceed
21 the price charged to the general public.

22 C. Provisions of this section shall not apply where competitive
23 bids were obtained consistent with municipal ordinance or state law
24 and two or more bids were submitted for the materials, supplies, or

1 services to be procured by the municipality regardless of the
2 population restrictions of subsection B of this section, provided
3 the notice of bids was made public and open to all potential
4 bidders.

5 D. All bids, both successful and unsuccessful, and all
6 contracts and required bonds shall be placed on file and maintained
7 in the main office of the awarding municipality for a period of five
8 (5) years from the date of opening of bids or for a period of three
9 (3) years from the date of completion of the contract, whichever is
10 longer, shall be open to public inspection and shall be matters of
11 public record.

12 E. For purposes of this section, "employee" means any person
13 who is employed by a municipality more than ten (10) hours in a week
14 for more than thirteen (13) consecutive weeks and who enters into,
15 recommends or participates in the decision to enter into any
16 transaction described in subsection A of this section. Any person
17 who receives wages, reimbursement for expenses, or emoluments of any
18 kind from a municipality, any spouse of the person, or any business
19 in which the person or spouse has a proprietary interest shall not
20 buy or otherwise become interested in the transfer of any surplus
21 property of a municipality or a public trust of which the
22 municipality is beneficiary unless the surplus property is offered
23 for sale to the public after notice of the sale is published.
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1 ~~D.~~ F. For purposes of this section, "proprietary interest"
2 means ownership of more than twenty-five percent (25%) of the
3 business or of the stock therein or any percentage which constitutes
4 a controlling interest but shall not include any interest held by a
5 blind trust.

6 ~~E.~~ G. Any person convicted of violating the provisions of this
7 section shall be guilty of a misdemeanor. Any transaction entered
8 into in violation of the provisions of this section is void. Any
9 member of a governing body who approves any transaction in violation
10 of the provisions of this section shall be held personally liable
11 for the amount of the transaction.

12 ~~F.~~ H. Notwithstanding the provisions of this section, any
13 officer, director or employee of a financial institution may serve
14 on a board of a public body. Provided, the member shall abstain
15 from voting on any matter relating to a transaction between or
16 involving the financial institution in which they are associated and
17 the public body in which they serve.

18 SECTION 2. This act shall become effective November 1, 2012.

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