

# **SOUTH DAKOTA HOME BUILDERS ASSOCIATION**

## **BY-LAWS**



AFFILIATED WITH THE NATIONAL ASSOCIATION OF HOME BUILDERS

01-31-2019

## PREAMBLE

The objectives of this Association shall be:

- A. To unite the home builders of this State for the purpose of mutual advantage and cooperation.
- B. To improve the professional image of the Home Building Industry.
- C. To promote the constant improvement of home building techniques and practices.
- D. To promote and protect home ownership among all the people.
- E. To cooperate with other trade associations in all matters related to advancing the home building industry.
- F. To promote the standardization of building codes throughout the nation.
- G. To eliminate governmental regulations which improperly restrict the home building industry.
- H. To promote governmental regulations beneficial to the home building industry.
- I. To enforce a Code of Ethics for members of this Association.
- J. To work with distributors and manufacturers of building materials and equipment so that maximum quality at affordable cost to the consumer may be achieved.
- K. To issue such publications as may be necessary to disseminate information of value to its members, the public and the government.
- L. To serve and protect the welfare of the home building industry, in such manner that adequate and affordable housing will be made available by private enterprise to all South Dakotans.
- M. To provide adequate funding through prudent management of the organization's monies, to meet the goals and objectives of the Association.
- N. To strive to meet the educational and professional needs of the association's members.
- O. To assist in providing shelter to the homeless citizens of our State and Nation.
- P. To increase member profitability through continuing education.

## BY-LAWS OF THE SOUTH DAKOTA HOME BUILDERS ASSOCIATION

### ARTICLE I

#### Name and Location

Section 1. The name of this organization shall be the South Dakota Home Builders Association, hereinafter referred to as the Association.

Section 2. The principal office of this Association shall be located *in Pierre, South Dakota, using the mailing address of* Post Office Box 1218, Pierre, South Dakota 57501-1218.

### ARTICLE II

#### Territorial Jurisdiction

Section 1. This Association shall operate throughout the State of South Dakota.

### ARTICLE III

#### Objective

This Association exists for the purpose of improving conditions in the home building industry and thereby assisting to improve the social, political, and economic welfare of the State and Nation.

### ARTICLE IV

#### Code of Ethics

Section 1. The Builder members, Associate members and Affiliate members of this Association shall be limited to those persons and firms who shall subscribe to the following Code of Ethics:

- A. Members of this Association believe and affirm that:
  - 1. Home ownership can and should be within the reach of every American family.
  - 2. American homes should be well-designed, well-constructed and well-located in attractive communities, recreational, religious and shopping facilities accessible to all.
  - 3. American homes should be built under the American Free Enterprise system.
- B. To achieve these goals, we pledge allegiance to the following principles and policies:
  - 1. Our paramount responsibility is to our customers, our community and our country.
  - 2. Honesty is our guiding business policy.
  - 3. High standards of health, safety and sanitation shall be built into every home.
  - 4. Members shall deal fairly with their respective employees, sub-contractors and suppliers.
  - 5. As members of a progressive industry, we encourage research to develop new materials, new building techniques, new building equipment and improved methods of home financing, to the end that every home purchaser may get the greatest value possible for every dollar.

6. All sound legislative proposals affecting our industry and the people we serve shall have our informed position; pro, con or neutral.
  7. We hold inviolate the free enterprise system and the American Way of Life. We pledge our support to our associates, our local, State and National associations and all related industries concerned with the preservation of legitimate rights and freedoms.
- C. We assume these responsibilities freely and solemnly, mindful that they are part of our obligation as members of this Association.

## ARTICLE V Membership

Section 1. The Members of this Association may be:

- A. Members of an affiliated local association or chapter, or
- B. Direct members outside the territorial jurisdiction of any local association or chapter of the National Association within this State. Such membership shall be classified as Builder, Associate, or Affiliate membership, in accordance with the following section.

