
SENATE BILL 6329

State of Washington

53rd Legislature

1994 Regular Session

By Senators West, Snyder, Moore and Sellar

Read first time 01/19/94. Referred to Committee on Government Operations.

1 AN ACT Relating to avoiding the appearance of favoritism in the
2 state's selection of service providers or underwriters; reenacting and
3 amending RCW 42.17.2401; adding a new section to chapter 43.08 RCW;
4 adding a new section to chapter 43.33 RCW; adding a new section to
5 chapter 43.33A RCW; adding a new section to chapter 39.44 RCW; creating
6 a new section; and providing an effective date.

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

8 NEW SECTION. **Sec. 1.** The purpose of sections 2 through 5 of this
9 act is to avoid the appearance or perception that favoritism, special
10 dealing, or political considerations may be involved in decisions
11 relating to the state's selection of service providers or underwriters.

12 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.08 RCW
13 to read as follows:

14 (1) Except as provided in subsection (3) of this section, the state
15 treasurer may not enter into an agreement or contract for the services
16 of an underwriter or service provider that has made a contribution
17 reportable under chapter 42.17 RCW to the state treasurer during the
18 current or preceding election cycle.

1 (2) Except as provided in subsection (3) of this section, the state
2 treasurer may not enter into an agreement or contract for the services
3 of an underwriter or service provider that will not, as a condition of
4 entry to the agreement or contract, certify that it will not make a
5 contribution reportable under chapter 42.17 RCW to a candidate for the
6 office of state treasurer during the period beginning on the date of
7 entry into the agreement or contract and ending one year after the date
8 the agreement or contract has been revoked or otherwise become
9 inoperative.

10 (3) This section does not apply to agreements or contracts entered
11 into through competitive solicitation.

12 (4) As used in this section:

13 (a) "Competitive solicitation" means a documented formal process
14 providing an equal and open opportunity to qualified parties and
15 culminating in a selection based on criteria that may include such
16 factors as the service provider or underwriter's fees or costs,
17 ability, capacity, experience, reputation, responsiveness to time
18 limitations, responsiveness to solicitation requirements, quality of
19 previous performance, and compliance with statutes and rules relating
20 to contracts or services.

21 (b) "Service provider" means an individual or firm that provides
22 legal or financial advisory assistance to the state or to another
23 service provider or underwriter, for compensation. The term includes
24 agents, legal counsel, officers, principals, and professional employees
25 of the service provider, but only from the date the individual or firm
26 becomes employed or is retained as an agent, legal counsel, officer,
27 principal, or professional employee of the service provider.

28 (c) "Underwriter" means an individual or firm that initially
29 purchases a new issue of bonds from the state by a negotiated sale.
30 The term includes agents, legal counsel, officers, principals, and
31 professional employees of the underwriter, but only from the date the
32 individual or firm becomes employed or is retained as an agent, legal
33 counsel, officer, principal, or professional employee of the
34 underwriter.

35 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.33 RCW
36 to read as follows:

37 (1) Except as provided in subsection (3) of this section, the state
38 finance committee may not enter into an agreement or contract for the

1 services of an underwriter or service provider that has made a
2 contribution reportable under chapter 42.17 RCW to a member of the
3 state finance committee during the current or preceding election cycle.

4 (2) Except as provided in subsection (3) of this section, the state
5 finance committee may not enter into an agreement or contract for the
6 services of an underwriter or service provider that will not, as a
7 condition of entry to the agreement or contract, certify that it will
8 not make a contribution reportable under chapter 42.17 RCW to a
9 candidate for the office of state treasurer, lieutenant governor, or
10 governor during the period beginning on the date of entry into the
11 agreement or contract and ending one year after the date the agreement
12 or contract has been revoked or otherwise become inoperative.

13 (3) This section does not apply to agreements or contracts entered
14 into through competitive solicitation.

15 (4) As used in this section:

16 (a) "Competitive solicitation" means a documented formal process
17 providing an equal and open opportunity to qualified parties and
18 culminating in a selection based on criteria that may include such
19 factors as the service provider or underwriter's fees or costs,
20 ability, capacity, experience, reputation, responsiveness to time
21 limitations, responsiveness to solicitation requirements, quality of
22 previous performance, and compliance with statutes and rules relating
23 to contracts or services.

