

# HOUSE RESEARCH

## Bill Summary

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**Subject:** Conflict of interest for local economic development authorities

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### Overview

This bill defines what actions would be a conflict of interest and establishes procedures for addressing conflicts of interest for economic development authorities (EDA) that are similar to the law governing conflicts of interest for housing and redevelopment authorities (Minn. Stat. § 469.009). It also provides for specific exceptions to what might otherwise be a conflict of interest.

#### Section

#### **1 Conflict of interest.**

**Subd. 1. Disclosure; criminal penalties.** Requires an EDA employee or commissioner to provide written disclosure before taking an action or making a decision that could substantially affect the commissioner's or employee's financial interests. The statement must be entered into the minutes. Defines when a statement is required and makes failure to submit a statement or submitting a false statement a gross misdemeanor.

**Subd. 2. Effect of disclosure.** Prohibits assignment of a matter to an employee with a conflict of interest in the matter. Prohibits a commissioner with a conflict from influencing or taking part in a related decision. Violation is a gross misdemeanor (one year in jail and/or up to \$3,000 fine).

**Subd. 3. Conflicts forbidden; criminal penalty.** Provides that taking part as a

**Section**

commissioner or employee in a sale, lease, or contract in which the person has a personal financial interest is a gross misdemeanor.

**Subd. 4. Agent or attorney.** Limits where and how an employee or commissioner can appear or represent interests for one year after termination from the EDA.

**Subd. 5. Limitations.** Limits an employee or commissioner to receiving assistance only once from any EDA program to finance real estate, other than rental assistance.

**Subd. 6. Injunction.** Authorizes the county attorney to enforce these provisions.

**Subd. 7. Exceptions.** Provides for the exceptions to the local government conflict of interest law to apply to this section.