

# HOUSE BILL REPORT

## EHB 1131

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*As Passed House  
March 13, 1991*

**Title:** An act relating to municipal employees.

**Brief Description:** Prohibiting municipal employees' conflicts of interest.

**Sponsor(s):** Representatives Valle, Ferguson, Belcher, Holland, Bowman, Sprenkle, Brekke and Forner.

**Brief History:**

Reported by House Committee on:  
Local Government, March 6, 1991, DP;  
Passed House, March 13, 1991, 97-0.

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**HOUSE COMMITTEE ON  
LOCAL GOVERNMENT**

**Majority Report:** *Do pass.* Signed by 15 members: Representatives Haugen, Chair; Cooper, Vice Chair; Ferguson, Ranking Minority Member; Mitchell, Assistant Ranking Minority Member; Bray; Edmondson; Franklin; Horn; Nealey; Nelson; Rayburn; Roland; Wood; Wynne; and Zellinsky.

**Staff:** Steve Lundin (786-7127).

**Background:** State law establishes a code of ethics for municipal officers. With certain exceptions, a municipal officer may not be beneficially interested, directly or indirectly, in any contract which is made by, through, or under his or her supervision.

Any contract is void that is made in violation of these provisions of law relating to a code of ethics for municipal officers. The officer who violates these provisions is liable to the municipality for a penalty in the amount of \$300, in addition to any other civil or criminal liability or penalty provided in law. An officer who violates the code of ethics forfeits his or her municipal office.

**Summary of Bill:** No former municipal employee may at any time after his or her public employment assist another person, whether or not for compensation, in any transaction with the municipality in which the former employee participated during his or her former employment with the

municipality. This restriction does not apply to a municipal employee rendering assistance to municipal employees in the course of employee organization business.

No former municipal employee may share any compensation received by another person for rendering such assistance.

Within one year of terminating employment with a municipality, no former municipal employee may accept employment or receive compensation from any private business if:

- (1) During two years prior to terminating such employment the employee negotiated or administered a contract with the private business or was in a position to affect the outcome of such negotiation or administration;
- (2) Such a contract or contracts have a total value of more than \$10,000; and
- (3) The duties of the employment with the private employer include fulfillment or implementation of all or part of the provisions of the contract, or supervision or control of actions taken to fulfill or implement all or part of the contract.

This restriction does not apply to employment with a municipal employee organization.

No former municipal employee may accept an offer of employment or receive compensation from any private business if the employee knows or has reason to believe that the offer of employment or compensation was intended directly or indirectly as compensation or reward for performance or nonperformance of a duty during the course of his or her municipal employment.

These restrictions do not apply to: (1) providing names, addresses and phone numbers of municipal agencies or employees; (2) providing free transportation to another for the purpose of conducting business with a municipal agency; or (3) assisting a natural person or nonprofit corporation obtaining or completing application forms required by a municipal agency.

The code of ethics for state officials and employees is made applicable to local government officials and employees.

The bill contains an emergency clause.

**Fiscal Note:** Not requested.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** This repeats state code of conduct rules for municipal officers and employees. Some peculiar contracting activity has occurred by a few local government employees.

**Testimony Against:** None.

**Witnesses:** Representative Valle, Prime Sponsor.