

# SENATE BILL REPORT

## SB 6757

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As Passed Senate, February 8, 1996

**Title:** An act relating to contract restrictions for first class school districts.

**Brief Description:** Exempting first class school districts from conflict of interest provisions relating to contracts.

**Sponsors:** Senator Morton.

**Brief History:**

**Committee Activity:** Education: 2/1/96 [DP].  
Passed Senate, 2/8/96, 46-0.

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### SENATE COMMITTEE ON EDUCATION

**Majority Report:** Do pass.

Signed by Senators McAuliffe, Chair; Goings, Vice Chair; Finkbeiner, Hochstatter, Johnson and Rasmussen.

**Staff:** Susan Mielke (786-7422)

**Background:** Current law provides a general rule that officers of municipalities cannot benefit from contracts entered into by the municipality. However, current law provides some exceptions. Second class school districts may contract with a company in which a school board member has an interest if the contract is for less than \$750 a month, there is public disclosure that there is a contract, and the school board member does not vote on the authorization of the contract.

Current law does not permit first class districts to contract with a company in which a school board member has an interest.

First class school districts have 2,000 or more students. Second class districts have fewer than 2,000 students.

**Summary of Bill:** First class school districts may contract with a company in which a school board member has an interest if the contract is for less than \$750 a month, there is public disclosure that there is a contract, and the school board member does not vote on the authorization of the contract.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** Why is 2000 students the magic number for conflict of interest? In rural areas sometimes there is only one business that can provide a needed product. If a school board member has an interest in that business and the school district has more than 2000 students, then the school board has to incur additional expense and inconvenience to obtain the product elsewhere.

**Testimony Against:** None.

**Testified:** PRO: Senator Morton, prime sponsor; Dwayne Slate, WSSDA; Barbara Mertens, WASA.

**House Amendment(s):** Notice by publication in one or more newspapers is required when a first class school district enters into a contract in which a board member has a beneficial interest.