

HOUSE OF REPRESENTATIVES

Olympia Washington

BilAnalysis

Bill No. SSB 5363

Increasing the amount/contracts/public officers  
Brief title

Public Arg: 3/28/97

Comm. Govt Op. (Sens Snyder/Haugen/Hargrove)  
Sponsor

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**BACKGROUND:**

Municipal officers are prohibited by the municipal code of ethics from having a beneficial interest in a contract, either directly or indirectly, which is made by, through or under the supervision of that officer. A municipal officer is any elected or appointed officer of a unit of local government and includes any deputy and assistant of that officer.

A number of exemptions to this prohibition have been established for certain municipalities. They include contracts for unskilled labor that do not exceed \$100 in a calendar month; contracts in which the total volume of business represented by the contract in which the municipal officer business interest does not exceed \$750 in any calendar month; and contracts by a second class city or town, noncharter code city or county fair board in a county which does not have a purchasing department in which the total volume of business exceeds this \$750 monthly limit but the total amount of such contracts do not exceed \$9,000 in any calendar year.

The dollar thresholds established for these contracts have not been changed for many years and the thresholds apply to the total value of the contract instead of the portion of the contract that would benefit the municipal officer business. The exemptions are also very difficult to read and understand. First-class school districts are the only units of government that must publish notice of these proposed contracts.

A municipal officer is not allowed to vote on the authorization of a contract if the officer is the supplier or contractor. There is no prohibition against municipal officers voting on other contracts in which they may be beneficially interested.

A violation of the municipal code of ethics results in a voiding of the contract made in violation of the law, a civil penalty of \$300 against the municipal officer and a mandated forfeiture of office by the municipal officer.

Continued

A city charter controls over a provision of the municipal code of ethics if there is a conflict between provisions. The statutes do not address if there is a conflict between the code of ethics and a county charter or a city-county charter.

**SUMMARY:**

The dollar thresholds for contracts which are exempted from the municipal conflict of interest statutes are made applicable to the portion of the contract that will benefit the business operated by the municipal officer. The amount of the dollar threshold is raised as follows: (1) The threshold for moneys received under a contract is raised from \$750 to \$1500 in a calendar month; and (2) the threshold for money received under a contract when the municipality is a second-class city or town, noncharter code city or county or a board in a county without a purchasing department is raised so that a contract may exceed \$1,500 in a calendar month but may not exceed \$18,000 in any calendar year. The dollar threshold is to be adjusted annually based upon the government price index established by the Department of Revenue. First-class school districts are no longer required to publish notice of these proposed contracts.

**FISCAL NOTE:** Not Requested.

**EFFECTIVE DATE:** Ninety days after adjournment of session in which bills passed.