

BOARD ETHICS & CONFLICTS OF INTEREST

Board Members are expected to avoid conflicts of interest involving any matter pending before the Board and comply with Oregon Government Ethics Law in ORS Chapter 244, portions of which are cited and summarized below. (<http://www.oregonlaws.org/ors/chapter/244>).

A public official may not use or attempt to use official position or office to obtain financial gain or avoidance of financial detriment for the public official, a relative or member of the household of the public official, or any business with which the public official or a relative or member of the household of the public official is associated, if the financial gain or avoidance of financial detriment would not otherwise be available but for the public official's holding of the official position or office. [See ORS 244.040 (1)]

General Definitions for Conflicts of Interest

"Actual conflict of interest" is defined in ORS 244.020(1) and means any action or any decision or recommendation by a person acting in a capacity as a public official, the effect of which would be to the private pecuniary benefit or detriment of the person or the person's relative or any business with which the person or a relative of the person is associated unless the pecuniary benefit or detriment arises out of a potential conflict of interest as described below.

"Potential conflict of interest" is defined in ORS 244.020(13) and means any action or any decision or recommendation by a person acting in a capacity as a public official, the effect of which could be to the private pecuniary benefit or detriment of the person or the person's relative, or a business with which the person or the person's relative is associated, unless the pecuniary benefit or detriment arises out of the following:

1. An interest or membership in a particular business, industry, occupation or other class required by law as a prerequisite to the holding by the person of the office or position.
2. Any action in the person's official capacity which would affect to the same degree a class consisting of all inhabitants of the state, or a smaller class consisting of an industry, occupation or other group including one of which or in which the person, or the person's relative or business with which the person or the person's relative is associated, is a member or is engaged.
3. Membership in or membership on the board of directors of a nonprofit corporation that is tax-exempt under section 501(c) of the Internal Revenue Code.

"Gift" is defined in ORS 244.020(7)(a) and means something of economic value given to a public official, a candidate or a relative or member of the household of the public official or candidate:

1. Without valuable consideration of equivalent value, including the full or partial forgiveness of indebtedness, which is not extended to others who are not public officials or candidates or relatives or members of the household of public officials or candidates on the same terms and conditions; or
2. For valuable consideration less than that required from others who are not public officials or candidates.

"Gift" does not include the items described in ORS 244.020(7)(b).

"Legislative or administrative interest" is defined in ORS 244.020(10) and means an economic interest, distinct from that of the general public, in any matter subject to the decision or vote of the board member acting in his or her official capacity.

“Relative” is defined in ORS 244.020(16) and means the spouse, parent, stepparent, child, sibling, stepsibling, son-in-law or daughter-in-law of a board member or the board member’s spouse, or any individual for whom a board member has a legal support obligation or provides benefits.

Process for Conflicts of Interest

When a board member has a conflict of interest, he or she shall comply with the procedure set forth in ORS 244.120(2), summarized as follows:

1. The board member must publicly state whether he or she has a potential or an actual conflict of interest and describe 'the nature of the conflict' for the record.
2. If it is a potential conflict of interest he or she can discuss, debate, and vote after announcing the potential conflict.
3. If it is an actual conflict of interest, the board member must not discuss, debate, or vote on the issue except if the rare circumstance described below exists:

If all members of the governing body are present and the number of members who must refrain due to actual conflicts of interest make it impossible for the governing body to take official action, the public official with an actual conflict of interest may vote. The public official must still make the required announcement and refrain from any discussion. This provision does not apply in situations where there are insufficient votes because of a member’s absence when the governing body is convened.

Gift Limit

During a calendar year, a public official, a candidate or a relative or member of the household of the public official or candidate may not solicit or receive, directly or indirectly, any gift or gifts with an aggregate value in excess of \$50 from any single source that could reasonably be known to have a legislative or administrative interest. [ORS 244.025 (1)].

Nepotism

A public official may not appoint, employ or promote a relative or member of the household to, or discharge, fire or demote a relative or member of the household from, a paid position with the public body that the public official serves or over which the public official exercises jurisdiction or control, unless the public official complies with the conflict of interest requirements of this chapter.

A public official may not participate as a public official in any interview, discussion or debate regarding the appointment, employment or promotion of a relative or member of the household to, or the discharge, firing or demotion of a relative or member of the household from, a paid position with the public body that the public official serves or over which the public official exercises jurisdiction or control. As used in this paragraph, participate does not include serving as a reference, providing a recommendation or performing other ministerial acts that are part of the normal job functions of the public official. [ORS 244.177 (1)(a) and (b)].

Replaces: BBFA

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Monitoring Method:

Monitoring Frequency: