

HOUSE BILL REPORT

HB 1200

As Reported By House Committee On:
Government Administration

Title: An act relating to the code of ethics for municipal officers.

Brief Description: Revising the code of ethics for municipal officers.

Sponsors: Representatives Buck, D. Schmidt and Dunn.

Brief History:

Committee Activity:

Government Administration: 2/5/97, 2/21/97 [DPS].

HOUSE COMMITTEE ON GOVERNMENT ADMINISTRATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives D. Schmidt, Chairman; D. Sommers, Vice Chairman; Scott, Ranking Minority Member; Gardner, Assistant Ranking Minority Member; Doumit; Dunn; Dunshee; Murray; Reams; Smith; L. Thomas; Wensman and Wolfe.

Staff: Bill Lynch (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 deputies 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. 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.

Summary of Substitute Bill: A public hospital district may employ the spouse of a public hospital district commissioner without a violation of the municipal code of ethics occurring if (1) the spouse was employed by the district before the initial election of the commissioner; (2) the terms of the contract are commensurate with

provisions for similar employees; (3) the commissioner's interest is disclosed in the public record prior to the letting or continuation of the contract; and (4) the commissioner does not vote on the authorization, approval, or ratification of the contract or any of its conditions.

Substitute Bill Compared to Original: The original bill applied to the hiring of a spouse by any municipal officer of any municipality. The original bill classified any community property interest in a contract as being a remote interest in a contract.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: It is unfair that other local governments don't have the same exemptions for the hiring of a spouse as school districts. A person who wanted to run for hospital district commissioner was told he was ineligible because his wife was a part-time nurse with the district. This bill requires disclosure, the commissioner with the interest will abstain from the voting, and the decision will be made by other people.

Testimony Against: None.

Testified: Representative Buck, prime sponsor; and Stewart Schoen, citizen.