

HOUSE BILL REPORT

HB 2511

As Reported By House Committee On:

Government Administration

Title: An act relating to ethics in public service.

Brief Description: Creating a limited exception for members of boards, commissions, and committees to have a small financial interest in the board's, commission's, or committee's transactions.

Sponsors: Representatives Wolfe, Chopp, Ogden, Gardner, Butler, Appelwick and Anderson.

Brief History:

Committee Activity:

Government Administration: 1/28/98, 2/3/98 [DPS].

HOUSE COMMITTEE ON GOVERNMENT ADMINISTRATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives D. Schmidt, Chairman; D. Sommers, Vice Chairman; Scott, Ranking Minority Member; Gardner, Assistant Ranking Minority Member; Doumit; Dunn; Dunshee; Smith; L. Thomas; Wensman and Wolfe.

Staff: John Carmichael (786-7093).

Background: The Ethics in Public Service Act generally prohibits state officers or employees from having a beneficial interest in a transaction under the officer's or employee's supervision. A beneficial interest would exist if a state officer or employee would benefit from a contract, regardless of the legal ownership of the contract.

Summary of Substitute Bill: A member of a state board, commission, or committee may have a beneficial interest in a transaction if the interest is \$10,000 or less. If the member's interest exceeds this limit, the member must disclose the interest, recuse himself or herself from voting on the transaction, and not influence or attempt to influence the vote of other members.

Substitute Bill Compared to Original Bill: The proposed threshold for an allowable interest is simplified. In the original bill, the threshold is \$10,000 or less, or less than

1 percent of the value of the person involved in the transaction, whichever is less. The threshold in the substitute is \$10,000 or less.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Recent interpretation of the law by the Executive Ethics Board is too restrictive. This bill uses standards similar to those used by the State Investment Board. The exception should also be extended to administrative law judges.

Testimony Against: None.

Testified: Representative Cathy Wolfe, prime sponsor; Todd Sander, Department of Information Services; and Art Wang, Office of Administrative Appeals.