Section 2. Qualifications for membership in this Association shall be as follows:

- A. **BUILDER MEMBER.** Any individual who is or has been in, or employed by a firm or corporation in the business or building or rebuilding homes, apartments, schools, commercial, industrial, other structures normally related and appurtenant to a community, or in land development; and who subscribes to the Code of Ethics of this Association and is of good character and business reputation, shall be eligible to be a Builder member; provided such individual, or the firm or corporation which employs them and is in the above described business:
  1. Has been accepted as a Builder member in good standing of any affiliated local association, or chapter of this Association, or
  2. Operates in an area not within the jurisdiction of any affiliated local association, or chapter.

Where a firm or corporation has been accepted as a Builder member of an affiliated local association, or chapter, the employee whom that firm or corporation designates as its representative for its dealings with the affiliated local association, or chapter, shall be eligible for Builder membership in this Association.

- B. **ASSOCIATE MEMBER.** Any individual who is or has been engaged or employed by a firm or corporation engaged in a trade, industry, or profession related to home building and not inconsistent with objectives of the Association or any of its affiliated local associations, or chapters; who subscribes to the Code of Ethics of this Association and is of good character and business reputation shall be eligible to be an associate member; provided such individual or firm or corporation which employs them and is engaged in a trade, industry or profession described above:

1. Has been accepted as an associate member of an affiliated local association, or chapter, or
2. Operates in an area not within the jurisdiction of any affiliated local association, or chapter.

Where a firm or corporation has been accepted as an associate member of an affiliated local association, or chapter, the employee whom that firm or corporation designates as its representative for its dealings with the affiliated local association, or chapter, shall be eligible for Associate membership in this Association.

- C. **AFFILIATE MEMBER.** The Affiliate Membership category is exclusively designed for the employees of Builder and Associate members of the organization.

Section 3. It shall be a condition of membership in this Association that all members shall at the time of application be or simultaneously with their applications become, and shall continue to be, members of the South Dakota Home Builders Association hereinafter referred to as the State Association and the National Association of Home Builders of the United States hereinafter referred to as the National Association.

Section 4. Applicants for membership shall make written application as prescribed by this Association. In the case of members of an affiliated local association or chapter such application shall be submitted as a part of the application to the affiliated local association or chapter for membership in the National Association. Applicants for membership who are not members of an affiliated local association or chapter shall make written application as prescribed by the National Association, and shall agree to observe and be bound by the by-laws of this Association.

Section 5. Members of affiliated local associations and chapters shall, upon payment of State Association dues, be accepted as members of this State association.

Section 6. The Board of Directors may establish a disciplinary committee to consider complaints against individual members of the Association for conduct which reflects discredit to the home building industry or which operates against the best interest of the Association and to recommend such action to the Board of Directors as it deems advisable. Upon these recommendations the Board of Directors may take such disciplinary action as it may deem appropriate, including suspension of membership or expulsion from the Association. No such action shall be taken against a member of an affiliated local association or chapter except at the request of such association or chapter.

## ARTICLE VI Membership Rights and Privileges

Section 1. **BUILDER MEMBERS** are entitled to all the benefits and privileges of the Association including the right to vote.

Section 2. **ASSOCIATE MEMBERS** are entitled to all the benefits and privileges of the Association including the right to vote, except the right to hold the offices of President, First Vice President or Second Vice President of this Association.

Section 3. AFFILIATE MEMBERS are entitled to all the benefits and privileges of the Association including the right to vote, except the right to hold the offices of President, First Vice President or Second Vice President of this Association if their employer is not a Builder Member.

## ARTICLE VII Affiliated Associations

Section 1. THIS ASSOCIATION SHALL ACCEPT AS AN AFFILIATED LOCAL ASSOCIATION, any organized group of home builders in the State of South Dakota working for the same purposes and objectives as this Association, and which qualifies for affiliation.

