

# FINAL BILL REPORT

## SHB 1577

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C 153 L 23  
Synopsis as Enacted

**Brief Description:** Concerning municipal officers' beneficial interest in contracts.

**Sponsors:** House Committee on Local Government (originally sponsored by Representative Schmick).

**House Committee on Local Government**  
**Senate Committee on Local Government, Land Use & Tribal Affairs**

### **Background:**

Municipal officers, including all elected and appointed officers, their deputies and assistants, and everyone exercising any of the powers or functions of a municipal officer, are prohibited from being beneficially interested in any contract made for the benefit of their office and from accepting any gift or compensation from any person beneficially interested in such a contract. There are several exemptions specified in statute allowing municipal officers to have an interest in an awarded contract if the contract is within certain limits. For example, a municipal officer may have a beneficial interest in contracts in which the total volume of business does not exceed \$1,500 in a calendar month. Additionally, contracts by a second-class city or town, noncharter code city, or a county fair board in a county without a purchasing department, in which the total volume of business exceeds the \$1,500 monthly limit, but does not exceed \$18,000 in any calendar year, are exempt.

### **Summary:**

The monthly value for contracts in which municipal officers may have a beneficial interest is increased from \$1,500 to \$3,000. The monthly and annual value of contracts in which municipal officers may have a beneficial interest for contracts let by a second-class city or town, noncharter code city, or a county fair board in a county without a purchasing department is increased to \$3,000 and \$36,000, respectively.

### **Votes on Final Passage:**

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

House 96 0

Senate 46 0

**Effective:** July 23, 2023