

AN ACT

ENTITLED, An Act to revise and repeal certain provisions relating to education service agencies.

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

Section 1. That § 3-23-6 be amended to read:

3-23-6. No board member, fiscal agent, officer, or executive of a local service agency, school district, cooperative education service unit, or jointly governed education service entity that receives money from or through the state may have an interest in a contract nor receive a direct benefit from a contract that the local service agency, school district, cooperative education service unit, or jointly governed education service entity is a party to the contract except as provided in § 3-23-8.

Section 2. That § 3-23-8 be amended to read:

3-23-8. A local service agency, school district, cooperative education service unit, or jointly governed education service entity may authorize a board member, fiscal agent, officer, or executive to have an interest in a contract or derive a direct benefit from a contract if:

- (1) The person has provided full written disclosure to the agency, district, or unit governing board;
- (2) The governing board has reviewed the essential terms of the transaction or contract and the person's role in the contract or transaction; and
- (3) The transaction or the terms of the contract are fair, reasonable, and not contrary to the public interest.

No member of a local service agency, school district, cooperative education service unit, or jointly governed education service entity may participate in or vote upon a decision of a local service agency, school district, cooperative education service unit, or jointly governed education service entity relating to a matter in which the member has an interest or derives a direct benefit.

The authorization shall be in writing. Any authorization given pursuant to this section is a public

record. Each authorization shall be filed with the auditor-general. The auditor-general shall compile the authorizations and present them annually for review by the Government Operations and Audit Committee. A board member, fiscal agent, officer, or executive of a local service agency, school district, cooperative education service unit, or jointly governed education service entity may comply with this section if: the local service agency, school district, cooperative education service unit, or jointly governed education service entity puts on its regular meeting agenda an inquiry for conflicts disclosure prior to the consideration of any substantive matters; the person subject to this chapter publicly discloses his or her interest in a contract, direct benefit, or other conflict with any matter on the agenda; the person is excused from discussion and consideration of such matters; the board determines the matter underlying the conflict is fair, reasonable, and not contrary to the public interest; and the disclosure is included in the minutes which are publicly available.

Section 3. That § 3-23-9 be amended to read:

3-23-9. Any person who knowingly violates §§ 3-23-6 to 3-23-8, inclusive, shall be removed from office or employment and is guilty of a Class 1 misdemeanor. Any benefit to a person derived from the person's knowing violation of §§ 3-23-6 to 3-23-8, inclusive, is subject to forfeiture. Any contract made in violation of §§ 3-23-6 to 3-23-8, inclusive, is voidable by the governing body of the local service agency, school district, cooperative education service unit, or jointly governed education service entity.

Section 4. That § 3-23-11 be repealed.

Section 5. That § 13-3-76 be repealed.

Section 6. That § 13-3-77 be repealed.

Section 7. That § 13-3-78 be repealed.

Section 8. That § 13-3-79 be repealed.

Section 9. That § 13-3-80 be repealed.

Section 10. That § 13-3-81 be repealed.

Section 11. That § 13-3-82 be repealed.

Section 12. That § 13-3-83 be repealed.

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I certify that the attached Act
originated in the

HOUSE as Bill No. 1022

Chief Clerk

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Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1022

File No. _____

Chapter No. _____

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Received at this Executive Office
this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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The attached Act is hereby
approved this _____ day of
_____, A.D., 20____

Governor

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STATE OF SOUTH DAKOTA,
ss.

Office of the Secretary of State

Filed _____, 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State