Section 2. TO QUALIFY FOR AFFILIATION, a local association shall submit to the SD HBA office, a formal written application signed by its President and Secretary and approved by its Board of Directors, certifying:

- A. That the jurisdiction requested by such association does not conflict with the jurisdiction of any existing affiliated local association (except as provided in Section 4A of this Article) and does not extend beyond the metropolitan or trading area in which applicant association is operating.
- B. That if an association, it is composed of not less than 3 Builder members in good standing and 10 total members is good standing.
- C. That the entire membership of such local association listed by name, address, and membership classification will become members of the National Association.
- D. That an opportunity will be given to all individual members of this Association and of the National Association within the requested jurisdiction to become members of such local association.
- E. That the By-Laws of such local association do not conflict with the By-Laws of this Association or of the National Association.
- F. That all members of such local association will agree to abide by the By-Laws and Code of Ethics of this Association and of the National Association.

Section 3. A Certificate of Affiliation as a member association of this Association will be granted to the affiliated local association upon approval by the Board of Directors. If and when an affiliated local association shall cease to be truly representative of Builders in the territory assigned to that local association, the Board of Directors may review, and, by two-thirds vote, may rescind such Certification of Affiliation.

Section 4. Jurisdiction of each affiliated local association shall be defined in its Charter from the National Association.

- A. Only one (1) association from any metropolitan area shall be approved as an affiliated local association except that other associations may be elected in an area or any portion thereof upon submission to this Association of an instrument of

writing signed by the President and Secretary and approved by the Board of Directors of the existing affiliated local association in the area specifically waiving its exclusive jurisdiction over that area.

- B. An affiliated local association shall have sole authority to control local policy, and shall have jurisdiction over its members.
- C. The territory assigned to any affiliated local association may be reviewed by the Board of Directors at any time for recommendation to the National Association.

Section 5. The entire membership list of each affiliated local association must be submitted whenever specifically requested by this Association.

SECTION 6. The affiliated local association shall be entitled to nominate one (1) director and one alternate director to be elected by the membership at the annual meeting for a term of three (3) years. The director and alternate director shall take office at the beginning of the calendar year.

#### ARTICLE VIII Dues

Section 1. Affiliated local associations shall be responsible for the collection and payment monthly of all dues of its members. No dues statements shall be sent directly to members except those members who are outside the jurisdiction of any affiliated local association or unless so specifically requested by an affiliated local association.

Section 2. Affiliated local associations will pay National Association dues direct to the National Association and in accordance with the provisions of the By-Laws of the Association.

Section 3. Dues of members located outside the jurisdiction of an affiliated local association or chapter shall be paid to this Association upon receipt of its statement, and shall include for remittance to the National Association.

#### ARTICLE IX Fiscal Year

Section 1. The fiscal year for this Association shall be the calendar year.

#### ARTICLE X Logo

Section 1. The Board of Directors shall adopt an official Logo to be used on the stationery and literature of this Association.

Section 2. The corporate seal shall have inscribed thereon the name of the Association and words "Corporate Seal, South Dakota."

ARTICLE XI  
Board of Directors

Section 1. The governing body of the Association shall be a Board of Directors which shall elect officers of the Association. A majority of the Directors holding office at any time shall be Builder members.

Section 2. Composition of the Board of Directors shall be determined in the following manner:

A. Each affiliated local association shall be entitled to nominate Directors in proportion to its Builder membership as determined at the annual meeting as follows, two of which shall be local reps:

<u>Builder Memberships</u>	<u>Number of Directors</u>	<u>Builder Membership</u>	<u>Number of Directors</u>
1. Up to <del>25</del> <u>50</u>	Two (2)	<del>5. 101 to 125</del>	<del>Seven (7)</del>
2. <del>26-51</del> to <del>50</del> <u>100</u>	<del>Four</del> <u>Three (4)</u>	6. <del>125 to 150</del>	
<del>Eight (8)</del>			
3. <del>51-101</del> to <del>75</del> <u>150</u>	<del>Five</del> <u>Four (5)</u>	7. <del>151 to 175</del>	<del>Nine</del>
<del>(9)</del>			
4. <del>76-151</del> to <del>100</del> and above	<del>Six</del> <u>Five (6)</u>	<del>8. 176 and above</del>	
<del>Ten (10)</del>			

In no case will any one local association have greater representation than 40 percent of the total number of officers and directors on the South Dakota Home Builder Board of Directors.

