

**WAC 399-50-020 Interest in contracts or loan agreements, projects, or loans.** (1) When a member of the public works board is beneficially interested, directly or indirectly, in a loan agreement, project, or loan that may be made by, through, or under the supervision of the board, in whole or in part, or when the member accepts, directly or indirectly, any compensation, gratuity, or reward from any other person beneficially interested in such loan agreement, project, or loan, the member shall:

(a) Recuse him or herself from board discussion regarding the specific loan agreement, project, or loan;

(b) Recuse him or herself from the board vote on the specific loan agreement, project, or loan; and

(c) Refrain from attempting to influence the remaining board members in their discussion and vote regarding the specific loan agreement, project, or loan.

(2) The prohibition against discussion set forth in subsection (1)(a) and (c) of this section shall not prohibit the member of the board from using his or her general expertise to educate and provide general information on the subject area to the other members.

(3) Under subsection (1) of this section, "any other person" has a beneficial interest in a loan agreement, project, or loan when the other person bids, applies for, or otherwise seeks to be awarded the loan agreement, project, or loan.

**Example 1**

Board member Sam Jones is an engineering consultant. Jones performs consulting work on a regular basis for the Evergreen County public works department. The board is asked to approve an emergency public works loan for Evergreen County. Jones should recuse himself from voting on or discussing this action because he receives compensation from a "person" (Evergreen County) beneficially interested in the proposed loan.

**Example 2**

Board member Ima Kozy is the President and CEO of a firm that constructs roads and utilities. The board is asked to approve a list of loans for construction projects in various locations around the state. One of the projects is in the City of Destiny, where Ima's firm frequently responds to solicitation for bids. If Ima wants her firm to be able to bid on the Destiny project, she should recuse herself from voting on this list or discussing this action.

If Ima does vote to approve the list or participates in discussing it, she will be prohibited by RCW 42.52.030 from receiving a direct or indirect beneficial interest in the loan agreement to Destiny, or from accepting compensation from another person beneficially interested in the loan agreement. Thus, neither she nor her firm may bid on the project.

[Statutory Authority: RCW 43.155.040(4). WSR 09-04-100, § 399-50-020, filed 2/4/09, effective 3/7/09. Statutory Authority: Chapter 42.52 RCW and RCW 43.155.040(4). WSR 00-11-021, § 399-50-020, filed 5/9/00, effective 6/9/00.]