

SENATE BILL REPORT

EHB 2396

As of February 18, 2000

Title: An act relating to exemptions from the prohibitions on municipal officers being beneficially interested in contracts.

Brief Description: Modifying provisions that exempt certain municipal officers from the prohibitions on beneficial interests in contracts.

Sponsors: Representatives Mulliken, Doumit, Schoesler, Hatfield, Cox, Scott, G. Chandler and Edwards.

Brief History:

Committee Activity: State & Local Government: 2/21/2000.

SENATE COMMITTEE ON STATE & LOCAL GOVERNMENT

Staff: Diane Smith (786-7410)

Background: The code of ethics for municipal officers includes specific language restricting an officer from having a beneficial interest in a particular contract if the officer has any connection with the contract that would benefit them individually. A municipal officer is not allowed to vote on the authorization contract if the officer is the supplier or contractor. Municipal officers are defined as any elected or appointed officer of a unit of local government, and includes deputies and assistants of that officer.

There are several exemptions specified in statute in which municipal officers are allowed to have an interest in an awarded contract if the contract is within certain limits. The criteria for exemptions which a municipal officer have a beneficial interest in a contract are based on population. Municipal officers are exempt from this restriction for contracts that do not exceed \$1,500 in any calendar month for counties with a population under 125,000, and for cities with a population under 10,000.

During the 1999 legislative session, SB 5731 was passed as C 261 L 99, which doubled the dollar threshold exemption for contracts in which municipal officers have a beneficial interest, and made other clarifications to the statute.

Summary of Bill: The population criteria for cities are raised from 10,000 population to 30,000 population for the exemption from the prohibition on municipal officers from having a beneficial interest in a contract.

The criteria for exemptions to the prohibition are narrowed to include only rural counties, which are defined as counties having fewer than 100 persons per square mile.

Appropriation: None.

Fiscal Note: Not requested.

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