

CHAPTER 268.

[H. B. 516.]

MUNICIPAL OFFICERS—CODE OF ETHICS.

AN ACT relating to the conduct of certain public officers; providing remedies and penalties; adding a new chapter to Title 42 RCW; amending section 13, chapter 241, Laws of 1907, and RCW 35.23.230; amending section 3, chapter 320, Laws of 1959, and RCW 42.22.030; amending section 17, chapter 116, Laws of 1911 and RCW 35.17.140, 35.17.150 and 35.17.160; amending section 8, page 287, Laws of 1909, as amended by section 6, chapter 90, Laws of 1919 and RCW 28.58.290 and 28.58.310; repealing section 32, chapter 184, Laws of 1915, as amended by section 1, chapter 57, Laws of 1941 and RCW 35.24.040 and RCW 35.24.170; repealing section 176, page 215, Laws of 1889-90, as amended by section 2, chapter 57, Laws of 1941, and RCW 35.27.150; and section 1, chapter 97, Laws of 1895, and RCW 36.32.190.

Be it enacted by the Legislature of the State of Washington:

New chapter.

SECTION 1. There is added to Title 42 RCW a new chapter as set forth in sections 2 through 6 of this amendatory act.

Purpose.

SEC. 2. It is the purpose and intent of this chapter to revise and make uniform the laws of this state concerning the transaction of business by municipal officers, as defined in this act, in conflict with the proper performance of their duties in the public interest; and to promote the efficiency of local government by prohibiting certain instances and areas of conflict while at the same time sanctioning, under sufficient controls, certain other instances and areas of conflict wherein the private interest of the municipal officer is deemed to be only remote, to the end that, without sacrificing necessary public responsibility and enforceability in areas of significant and clearly conflicting interests, the selection of municipal officers may be made from a wider group of responsible citizens of the communities which they are called upon to serve.

SEC. 3. For the purpose of this act:

(1) "Municipality" shall include all counties, cities, towns, districts, and other municipal corporations and quasi municipal corporations organized under the laws of the state of Washington;

(2) "Municipal officer" and "officer" shall each include all elected and appointed officers of a municipality, together with all deputies and assistants of such an officer, and all persons exercising or undertaking to exercise any of the powers or functions of a municipal officer;

(3) "Contract" shall include any contract, sale, lease or purchase;

(4) "Contracting party" shall include any person, partnership, association, cooperative, corporation, or other business entity which is a party to a contract with a municipality.

SEC. 4. No municipal officer shall be beneficially interested, directly or indirectly, in any contract which may be made by, through or under the supervision of such officer, in whole or in part, or which may be made for the benefit of his office, or accept, directly or indirectly, any compensation, gratuity or reward in connection with such contract from any other person beneficially interested therein. This section shall not apply in the following cases:

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

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

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

Definitions.

"Municipality".

"Municipal officer".
"officer".

"Contract".

"Contracting party".

Municipal officers not to be interested in municipal contracts.

Exceptions.

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

(5) The employment of any person by a municipality, other than a county of the first class or higher, a city of the first or second class, or a first class school district, for unskilled day labor at wages not exceeding one hundred dollars in any calendar month; and any other contract in such a municipality except a sale or lease by the municipality as seller or lessor: *Provided*, That the total volume of business represented by such contract or contracts in which a particular officer is interested, singly or in the aggregate, as measured by the dollar amount of the municipality's liability thereunder, shall not exceed two hundred dollars in any calendar month: *Provided further*, That a port district as lessor may lease port district property to a municipal officer or to a contracting party in which a municipal officer may be beneficially interested, if in addition to all other legal requirements, a board of three disinterested appraisers, who shall be appointed from members of the American Institute of Real Estate Appraisers by the presiding judge of the superior court in the county where the property is situated, shall find and the court finds that all terms and conditions of such lease are fair to the port district and are in the public interest.

"Remote interest" not deemed interest in contract.

SEC. 5. A municipal officer shall not be deemed to be interested in a contract, within the meaning of section 4 of this act, if he has only a remote interest in the contract and if the fact and extent of such interest is disclosed to the governing body of the municipality of which he is an officer and noted in the official minutes or similar records of the municipality prior to the formation of the contract, and thereafter the governing body authorizes, approves, or ratifies the contract in good faith by a vote of its

membership sufficient for the purpose without counting the vote or votes of the officer having the remote interest. As used in this section "remote interest" means:

"Remote interest" defined.

(1) That of a nonsalaried officer of a nonprofit corporation;

(2) That of an employee or agent of a contracting party where the compensation of such employee or agent consists entirely of fixed wages or salary;

(3) That of a landlord or tenant of a contracting party;

(4) That of a holder of less than one percent of the shares of a corporation or cooperative which is a contracting party.

None of the provisions of this section shall be applicable to any officer interested in a contract, though his interest be only remote, who influences or attempts to influence any other officer of the municipality of which he is an officer to enter into the contract.

SEC. 6. Any contract made in violation of the provisions of this act shall be void and the performance thereof, in full or in part, by a contracting party shall not be the basis of any claim against the municipality. Any officer violating the provisions of this act shall be liable to the municipality of which he is an officer for a penalty in the amount of three hundred dollars, in addition to such other civil or criminal liability or penalty as may otherwise be imposed upon him by law.

