

# HOUSE BILL REPORT

## SB 6757

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### As Passed House - Amended:

February 27, 1996

**Title:** An act relating to contract restrictions for first class school districts.

**Brief Description:** Exempting first class school districts from conflict of interest provisions relating to contracts.

**Sponsors:** Senator Morton.

### Brief History:

#### Committee Activity:

Education: 2/15/96, 2/20/96 [DP].

#### Floor Activity:

Passed House - Amended, 2/27/96, 96-2.

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## HOUSE COMMITTEE ON EDUCATION

**Majority Report:** Do pass. Signed by 18 members: Representatives Brumsickle, Chairman; Elliot, Vice Chairman; Johnson, Vice Chairman; Cole, Ranking Minority Member; Keiser, Assistant Ranking Minority Member; Clements; Fuhrman; Hatfield; Linville; McMahan; Pelesky; Poulsen; Quall; Radcliff; Talcott; B. Thomas; Thompson and Veloria.

**Staff:** Susan Ronn (786-7292).

**Background:** School district board members are considered to be municipal officers. Conflict of interest statutes for municipal officers provide that these officers may not benefit from contracts entered into by the municipality, except in certain enumerated instances. One of these exceptions provides that a second-class school district may enter into a contract in which a board member has a beneficial interest if the contract is not a real property contract, is for less than \$750 a month, is publicly disclosed, and the member with the interest does not vote on the authorization of the contract. There is no such exception for first-class districts.

First-class school districts have 2,000 or more students. Second-class districts have fewer than 2,000 students.

**Summary of Bill:** A first-class school district may enter into a contract in which a board member has an interest if the contract is not a real property contract, is for less than \$750 a month, is publicly disclosed, and the member with the interest does not vote on the authorization of the contract. (These are the same provisions as are currently available for second-class school districts.) Additionally, when a first-class school district enters into such a contract, notice of the proposed contract must be published in one or more newspapers of general circulation within the district.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This treats first-class school districts the same as second-class districts. It also treats first-class districts in the same manner as cities and towns. In instances where there may be only one business from which a district may purchase a product, there currently is additional expense and time added to that purchase in a first-class district when a board member has a beneficial interest in the business.

**Testimony Against:** None.

**Testified:** Senator Morton, prime sponsor; and Dwayne Slate, Washington State School Directors' Association.