

# An Act

ENROLLED SENATE  
BILL NO. 1075

By: Barrington of the Senate

and

Dorman of the House

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

SUBJECT: Municipal contracting procedures

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

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

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

1. Selling, buying, or leasing property, real or personal, to or from the municipality;
2. Contracting with the municipality; or
3. Buying or bartering for or otherwise engaging in any manner in the acquisition of any bonds, warrants, or other evidence of indebtedness of the municipality.

B. The provisions of this section shall not apply to any officer or employee of any municipality of this state with a

population of not more than ~~two thousand five hundred (2,500)~~ five thousand (5,000) according to the latest Federal Decennial Census, who has a proprietary interest in a business which is the only business of that type within five (5) miles of the corporate limits of the municipality. However, any activities permitted by this subsection shall not exceed ~~Five Hundred Dollars (\$500.00)~~ Two Thousand Five Hundred Dollars (\$2,500.00) for any single activity and shall not exceed ~~Ten Thousand Dollars (\$10,000.00)~~ Fifteen Thousand Dollars (\$15,000.00) for all activities in any calendar year. Provided, however, such activity may exceed ~~Ten Thousand Dollars (\$10,000.00)~~ Fifteen Thousand Dollars (\$15,000.00) per year if the municipality purchases items therefrom that are regularly sold to the general public in the normal course of business and the price charged to the municipality by the business does not exceed the price charged to the general public.

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

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

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

municipality is beneficiary unless the surplus property is offered for sale to the public after notice of the sale is published.

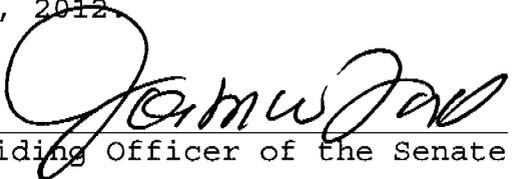
~~D.~~ F. For purposes of this section, "proprietary interest" means ownership of more than twenty-five percent (25%) of the business or of the stock therein or any percentage which constitutes a controlling interest but shall not include any interest held by a blind trust.

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

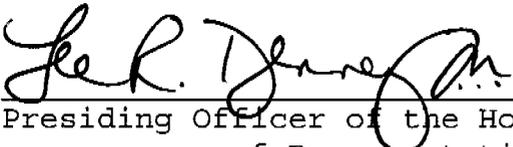
~~F.~~ H. Notwithstanding the provisions of this section, any officer, director or employee of a financial institution may serve on a board of a public body. Provided, the member shall abstain from voting on any matter relating to a transaction between or involving the financial institution in which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

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

Passed the Senate the 1st day of May, 2012.

  
Presiding Officer of the Senate

Passed the House of Representatives the 5th day of April, 2012.

  
Presiding Officer of the House  
of Representatives

OFFICE OF THE GOVERNOR

Received by the Governor this 2<sup>nd</sup>  
day of May, 20 12,  
at 3:30 o'clock P M.

By: James B. Payson

Approved by the Governor of the State of Oklahoma the 8<sup>th</sup> day of  
May, 20 12, at 11:40 o'clock A M.

Mary Fallin  
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Secretary of State this \_\_\_\_\_  
8<sup>th</sup> day of May, 20 12,  
at 1:33 o'clock P M.

By: Michelle R. Day