

Board Member Conflict 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 regarding an actual conflict of interest or potential conflict of interest.

Per ORS 244.040(1):

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.

Per ORS 244.020:

Actual conflict of interest 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 circumstances described below.

Potential conflict of interest 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.*

Accordingly, per ORS 244.120:

1. The board member must state whether they have 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 the board member 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:
 - a. 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 [ORS 244.120(2)(b)(B)]. 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.

Monitoring Method: Board Self-assessment
Monitoring Frequency: Annually