B. Local Representative: Each local shall designate two (2) of its directors as state representatives, one of which must be a builder member. They will serve a two (2) year term the first year; one representative will begin with a one (1) year term. Representative will be term limited to three (3) consecutive terms. There is no alternate for this position. The local representative shall also serve on the executive committee.

C. There shall be at least one Director-at-large for each 15 or fractional part thereof, who are Builder members of this Association, but not members of any affiliated local association.

D. Each affiliated local association shall be entitled to nominate up to one Alternate State Director for each Director position allowed. The Alternate must match the membership type of the director they are filling in for.

E. The Immediate Past-President, each local HBA President, in absence of the President the 1<sup>st</sup> VP, 2<sup>nd</sup> VP or member appointed by Local President, the National Delegate, Alternate National Delegate, Associate National Delegate, Alternate Associate National Delegate, State Representative, Build-PAC Trustee, Build-PAC Alternate Trustee, and Area 10 National Chair, if residing within the State of SD, shall be ex-officio members of the Board of Directors with full voting privileges. The Area 10 National Chair, if not residing within the State of SD, shall be ex-officio



member of the Board of Directors without voting privileges.

Section 3. Tenure of Office. Directors and Alternate Directors shall be approved and installed at the Fall Board Meeting following the Association Annual Meeting, for a term of three years (except as provided in Section 4 below) and shall take office at the beginning of calendar year. All Directors and Alternates shall hold office until their successors are elected and qualified.

Section 4. Vacancies occurring on the Board of Directors, either by death, resignation, or the affiliation of a new local association, between Annual Meetings shall be filled by appointment by the President from the local association where the vacancy occurred. The newly appointed Director shall serve until his/her successor is approved and installed at the Winter Executive Board Meeting following the Association Annual Meeting.

## ARTICLE XII Meetings of the Membership

Section 1. An Annual Meeting is held to install new officers as elected by the Board.

## ARTICLE XIII Meetings of the Board of Directors

Section 1. Meetings of the Board of Directors shall be held 4 (four) times per year, at the times and locations as determined by the Board.

Section 2. Notice of meetings showing the date, hour and place of the Board of Directors meetings shall be given in writing or by electronic communication to each member at least 15 days in advance for the meeting and 1 (one) day in advance for any special meeting.

Section 3. Special meetings of the Board of Directors may be called by the President with due and adequate notice.

Section 4. Waiver of notice. The notice required by this Article with respect to any meeting may be waived in writing or by electronic communication.

Section 5. Quorum. A Quorum shall consist of 1/3 (one-third) of the voting members of the Board of Directors.

Section 6. Voting. Each Director, or his/her Alternate, and the ex-officio Directors present at a meeting shall be entitled to 1 (one) vote.

Section 7. Majority Vote. A majority of those present shall determine any action.

Section 8. Attendance. The office of any Director who shall be absent from 2 (two) consecutive regular meetings without prior notice to the President of the Board of Directors may thereupon be declared vacant by the Board of Directors.

## ARTICLE XIV Officers Qualifications and Tenure of Office

Section 1. Elective Officers of this Association may consist of a: President, First Vice-President, Second Vice President, Secretary and Treasurer.

Section 2. Tenure of Office. All elective officers shall hold office for a period of 1 (one) year, beginning the next calendar year upon their election at the Fall Meeting of the Board of Directors or until their successors are elected and qualified.

Section 3. Qualifications. The President and Vice Presidents shall consist of Builder members, with no more than one (1) being an Associate member in good standing. The President shall be eligible to succeed him/herself, but may not serve more than two consecutive terms. Elective Officers shall be members of the Board at the time of their election.

