

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                                   STATE OF OKLAHOMA

3                                   2nd Session of the 53rd Legislature (2012)

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

By: Barrington of the Senate

and

Dorman of the House

7  
8  
9                                   COMMITTEE SUBSTITUTE

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

3 2. Contracting with the municipality; or

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

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

UNDERLINED language denotes Amendments to present Statutes.  
**BOLD FACE CAPITALIZED** language denotes Committee Amendments.  
~~Strike thru~~ language denotes deletion from present Statutes.

1 C. Provisions of this section shall not apply where competitive  
2 bids were obtained consistent with municipal ordinance or state law  
3 and two or more bids were submitted for the materials, supplies, or  
4 services to be procured by the municipality regardless of the  
5 population restrictions of subsection B of this section, provided  
6 the notice of bids was made public and open to all potential  
7 bidders.

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

15 E. For purposes of this section, "employee" means any person  
16 who is employed by a municipality more than ten (10) hours in a week  
17 for more than thirteen (13) consecutive weeks and who enters into,  
18 recommends or participates in the decision to enter into any  
19 transaction described in subsection A of this section. Any person  
20 who receives wages, reimbursement for expenses, or emoluments of any  
21 kind from a municipality, any spouse of the person, or any business  
22 in which the person or spouse has a proprietary interest shall not  
23 buy or otherwise become interested in the transfer of any surplus

1 property of a municipality or a public trust of which the  
2 municipality is beneficiary unless the surplus property is offered  
3 for sale to the public after notice of the sale is published.

4 ~~D.~~ F. For purposes of this section, "proprietary interest"  
5 means ownership of more than twenty-five percent (25%) of the  
6 business or of the stock therein or any percentage which constitutes  
7 a controlling interest but shall not include any interest held by a  
8 blind trust.

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

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

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

22  
23 COMMITTEE REPORT BY: COMMITTEE ON GENERAL GOVERNMENT, dated  
24 03/29/2012 - DO PASS, As Amended.