

HOUSE OF REPRESENTATIVES

Olympia Washington

BilAnalysis

BilNo. HB 1200

Code of ethics for municipal officers
Brief title

Public Arg: 2/5/97

Reps. Buck/D. Schmidt
Sponsor

Staff Contact Bill Lynch
Comm. on Govt. Admin.
Phone: 786-7092

BACKGROUND:

Municipal officers are prohibited by the municipal code of ethics from having a beneficial interest in a contract, either directly or indirectly, which is made by, through or under the supervision of that officer. A municipal officer is any elected or appointed officer of a unit of local government and includes any deputy and assistants of that officer.

A number of exemptions to this prohibition have been established and some of these exemptions pertain to the hiring of a spouse of a municipal officer. These exemptions include the letting of an employment contract to a spouse of a municipal officer of a second class school district: (1) the contracts for driving school bus and the terms of the contract are commensurate with the pay plan or collective bargaining agreement in place or (2) the contracts for employment as a certificated classified employee and there are less than 200 students enrolled at the school.

In addition, any school district may also hire a spouse of a municipal officer of the district if the contract is for employment as a substitute teacher and there is a shortage of substitute teachers in the district and the terms of the contract are commensurate with the pay plan or collective bargaining agreement in place. Finally, any school district may enter into an employment contract with the spouse of a municipal officer of the district if the spouse was under contract as a certificated classified employee with the school district before the date in which the municipal officer takes office, and the terms of the contract are commensurate with the pay plan or collective bargaining agreement in place for similarly situated individuals.

All of these particular spousal exemptions apply only to school districts. There are no spousal exemptions from the prohibition against a municipal officer having a beneficial interest in a contract for any other type of municipality.

Continued

The code of ethics for municipal officers allows a municipal officer to have a remote interest in a contract if the interest is disclosed and noted in the official minutes or records of the municipality before the contract is executed, and the majority of the governing body approves the contract without the municipal officer with the remote interest voting on the contract. Remote interest in a contract is defined as that of a landlord or tenant of a contracting party, the holder of less than 1 percent of the shares of a corporation or cooperative which is the contracting party, a nonsalaried officer of a municipal corporation, or an employee of a contracting party where the compensation consists entirely of fixed wages or salary. Interest acquired through or because of a marital relationship or community property is not considered remote interest.

A violation of the municipal code of ethics results in a voiding of the contract, an act in violation of the law, a civil penalty of \$300 against the municipal officer, and a forfeiture of office by the municipal officer.

SUMMARY:

A municipality may let or continue any employment contract to the spouse of a municipal officer if the terms of the contract are commensurate with the pay plan or collective bargaining agreement in place for other individuals who are similarly situated.

If a municipal officer acquires an interest in a contract through or because of a marital relationship or community property, that interest is considered to be a remote interest in the contract.

FISCAL NOTE: Not requested.

EFFECTIVE DATE: Ninety days after adjournment of session in which bill passed.