
Local Government Committee

BILL ANALYSIS HB 2396

TITLE OF THE BILL: Modifying provisions that exempt certain municipal officers from the prohibitions on beneficial interests in contracts.

Brief Summary of Bill:

- Increases (from ten thousand to thirty thousand) the population threshold for cities in which municipal officers are exempted from the beneficial interest in contracts prohibition for municipal officers.

SPONSORS: Mulliken, Doumit, Schoesler, Hatfield, Cox, Scott, and G. Chandler.

HEARING DATE: Thursday, January 20, 2000.

EFFECTIVE DATE: Ninety days after the end of session.

FISCAL NOTE: Not requested.

ANALYSIS PREPARED BY: Scott MacColl (786-7106).

BACKGROUND:

The code of ethics for municipal officers includes specific language restricting an officer from having a beneficial interest in a particular contract if the officer has any connection with the contract if it would benefit them individually. A municipal officer is not allowed to vote on the authorization contract if the officer is the supplier or contractor. Municipal officers are defined as any elected or appointed officer of a unit of local government, and includes deputies and assistants of that officer.

There are several exemptions specified in statute in which municipal officers are allowed to have an interest in an awarded contract if the contract is within certain limits. The criteria for exemptions by which a municipal officer may have a beneficial interest in a contract is based on population. Municipal officers are exempt from this restriction for contracts that do not exceed one thousand five hundred dollars in any calendar month for counties with a population under one hundred twenty five thousand, and for cities with a population under ten thousand.

During the 1999 Legislative Session, SB 5731 was passed as C 261 L 99, which doubled the dollar threshold exemption for contracts in which municipal officers have a beneficial interest, and made other clarifications to the statute.

SUMMARY:

The population criteria for cities is raised from ten thousand population to thirty thousand population for the exemption from the prohibition on municipal officers from having a beneficial interest in a contracts.