

ding with a firm, corporation, or association in which a member of the board has a direct financial interest; or (4) the making of a contract for the purpose of composing threatened or actual litigation undertaken between the board and one of its members, or between the board and a firm, corporation, or association in which a member of the board has a direct financial interest. If, through disqualifications, less than a quorum of the board is capable of participating in any of the contracts or purchases permitted hereunder, the remaining member or members shall constitute a quorum and have the authority to complete the contract or purchase, provided such action shall have been previously approved in writing by the State Superintendent of Schools.

(b) *County superintendent.*—It is unlawful for any county school superintendent in any county of Maryland to have a direct or indirect financial interest in any contract or purchase to which the board of education in that county is a party, except as in this subsection set forth. Every county school superintendent who may reasonably be expected to know, or who knows that he has a direct financial interest in any contract or purchase in which the board of education in that county is or may be in any way concerned, shall make prompt disclosure of the fact of such interest to the State Superintendent of Schools. It is unlawful for any such county school superintendent to fail to disclose the fact of such interest to said board. If such disclosure is made and if the county school superintendent disqualifies himself from acting on the transaction on behalf of such board, the transaction may be completed if it involves (1) the making of a deposit by the board in a bank in which he has a direct financial interest; or (2) the purchasing of gas, electricity, or other public utility services from a company in which he has a financial interest; or (3) the making of a contract after publicly advertised competitive bidding with a firm, corporation, or association, in which he has a direct financial interest; or (4) the making of a contract for the purpose of composing threatened or actual litigation undertaken between the board and the county school superintendent, provided such action shall have been previously approved in writing by the State Superintendent of Schools.

(c) *When person deemed to have direct financial interest.*—For the purpose of this section, a person shall be deemed to have a direct financial interest in a contract or purchase to which the board of education of any county is a party, if such contract or purchase is to be consummated between the board and such person himself, or his spouse or child, or between the board and any firm, corporation, or association in which he or his spouse or child either jointly or severally own in total more than three percent, of the invested capital or capital stock, or from which such person or his spouse or child, either jointly or severally, are receiving total combined wages, salaries, or bonuses of an average of \$5,000 per year over the three preceding years. Any financial interest of any person in a transaction not included in the foregoing definition of a direct financial interest shall be deemed an indirect financial interest.

(d) *Setting aside contract.*—When any contract or purchase is entered into by any county board of education of this State and a conflict of interest exists contrary to the provisions of this section, such contract or purchase may be set aside in a suit brought on behalf of such board by its counsel or by the Attorney General of Maryland,