Violation voids contract.

Official liability for violation.

In addition to all other penalties, civil or criminal, the violation by any officer of the provisions of this act shall work a forfeiture of his office.

SEC. 7. Section 13, chapter 241, Laws of 1907, and RCW 35.23.230 are each amended to read as follows:

RCW 35.23.230 amended.

Second class cities. Restrictions on official conduct.

In addition to any other restrictions upon his official conduct imposed by law, no officer of a city of the second class shall:

(1) Accept from any railroad or street railway corporation, operating in whole or in part within the city, any pass or free transportation or transportation upon any terms save such as are open to the public generally: *Provided*, That this provision shall not apply to police officers while on duty;

(2) Accept or receive, directly or indirectly, any commodity or thing of value from any public service corporation owning or enjoying a franchise granted by the city, free of charge or upon any terms save such as are open to the public generally.

The violation of any of the provisions of this section by any officer shall work a forfeiture of his office and warrant his removal therefrom by impeachment or other proper procedure and subject to forfeiture and recovery by judgment against him of all sums of money paid him as salary during the term in which the violation was committed up to the time of the recovery of judgment against him therefor. A civil action for the salary so forfeited may be commenced at any time in the name of the city in any court of competent jurisdiction.

RCW 42.22.030 amended.

SEC. 8. Section 3, chapter 320, Laws of 1959, and RCW 42.22.030 are each amended to read as follows:

Public employees. Activities in conflict with discharge of duties prohibited.

No officer or employee of a state agency or legislative employee shall have any interest, financial or otherwise, direct or indirect, or shall engage in any business or transaction or professional activity, or shall incur any obligation of any nature, which is in conflict with the proper discharge of his duties in the public interest.

SEC. 9. Section 17, chapter 116, Laws of 1911 (heretofore divided and codified as RCW 35.17.140, 35.17.150, and 35.17.160) is amended to read as set

forth in sections 10 through 12 of this act, RCW 35.17.140 being hereby repealed.

SEC. 10. RCW 35.17.140 is hereby repealed.

Repeal.

SEC. 11. (RCW 35.17.150) No officer or employee, elected or appointed, shall receive from any enterprise operating under a public franchise any frank, free ticket, or free service or receive any service upon terms more favorable than are granted to the public generally: *Provided*, That the provisions of this section shall not apply to free transportation furnished to policemen and firemen in uniform nor to free service to city officials provided for in the franchise itself.

RCW 35.17.150 enacted without amendment.

Any violation of the provisions of this section shall be a misdemeanor.

SEC. 12. (RCW 35.17.160) Any appointive officer or employee of the city who in any manner exerts his influence to induce other officers or employees of the city to favor any particular candidate for any city office or who contributes anything in any way to any person for election purposes shall be discharged by the commission.

RCW 37.17.160 enacted without amendment.

SEC. 13. Section 8, page 287, Laws of 1909, as amended by section 6, chapter 90, Laws of 1919 (heretofore divided and codified as RCW 28.58.290 and 28.58.310) is amended to read as set forth in sections 14 and 15 of this act, RCW 28.58.290 being hereby repealed.

SEC. 14. RCW 28.58.290 is hereby repealed.

Repeal.

SEC. 15. (RCW 28.58.310) The actual expenses of school directors in going to, returning from and attending directors' meetings or other meetings called or held pursuant to statute shall be paid to them. Likewise, the expenses of school superintendents and other school representatives chosen by the directors to attend any conferences or meetings or to attend to any urgent business at the behest

RCW 28.58.310 enacted without amendment.

of the state superintendent of public instruction or the board of directors shall be paid to them.

City charter controls act.

SEC. 16. If any provision of this act conflicts with any provision of a city charter, the city charter shall control.

Repeal.

SEC. 17. Section 32, chapter 184, Laws of 1915, as amended by section 1, chapter 57, Laws of 1941 (heretofore divided and codified as RCW 35.24.040 and RCW 35.24.170) and RCW 35.24.040 and 35.24-.170 are each repealed.

Repeal.

SEC. 18. Section 176, page 215, Laws of 1889-90, as amended by section 2, chapter 57, Laws of 1941, and RCW 35.27.150; and section 1, chapter 97, Laws of 1895, and RCW 36.32.190 are each repealed.

Passed the House March 9, 1961.

Passed the Senate March 8, 1961.

Approved by the Governor March 20, 1961.

CHAPTER 269.

[H. B. 521.]

PUBLIC ASSISTANCE—WORK RELIEF PROGRAMS.

AN ACT relating to public assistance and providing a work relief program; and adding six new sections to chapter 26, Laws of 1959 and chapter 74.04 RCW; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

New sections.

SECTION 1. There is hereby added to chapter 26, Laws of 1959 and chapter 74.04 RCW six new sections to read as set forth in sections 2 through 7 of this act.

Work relief program defined.

SEC. 2. The term work relief program shall be as defined for "work relief" in section 74.04.005(12) of chapter 26, Laws of 1959 and RCW 74.04.005(12).