Section 4. Duties of the officers of this Association shall be:

- A. The President shall be the chief officer of this Association and shall preside at its meetings and those of the Board of Directors and Executive Committee. Between the sessions s/he shall have the authority to represent the Association and act in its name subject only to its declared policies. S/he shall appoint all committees, subject to ratification by the Board of Directors, shall be an ex-officio member of all committees and shall perform all other duties usual to such office. In the event of the absence, disability, resignation or death of the President, the First Vice President, Second Vice President, Secretary, or Treasurer, in that order, would act as chief officer of the Association.
- B. The First Vice President shall, in the absence of the President, or upon his/her direction, perform all of the duties of the President. S/he shall also serve on the Executive Committee. S/he will be chair of 1 (one) standing committee.
- C. The Second Vice President, in the absence of the President or First Vice President, or upon his/her direction, perform all the duties of the President. S/he shall also serve on the Executive Committee. S/he will be chair of 1 (one) standing committee.
- E. The Secretary shall keep a written record of all the official proceedings of the Association, and its Board of Directors, including the reports of special committees. These will be bound in the official records of the Association. S/he will, promptly after each meeting, transmit one copy of the minutes to the President, and excerpts to the respective officers and committee chairpersons specifically concerned.
- F. The Treasurer shall perform such duties as are customarily performed by the Treasurer of an association or as shall be prescribed by the Board, all in accordance with the applicable law of the State of South Dakota. S/he shall be the custodian of the funds of the association and shall prepare and present a financial report at each annual meeting or at such time or times designated by the Board. S/he shall collect all contributions of the association, and shall disburse such funds of the association pursuant to and in accordance with the applicable laws, Committees, all

with the advice and consent of the Board of Directors. All expenditures made by or on behalf of such association shall be by check or electronic transfer and signed or approved by electronic communication by one of the following officers: Treasurer and if Treasurer is not available the President. All expenditures over \$4000 require approval of both the Treasurer and the President. A printed copy of all electronic communications shall be filed with the Executive Vice President in the office of the South Dakota Home Builders Association.

## ARTICLE XV Elections

Section 1. Nominating Committee. There shall be a Nominating Committee consisting of the President, First Vice President, Second Vice President, and a representative from each local association or chapter as appointed by the state president. This committee shall canvass the membership, shall solicit and consider recommendations and shall recommend candidates for the offices to be filled. The President shall serve as chair of this committee.

Section 2. Election of the Board of Directors:

- A. In electing a Director from an affiliated local association, the Board shall elect a candidate nominated by that Association. Nomination of a Director to represent members of this Association outside the jurisdiction of any local association shall be made by the Nominating Committee.
- B. At least thirty (30) days prior to the first Board Meeting of the calendar year, each affiliated local association shall nominate one (1) Director for each post on the Board of Directors to which it is entitled. Upon failure of an Association to submit such nominations, the Nominating Committee shall have the right to select one candidate from the membership of that association to fill each of the posts on the Board.
- C. Builder members of chapters and direct Builder members where no affiliated local association exists, who are entitled to one or more Directors, may recommend to the Nominating Committee a candidate or candidates for the post of Director of the Board.
- D. Acceptance of nominations of the affiliated local association and the report of the Nominating Committee shall constitute the election of the candidates named.

Section 3. Election of Officers:

- A. Recommendations for State Officers shall be made by members of the Board of Directors and the membership, in writing or in person, to the Nominating Committee before the Fall Meeting of the Board of Directors.
- B. The Nominating Committee shall meet prior to the Fall Board Meeting to hear these recommendations and prepare its report, which shall be submitted to the Board of Directors.
- C. Additional nominations may be made from the floor.

- D. If no additional nominations are made from the floor, acceptance of the report of the Nominating Committee shall constitute the election of the candidates named.
- E. If additional nominations are made from the floor, a vote shall be taken by secret ballot and the candidate receiving the most votes for one office shall be considered elected.
- G. In the event that more than two candidates are nominated for any one office, a majority of the Directors voting shall be necessary to elect. In the event such a majority is not obtained, then a second vote shall be taken upon the two candidates receiving the highest number of votes.

