

1 ENGROSSED SENATE  
2 BILL NO. 1075

By: Barrington of the Senate

3 and

4 Dorman of the House

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6  
7 An Act relating to municipal contracting; amending 11  
8 O.S. 2011, Section 8-113, which relates to  
9 prohibiting municipal employees from contracting for  
10 certain services; modifying certain population  
11 restrictions; providing exception for certain  
12 competitive bidding; and providing an effective date.

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

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

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

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

22 2. Contracting with the municipality; or

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

1 B. The provisions of this section shall not apply to any  
2 officer or employee of any municipality of this state with a  
3 population of not more than ~~two thousand five hundred (2,500)~~ five  
4 thousand (5,000) according to the latest Federal Decennial Census,  
5 who has a proprietary interest in a business which is the only  
6 business of that type within five (5) miles of the corporate limits  
7 of the municipality. However, any activities permitted by this  
8 subsection shall not exceed ~~Five Hundred Dollars (\$500.00)~~ Ten  
9 Thousand Dollars (\$10,000.00) for any single activity and shall not  
10 exceed ~~Ten Thousand Dollars (\$10,000.00)~~ Twenty-five Thousand  
11 Dollars (\$25,000.00) for all activities in any calendar year.  
12 Provided, however, such activity may exceed ~~Ten Thousand Dollars~~  
13 ~~(\$10,000.00)~~ Twenty-five Thousand Dollars (\$25,000.00) per year if  
14 the municipality purchases items therefrom that are regularly sold  
15 to the general public in the normal course of business and the price  
16 charged to the municipality by the business does not exceed the  
17 price charged to the general public.

18 C. Provisions of this section shall not apply where competitive  
19 bids were obtained consistent with municipal ordinance or state law  
20 and two (2) or more bids were submitted for the materials, supplies,  
21 or services to be procured by the municipality regardless of the  
22 population restrictions of subsection B of this section.

23 D. For purposes of this section, "employee" means any person  
24 who is employed by a municipality more than ten (10) hours in a week

1 for more than thirteen (13) consecutive weeks and who enters into,  
2 recommends or participates in the decision to enter into any  
3 transaction described in subsection A of this section. Any person  
4 who receives wages, reimbursement for expenses, or emoluments of any  
5 kind from a municipality, any spouse of the person, or any business  
6 in which the person or spouse has a proprietary interest shall not  
7 buy or otherwise become interested in the transfer of any surplus  
8 property of a municipality or a public trust of which the  
9 municipality is beneficiary unless the surplus property is offered  
10 for sale to the public after notice of the sale is published.

11 ~~D.~~ E. For purposes of this section, "proprietary interest"  
12 means ownership of more than twenty-five percent (25%) of the  
13 business or of the stock therein or any percentage which constitutes  
14 a controlling interest but shall not include any interest held by a  
15 blind trust.

16 ~~E.~~ F. Any person convicted of violating the provisions of this  
17 section shall be guilty of a misdemeanor. Any transaction entered  
18 into in violation of the provisions of this section is void. Any  
19 member of a governing body who approves any transaction in violation  
20 of the provisions of this section shall be held personally liable  
21 for the amount of the transaction.

22 ~~F.~~ G. Notwithstanding the provisions of this section, any  
23 officer, director or employee of a financial institution may serve  
24 on a board of a public body. Provided, the member shall abstain

1 from voting on any matter relating to a transaction between or  
2 involving the financial institution in which they are associated and  
3 the public body in which they serve.

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

5 Passed the Senate the 23rd day of February, 2012.

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Presiding Officer of the Senate

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9 Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,

10 2012.

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Presiding Officer of the House  
of Representatives

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