



132nd MAINE LEGISLATURE

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Legislative Document

No. 1560

H.P. 1018

House of Representatives, April 10, 2025

An Act to Address Conflicts of Interest with Municipal Contracts

Reference to the Committee on State and Local Government suggested and ordered printed.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative HYMES of Waldo.

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 30-A MRSA §2605, sub-§2, as enacted by PL 1987, c. 737, Pt. A, §2 and Pt. C, §106 and amended by PL 1989, c. 6; c. 9, §2; and c. 104, Pt. C, §§8 and 10, is further amended to read:

2. Contracts. A contract, other than a contract obtained through properly advertised bid procedures, made by a ~~municipality~~, county or quasi-municipal corporation during the term of an official of a body of the ~~municipality~~, county or quasi-municipal corporation involved in the negotiation or award of the contract who has a direct or an indirect pecuniary interest in it the contract is voidable, except as provided in subsection 4. A contract, even if the contract was obtained through properly advertised bid procedures, made by a municipality during the term of an official of the municipality involved in the negotiation or award of the contract who has a direct or an indirect pecuniary interest in the contract is voidable, except as provided in subsection 4.

Sec. 2. 30-A MRSA §2605, sub-§4, as enacted by PL 1987, c. 737, Pt. A, §2 and Pt. C, §106 and amended by PL 1989, c. 6; c. 9, §2; and c. 104, Pt. C, §§8 and 10, is further amended by enacting after the first blocked paragraph a new blocked paragraph to read:

If the municipality determines that no other option is feasible but to award a municipal contract to an official who is an officer, director, partner, associate, employee or stockholder of a private corporation, business or other economic entity to which the question relates or with which the unit of a municipality contracts, the municipality must appoint an independent board of 3 residents to address grievances against the business practices of the officer, director, partner, associate, employee or stockholder of a private corporation, business or other economic entity for the life of the contract.

SUMMARY

This bill amends the law governing conflicts of interest by municipal officers in the awarding of municipal contracts by making voidable a contract made by a municipality during the term of an official of the municipality involved in the negotiation or award of the contract who has a direct or an indirect pecuniary interest in the contract even if the contract was obtained through properly advertised bid procedures. The bill also creates a new exception to the voidability of municipal contracts if the municipality determines that no other option is feasible but to award a municipal contract to an official who is an officer, director, partner, associate, employee or stockholder of a private corporation, business or other economic entity to which the question relates or with which the unit of a municipality contracts. In this case, the municipality must appoint an independent board of 3 residents to address grievances against the business practices of the officer, director, partner, associate, employee or stockholder of a private corporation, business or other economic entity for the life of the contract.