24 (b) "Service provider" means an individual or firm that provides
25 legal or financial advisory assistance to the state or to another
26 service provider or underwriter, for compensation. The term includes
27 agents, legal counsel, officers, principals, and professional employees
28 of the service provider, but only from the date the individual or firm
29 becomes employed or is retained as an agent, legal counsel, officer,
30 principal, or professional employee of the service provider.

31 (c) "Underwriter" means an individual or firm that initially
32 purchases a new issue of bonds from the state by a negotiated sale.
33 The term includes agents, legal counsel, officers, principals, and
34 professional employees of the underwriter, but only from the date the
35 individual or firm becomes employed or is retained as an agent, legal
36 counsel, officer, principal, or professional employee of the
37 underwriter.

1 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.33A RCW
2 to read as follows:

3 (1) Except as provided in subsection (3) of this section, the state
4 investment board may not enter into an agreement or contract for the
5 services of a service provider that has made a contribution reportable
6 under chapter 42.17 RCW to a member of the state investment board
7 during the current or preceding election cycle.

8 (2) Except as provided in subsection (3) of this section, the state
9 investment board may not enter into an agreement or contract for the
10 services of a service provider that will not, as a condition of entry
11 to the agreement or contract, certify that it will not make a
12 contribution reportable under chapter 42.17 RCW to a candidate for
13 state office during the period beginning on the date of entry into the
14 agreement or contract and ending one year after the date the agreement
15 or contract has been revoked or otherwise become inoperative.

16 (3) This section does not apply to agreements or contracts entered
17 into through competitive solicitation.

18 (4) As used in this section:

19 (a) "Competitive solicitation" means a documented formal process
20 providing an equal and open opportunity to qualified parties and
21 culminating in a selection based on criteria that may include such
22 factors as the service provider or underwriter's fees or costs,
23 ability, capacity, experience, reputation, responsiveness to time
24 limitations, responsiveness to solicitation requirements, quality of
25 previous performance, and compliance with statutes and rules relating
26 to contracts or services.

27 (b) "Service provider" means an individual or firm that provides
28 legal or financial advisory assistance to the state or to another
29 service provider or underwriter, for compensation. The term includes
30 agents, legal counsel, officers, principals, and professional employees
31 of the service provider, but only from the date the individual or firm
32 becomes employed or is retained as an agent, legal counsel, officer,
33 principal, or professional employee of the service provider.

34 NEW SECTION. **Sec. 5.** A new section is added to chapter 39.44 RCW
35 to read as follows:

36 (1) Except as provided in subsection (3) of this section, no
37 county, city, town, political subdivision, or other municipal or quasi-
38 municipal corporation authorized to issue revenue bonds may enter into

1 an agreement or contract for the services of an underwriter or service
2 provider that has made a contribution reportable under chapter 42.17
3 RCW to an elected official of that unit of government during the
4 current or preceding election cycle.

5 (2) Except as provided in subsection (3) of this section, no
6 county, city, town, political subdivision, or other municipal or quasi-
7 municipal corporation authorized to issue revenue bonds may enter into
8 an agreement or contract for the services of an underwriter or service
9 provider that will not, as a condition of entry to the agreement or
10 contract, certify that it will not make a contribution reportable under
11 chapter 42.17 RCW to a candidate for office in that unit of government
12 during the period beginning on the date of entry into the agreement or
13 contract and ending one year after the date the agreement or contract
14 has been revoked or otherwise become inoperative.

15 (3) This section does not apply to agreements or contracts entered
16 into through competitive solicitation.

17 (4) As used in this section:

18 (a) "Competitive solicitation" means a documented formal process
19 providing an equal and open opportunity to qualified parties and
20 culminating in a selection based on criteria that may include such
21 factors as the service provider or underwriter's fees or costs,
22 ability, capacity, experience, reputation, responsiveness to time
23 limitations, responsiveness to solicitation requirements, quality of
24 previous performance, and compliance with statutes and rules relating
25 to contracts or services.

