

CERTIFICATION OF ENROLLMENT

SENATE BILL 6326

66th Legislature
2020 Regular Session

Passed by the Senate February 12,
2020

Yeas 46 Nays 0

President of the Senate

Passed by the House March 3, 2020

Yeas 96 Nays 0

**Speaker of the House of
Representatives**

Approved

Governor of the State of Washington

CERTIFICATE

I, Brad Hendrickson, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 6326** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

SENATE BILL 6326

Passed Legislature - 2020 Regular Session

State of Washington

66th Legislature

2020 Regular Session

By Senator Warnick

1 AN ACT Relating to municipal conflicts of interest; and amending
2 RCW 42.23.030.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 42.23.030 and 2007 c 298 s 1 are each amended to
5 read as follows:

6 No municipal officer shall be beneficially interested, directly
7 or indirectly, in any contract which may be made by, through or under
8 the supervision of such officer, in whole or in part, or which may be
9 made for the benefit of his or her office, or accept, directly or
10 indirectly, any compensation, gratuity or reward in connection with
11 such contract from any other person beneficially interested therein.
12 This section shall not apply in the following cases:

13 (1) The furnishing of electrical, water or other utility services
14 by a municipality engaged in the business of furnishing such
15 services, at the same rates and on the same terms as are available to
16 the public generally;

17 (2) The designation of public depositaries for municipal funds;

18 (3) The publication of legal notices required by law to be
19 published by any municipality, upon competitive bidding or at rates
20 not higher than prescribed by law for members of the general public;

1 (4) The designation of a school director as clerk or as both
2 clerk and purchasing agent of a school district;

3 (5) The employment of any person by a municipality for unskilled
4 day labor at wages not exceeding (~~two hundred~~) one thousand dollars
5 in any calendar month. The exception provided in this subsection does
6 not apply to a county with a population of one hundred twenty-five
7 thousand or more, a city with a population of more than one thousand
8 five hundred, an irrigation district encompassing more than fifty
9 thousand acres, or a first-class school district;

10 (6)(a) The letting of any other contract in which the total
11 amount received under the contract or contracts by the municipal
12 officer or the municipal officer's business does not exceed one
13 thousand five hundred dollars in any calendar month.

14 (b) However, in the case of a particular officer of a second-
15 class city or town, or a noncharter optional code city, or a member
16 of any county fair board in a county which has not established a
17 county purchasing department pursuant to RCW 36.32.240, the total
18 amount of such contract or contracts authorized in this subsection
19 (6) may exceed one thousand five hundred dollars in any calendar
20 month but shall not exceed eighteen thousand dollars in any calendar
21 year.

22 (c)(i) In the case of a particular officer of a rural public
23 hospital district, as defined in RCW 70.44.460, the total amount of
24 such contract or contracts authorized in this subsection (6) may
25 exceed one thousand five hundred dollars in any calendar month, but
26 shall not exceed twenty-four thousand dollars in any calendar year.

27 (ii) At the beginning of each calendar year, beginning with the
28 2006 calendar year, the legislative authority of the rural public
29 hospital district shall increase the calendar year limitation
30 described in this subsection (6)(c) by an amount equal to the dollar
31 amount for the previous calendar year multiplied by the change in the
32 consumer price index as of the close of the twelve-month period
33 ending December 31st of that previous calendar year. If the new
34 dollar amount established under this subsection is not a multiple of
35 ten dollars, the increase shall be rounded to the next lowest
36 multiple of ten dollars. As used in this subsection, "consumer price
37 index" means the consumer price index compiled by the bureau of labor
38 statistics, United States department of labor for the state of
39 Washington. If the bureau of labor statistics develops more than one
40 consumer price index for areas within the state, the index covering

1 the greatest number of people, covering areas exclusively within the
2 boundaries of the state, and including all items shall be used.

3 (d) The exceptions provided in this subsection (6) do not apply
4 to:

5 (i) A sale or lease by the municipality as the seller or lessor;

6 (ii) The letting of any contract by a county with a population of
7 one hundred twenty-five thousand or more, a city with a population of
8 ten thousand or more, or an irrigation district encompassing more
9 than fifty thousand acres; or

10 (iii) Contracts for legal services, except for reimbursement of
11 expenditures.

12 (e) The municipality shall maintain a list of all contracts that
13 are awarded under this subsection (6). The list must be made
14 available for public inspection and copying;

15 (7) The leasing by a port district as lessor of port district
16 property to a municipal officer or to a contracting party in which a
17 municipal officer may be beneficially interested, if in addition to
18 all other legal requirements, a board of three disinterested
19 appraisers and the superior court in the county where the property is
20 situated finds that all terms and conditions of such lease are fair
21 to the port district and are in the public interest. The appraisers
22 must be appointed from members of the American Institute of Real
23 Estate Appraisers by the presiding judge of the superior court;

24 (8) The letting of any employment contract for the driving of a
25 school bus in a second-class school district if the terms of such
26 contract are commensurate with the pay plan or collective bargaining
27 agreement operating in the district;

28 (9) The letting of an employment contract as a substitute teacher
29 or substitute educational aide to an officer of a second-class school
30 district that has (~~two~~) three hundred or fewer full-time equivalent
31 students, if the terms of the contract are commensurate with the pay
32 plan or collective bargaining agreement operating in the district and
33 the board of directors has found, consistent with the written policy
34 under RCW 28A.330.240, that there is a shortage of substitute
35 teachers in the school district;

36 (10) The letting of any employment contract to the spouse of an
37 officer of a school district, when such contract is solely for
38 employment as a substitute teacher for the school district. This
39 exception applies only if the terms of the contract are commensurate
40 with the pay plan or collective bargaining agreement applicable to

1 all district employees and the board of directors has found,
2 consistent with the written policy under RCW 28A.330.240, that there
3 is a shortage of substitute teachers in the school district;

4 (11) The letting of any employment contract to the spouse of an
5 officer of a school district if the spouse was under contract as a
6 certificated or classified employee with the school district before
7 the date in which the officer assumes office and the terms of the
8 contract are commensurate with the pay plan or collective bargaining
9 agreement operating in the district. However, in a second-class
10 school district that has less than two hundred full-time equivalent
11 students enrolled at the start of the school year as defined in RCW
12 (~~28A.150.040~~) 28A.150.203, the spouse is not required to be under
13 contract as a certificated or classified employee before the date on
14 which the officer assumes office;

15 (12) The authorization, approval, or ratification of any
16 employment contract with the spouse of a public hospital district
17 commissioner if: (a) The spouse was employed by the public hospital
18 district before the date the commissioner was initially elected; (b)
19 the terms of the contract are commensurate with the pay plan or
20 collective bargaining agreement operating in the district for similar
21 employees; (c) the interest of the commissioner is disclosed to the
22 board of commissioners and noted in the official minutes or similar
23 records of the public hospital district prior to the letting or
24 continuation of the contract; and (d) and the commissioner does not
25 vote on the authorization, approval, or ratification of the contract
26 or any conditions in the contract.

27 A municipal officer may not vote in the authorization, approval,
28 or ratification of a contract in which he or she is beneficially
29 interested even though one of the exemptions allowing the awarding of
30 such a contract applies. The interest of the municipal officer must
31 be disclosed to the governing body of the municipality and noted in
32 the official minutes or similar records of the municipality before
33 the formation of the contract.

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