

# State of South Dakota

NINETY-FIRST SESSION  
LEGISLATIVE ASSEMBLY, 2016

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## HOUSE BILL NO. 1155

Introduced by: Representatives Hawks, Bartling, Bordeaux, Gibson, Hawley, Killer, Kirschman, McCleerey, Ring, Schrempp, and Soli and Senators Parsley, Bradford, Buhl O'Donnell, Heinert, Hunhoff (Bernie), Peterson (Jim), Rusch, Sutton, and Tieszen

1 FOR AN ACT ENTITLED, An Act to prohibit a state board member from self-dealing in  
2 certain contracts with the state.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That chapter 5-18A be amended by adding a NEW SECTION to read:

5 No person who serves on a state board may have an interest in a contract or derive a benefit  
6 from a contract with the state in any subject area that is governed by the board, nor for a one-  
7 year period following the end of the board member's service as a state board member may the  
8 board member derive a direct benefit as a result of the contract. In addition, no state board  
9 member may enter into any contract, other than a contract of employment, with any state agency  
10 for a period of one year following the end of the board member's service except as provided in  
11 § 5-18A-17.3. This prohibition does not include any state board member who serves without  
12 compensation or who may be paid per diem pursuant to § 4-7-10.4.

13 Section 2. That § 5-18A-17.2 be repealed.

14 ~~5-18A-17.2. A governing body may authorize an officer or employee whose responsibilities~~



1 ~~include approving, awarding, or administering a contract on behalf of a state agency or~~  
2 ~~supervising any employee who has these responsibilities to be a party to or derive a direct~~  
3 ~~benefit from a contract if:~~

4 ~~— (1) — The officer or employee has provided full written disclosure to the governing body;~~

5 ~~— (2) — The governing body has reviewed the essential terms of the transaction or contract~~  
6 ~~and the state officer's or employee's role in the contract or transaction; and~~

7 ~~— (3) — The transaction and the terms of the contract are fair, reasonable, and not contrary to~~  
8 ~~the public interest.~~

9 ~~— The authorization shall be in writing. Any authorization given pursuant to this section is a~~  
10 ~~public record. Each authorization shall be filed with the commissioner of the Bureau of Human~~  
11 ~~Resources, who shall compile the authorizations and present them annually for review by the~~  
12 ~~Government Operations and Audit Committee.~~