26 (b) "Service provider" means an individual or firm that provides
27 legal or financial advisory assistance to the state or to another
28 service provider or underwriter, for compensation. The term includes
29 agents, legal counsel, officers, principals, and professional employees
30 of the service provider, but only from the date the individual or firm
31 becomes employed or is retained as an agent, legal counsel, officer,
32 principal, or professional employee of the service provider.

33 (c) "Underwriter" means an individual or firm that initially
34 purchases a new issue of bonds from the state by a negotiated sale.
35 The term includes agents, legal counsel, officers, principals, and
36 professional employees of the underwriter, but only from the date the
37 individual or firm becomes employed or is retained as an agent, legal
38 counsel, officer, principal, or professional employee of the
39 underwriter.

1 **Sec. 6.** RCW 42.17.2401 and 1993 sp.s. c 2 s 18, 1993 c 492 s 488,
2 and 1993 c 281 s 43 are each reenacted and amended to read as follows:

3 For the purposes of RCW 42.17.240, the term "executive state
4 officer" includes:

5 (1) The chief administrative law judge, the director of
6 agriculture, the administrator of the office of marine safety, the
7 administrator of the Washington basic health plan, the director of the
8 department of services for the blind, the director of the state system
9 of community and technical colleges, the director of community, trade,
10 and economic development, the secretary of corrections, the director of
11 ecology, the commissioner of employment security, the chairman of the
12 energy facility site evaluation council, the director of the energy
13 office, the secretary of the state finance committee, the director of
14 financial management, the director of fish and wildlife, the executive
15 secretary of the forest practices appeals board, the director of the
16 gambling commission, the director of general administration, the
17 secretary of health, the administrator of the Washington state health
18 care authority, the executive secretary of the health care facilities
19 authority, the executive secretary of the higher education facilities
20 authority, the executive secretary of the horse racing commission, the
21 executive secretary of the human rights commission, the executive
22 secretary of the indeterminate sentence review board, the director of
23 the department of information services, the director of the interagency
24 committee for outdoor recreation, the executive director of the state
25 investment board, the director of labor and industries, the director of
26 licensing, the director of the lottery commission, the director of the
27 office of minority and women's business enterprises, the director of
28 parks and recreation, the director of personnel, the executive director
29 of the public disclosure commission, the director of retirement
30 systems, the director of revenue, the secretary of social and health
31 services, the chief of the Washington state patrol, the executive
32 secretary of the board of tax appeals, ((~~the director of trade and~~
33 ~~economic development,~~)) the secretary of transportation, the secretary
34 of the utilities and transportation commission, the director of
35 veterans affairs, the president of each of the regional and state
36 universities and the president of The Evergreen State College, each
37 district and each campus president of each state community college;

38 (2) Each professional staff member of the office of the governor;

39 (3) Each professional staff member of the legislature; ((and))

1 (4) Central Washington University board of trustees, board of
2 trustees of each community college, each member of the state board for
3 community and technical colleges, state convention and trade center
4 board of directors, committee for deferred compensation, Eastern
5 Washington University board of trustees, Washington economic
6 development finance authority, The Evergreen State College board of
7 trustees, forest practices appeals board, forest practices board,
8 gambling commission, Washington health care facilities authority, each
9 member of the Washington health services commission, higher education
10 coordinating board, higher education facilities authority, horse racing
11 commission, state housing finance commission, human rights commission,
12 indeterminate sentence review board, board of industrial insurance
13 appeals, information services board, interagency committee for outdoor
14 recreation, state investment board, liquor control board, lottery
15 commission, marine oversight board, oil and gas conservation committee,
16 Pacific Northwest electric power and conservation planning council,
17 parks and recreation commission, personnel appeals board, board of
18 pilotage commissioners, pollution control hearings board, public
19 disclosure commission, public pension commission, shorelines hearing
20 board, public employees' benefits board, board of tax appeals,
21 transportation commission, University of Washington board of regents,
22 utilities and transportation commission, Washington state maritime
23 commission, Washington personnel resources board, Washington public
24 power supply system executive board, Washington State University board
25 of regents, Western Washington University board of trustees, and fish
26 and wildlife commission; and

27 (5) Within the office of the state treasurer the following
28 professional staff members: Assistant treasurer, deputy treasurer,
29 legal counsel, and investment officer.

30 NEW SECTION. Sec. 7. This act takes effect July 1, 1994.

--- END ---