

## Revised November 2014

Section XIV has been revised to reflect changes since the manual was written.

# XIV. Conflict of Interest

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## Definition

In ordinary language, what the conflict of interest law provides is that officials will not do business with themselves (105.450-.466). It says officials may not be paid or receive anything of value for official actions, beyond the statutory salary. They may not use information gained in an official capacity to benefit themselves or another, and they may not use official acts to benefit spouse or children (105.452).

## Officials' pay limited

The law limits any paid work for the township by an official to \$500 per transaction and \$5,000 per year, plus the statutory salary. Rent, sale or lease of property is limited to the same amounts (105.454 and 105.458). There is no exception for an official to work for the township if no one else is available. The dollar limit is firm, regardless of circumstances. Above \$5,000, any official's work is unpaid, except for the bid exception described below.

## Bid exception

An exception to limits above is provided when a competitive bid is taken and the official's bid is lowest (105.454[1 and 3] and 105.458). This covers work for sale to or rent to the township. However, note that in this exception, the language is not the "lowest and best" but the absolute low-dollar bid.

## Officials' business interests

The law likewise limits businesses with which the official or family members are affiliated to the \$500 per transaction, \$5,000 per year maximum. Having substantial interest in a business is defined as the official or a family member owning 10 percent or more interest, having an interest worth \$10,000 or more or drawing \$5,000 or more of annual salary by the official and/or family members collectively (105.450[10]).

## Penalties

The first conviction for violating the conflict of interest law is a Class B misdemeanor, with maximum punishment six months' confinement (558.011). Every additional offense is a Class D felony, with a maximum punishment of five years' confinement (558.011). Fines are also possible.

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- Definition
- Officials' pay limited
- Bid exception
- Officials' business interests
- Penalties