
ENGROSSED HOUSE BILL 2396

State of Washington

56th Legislature

2000 Regular Session

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

Read first time 01/12/2000. Referred to Committee on Local Government.

1 AN ACT Relating to exemptions from the prohibitions on municipal
2 officers being beneficially interested in contracts; and amending RCW
3 42.23.030.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 42.23.030 and 1999 c 261 s 2 are each amended to read
6 as follows:

7 No municipal officer shall be beneficially interested, directly or
8 indirectly, in any contract which may be made by, through or under the
9 supervision of such officer, in whole or in part, or which may be made
10 for the benefit of his or her office, or accept, directly or
11 indirectly, any compensation, gratuity or reward in connection with
12 such contract from any other person beneficially interested therein.
13 This section shall not apply in the following cases:

14 (1) The furnishing of electrical, water or other utility services
15 by a municipality engaged in the business of furnishing such services,
16 at the same rates and on the same terms as are available to the public
17 generally;

18 (2) The designation of public depositaries for municipal funds;

1 (3) The publication of legal notices required by law to be
2 published by any municipality, upon competitive bidding or at rates not
3 higher than prescribed by law for members of the general public;

4 (4) The designation of a school director as clerk or as both clerk
5 and purchasing agent of a school district;

6 (5) The employment of any person by a municipality for unskilled
7 day labor at wages not exceeding two hundred dollars in any calendar
8 month. The exception provided in this subsection does not apply to a
9 county with a population of one hundred twenty-five thousand or more,
10 a city with a population of more than one thousand five hundred, an
11 irrigation district encompassing more than fifty thousand acres, or a
12 first class school district;

13 (6)(a) The letting of any other contract in which the total amount
14 received under the contract or contracts by the municipal officer or
15 the municipal officer's business does not exceed one thousand five
16 hundred dollars in any calendar month.

17 (b) However, in the case of a particular officer of a second class
18 city or town, or a noncharter optional code city, or a member of any
19 county fair board in a county which has not established a county
20 purchasing department pursuant to RCW 36.32.240, the total amount of
21 such contract or contracts authorized in this subsection (6) may exceed
22 one thousand five hundred dollars in any calendar month but shall not
23 exceed eighteen thousand dollars in any calendar year.

24 (c) The exceptions provided in this subsection (6) do not apply to
25 a sale or lease by the municipality as the seller or lessor. The
26 exceptions provided in this subsection (6) also do not apply to the
27 letting of any contract by a county with a population of one hundred
28 twenty-five thousand or more, a city with a population of (~~ten~~)
29 thirty thousand or more in a rural county, or an irrigation district
30 encompassing more than fifty thousand acres. For the purposes of this
31 subsection, "rural county" has the same meaning as in RCW 82.14.370(5).

32 (d) The municipality shall maintain a list of all contracts that
33 are awarded under this subsection (6). The list must be made available
34 for public inspection and copying;

35 (7) The leasing by a port district as lessor of port district
36 property to a municipal officer or to a contracting party in which a
37 municipal officer may be beneficially interested, if in addition to all
38 other legal requirements, a board of three disinterested appraisers and
39 the superior court in the county where the property is situated finds

1 that all terms and conditions of such lease are fair to the port
2 district and are in the public interest. The appraisers must be
3 appointed from members of the American Institute of Real Estate
4 Appraisers by the presiding judge of the superior court;

5 (8) The letting of any employment contract for the driving of a
6 school bus in a second class school district if the terms of such
7 contract are commensurate with the pay plan or collective bargaining
8 agreement operating in the district;

9 (9) The letting of any employment contract to the spouse of an
10 officer of a school district, when such contract is solely for
11 employment as a substitute teacher for the school district. This
12 exception applies only if the terms of the contract are commensurate
13 with the pay plan or collective bargaining agreement applicable to all
14 district employees and the board of directors has found, consistent
15 with the written policy under RCW 28A.330.240, that there is a shortage
16 of substitute teachers in the school district;

17 (10) The letting of any employment contract to the spouse of an
18 officer of a school district if the spouse was under contract as a
19 certificated or classified employee with the school district before the
20 date in which the officer assumes office and the terms of the contract
21 are commensurate with the pay plan or collective bargaining agreement
22 operating in the district. However, in a second class school district
23 that has less than two hundred full-time equivalent students enrolled
24 at the start of the school year as defined in RCW 28A.150.040, the
25 spouse is not required to be under contract as a certificated or
26 classified employee before the date on which the officer assumes
27 office;

28 (11) The authorization, approval, or ratification of any employment
29 contract with the spouse of a public hospital district commissioner if:
30 (a) The spouse was employed by the public hospital district before the
31 date the commissioner was initially elected; (b) the terms of the
32 contract are commensurate with the pay plan or collective bargaining
33 agreement operating in the district for similar employees; (c) the
34 interest of the commissioner is disclosed to the board of commissioners
35 and noted in the official minutes or similar records of the public
36 hospital district prior to the letting or continuation of the contract;
37 and (d) and the commissioner does not vote on the authorization,
38 approval, or ratification of the contract or any conditions in the
39 contract.

1 A municipal officer may not vote in the authorization, approval, or
2 ratification of a contract in which he or she is beneficially
3 interested even though one of the exemptions allowing the awarding of
4 such a contract applies. The interest of the municipal officer must be
5 disclosed to the governing body of the municipality and noted in the
6 official minutes or similar records of the municipality before the
7 formation of the contract.

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