

1 **SENATE FLOOR VERSION**

2 February 14, 2012

3 As Amended

4 SENATE BILL NO. 1075

By: Barrington of the Senate

and

Dorman of the House

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

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

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

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

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

23 2. Contracting with the municipality; or

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

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

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

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

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

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

3 ~~F.~~ G. Notwithstanding the provisions of this section, any
4 officer, director or employee of a financial institution may serve
5 on a board of a public body. Provided, the member shall abstain
6 from voting on any matter relating to a transaction between or
7 involving the financial institution in which they are associated and
8 the public body in which they serve.

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

10 COMMITTEE REPORT BY: COMMITTEE ON GENERAL GOVERNMENT, dated 2-13-12
11 - DO PASS, As Amended and Coauthored.

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