## ARTICLE XVI Committees

Section 1. There may be the following standing committees:

- A. The Executive Committee shall consist of the President, acting as chair, First Vice President, Second Vice President, Secretary, Treasurer, Immediate Past President, Local Representative and State Representative. All members of this Committee shall be ex-officio members of all committees. This committee shall conduct the affairs of the Association in accordance with the By-Laws, policies, and instructions of the Board of Directors. It shall be the Policy and Steering Committee of this Association, and shall be responsible for establishing a budget for financing the Association, and for all matters of policy and public statement, subject to the approval of the Board of Directors. The Executive Committee shall meet when deemed necessary upon the call of the Chair at a time and place designated by the Chair. A quorum shall consist of seven members present in person, at least three (3) of whom shall be officers.
- B. The Membership Services Committee shall be composed of a chair and vice chair and such others as necessary. Each Local Association President shall appoint a member to the committee. It shall have the responsibility of passing upon applications for membership and recommendations of suspension or expulsion, and the development of new affiliated associations and chapters, as well as other duties explained in the South Dakota Home Builders Association Policy Manual.
- C. The Legislative Committee shall examine report and make recommendations on State and National legislation and governmental affairs affecting the home building industry.

The Legislative Committee with the approval of at least three of the six (6) following officers--President, First Vice President, Second Vice President, Immediate Past President, Secretary, and Treasurer--may take positions on issues at any time. During Legislative Session if officers are not on regularly scheduled weekly conference calls Legislative Committee can vote on positions regarding bills without officer approval.

- D. The Personnel Committee shall conduct semi-annual reviews of the Executive Vice President providing input, whether written or verbal, which will be considered as the EVP pursues the evaluation process. The Personnel Committee shall review staff concerns, needs, structure and performance and report to the board of directors at the Spring Board Meeting and Fall Board Meeting of such reviews. The committee shall consist of the SDHBA Officers plus presidential appointments or consultants as necessary. Only SDHBA members will have voting privilege on this committee. The Personnel Committee has all authority in all employment practices.
- E. Other Committees: There shall be such other committees as may be designated by the Board of Directors and Executive Committee.

Section 2. Meetings of all committees shall be upon the call of the Chair. Between meetings, a vote by electronic communication, US mail, fax, or voice of two-thirds (2/3) of the membership of the committee shall determine any action.

Section 3. A Quorum of all committees shall be a majority of the membership of the Committees, unless otherwise provided by these By-Laws.

Section 4. The Chair of all committees shall be appointed by the President except as otherwise specifically provided in these By Laws. The Vice Chair of all committees shall be appointed by the Second Vice President except as otherwise specifically provided in these By-Laws.

## ARTICLE XVII Finance

Section 1. This Association shall operate as a non-profit organization. In the event of its dissolution, all of its funds and property shall be applied to payment of its debts and the surplus, if any, shall be donated to the South Dakota Department of Education Board of Technical Education, to be used to further a technical education program within the building or construction field.

Section 2. All funds of the Association shall be placed in a depository approved by the Board of Directors.

Section 3. The Directors shall adopt a budget for each calendar year. The Association shall function within the budget.

Section 4. The Treasurer may report on the finances of the Association to the Executive Committee at least once quarterly, and shall relate expenses to the current budget requirements.

Section 5. A procedural audit shall be conducted every three years with an annual financial audit of the finances of the association, prepared by the Public Accountant, shall be presented to a meeting of the Board of Directors, accompanied with a report by the Treasurer or at the request of the Board.

Section 6. The Association shall maintain 12 months essential operating expenses in reserves, and those reserves can be accessed upon approval of the Board of Directors.

ARTICLE XVIII  
Association Policy

All action of the Board shall be by majority vote unless otherwise provided in these By-Laws.

ARTICLE XIX  
Order of Business and Rules of Order

The rules contained in ***Robert's Rules of Order, Revised***, shall govern this Association in all cases to which they are applicable, including meetings of the membership and Board of Directors, if not inconsistent with these By-Laws or other special rules which may be adopted by the Association from time to time.

ARTICLE XX  
Amendments

Section 1. These By-Laws may be amended by a two-thirds (2/3) vote of the members of the Board of Directors present at any meeting, provided the substance of the proposed amendment shall have been submitted to the Directors at least thirty (30) days in advance.