

HOUSE OF REPRESENTATIVES

Olympia Washington

BilAnalysis

BilNo. HB 1390

Regulating municipal officers interests in contracts
Brief title

Public Arg: 2/5/97

Reps. Hatfield/Pennington/Doumit
Sponsor

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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 include any deputy and assistant of that officer.

A number of exemptions to this prohibition have been established for certain municipalities. They include contracts for unskilled labor that do not exceed \$100 in a calendar month; contracts in which the total volume of business represented by the contract in which the municipal officer's business interest does not exceed \$750 in any calendar month; and contracts by a second class city or town, non charter code city or county fair board in a county which does not have a purchasing department in which the total volume of business exceeds this \$750 monthly limit but the total amount of such contracts do not exceed \$9,000 in any calendar year.

The dollar thresholds established for these contracts have not been changed for many years and the thresholds apply to the total value of the contract instead of the portion of the contract that would benefit the municipal officer's business. The exemptions are also very difficult to read and understand.

A municipal officer is not allowed to vote on the authorization of a contract if the officer is the supplier or contractor. There is no prohibition against municipal officers voting on other contracts in which they may be beneficially interested.

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

Continued

conflict between provisions The statutes do not address if there is a conflict between the code of ethics and a county charter or a city-county charter.

SUMMARY:

The dollar thresholds for contracts which are exempted from the municipal conflict of interest statutes are made applicable to the portion of the contract that will benefit the business operated by the municipal officer. The amount of the dollar thresholds are raised as follows: (1) The threshold for unskilled labor is raised from \$100 to \$200 a month; (2) the threshold for money received under a contract is raised from \$750 to \$1200 in a calendar month; and (3) the threshold for money received under a contract when the municipality is a second class city or town, noncharter code city, or county fair board in a county without a purchasing department is raised so that a contract may exceed \$1,200 in a calendar month but may not exceed \$14,400 in any calendar year.

Municipal officers are prohibited from voting in the authorization, approval or ratification of a contract in which he or she is beneficially interested even if an exemption from the municipal conflict of interest laws applies.

The amount of the civil penalty that may be imposed on a municipal officer for violating the municipal code of ethics is raised from \$300 to \$500. A violation of the code of ethics may be grounds for forfeiture of the municipal officer's office instead of a mandatory forfeiture of office.

A county charter or a city-county charter control over the municipal code of ethics if there is a conflict between provisions.

FISCAL NOTE: Not requested.

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