

Comment Report

HSB 152

A bill for an act relating to the sale or lease of real estate by regulatory agency officials and employees to persons subject to the agency's regulatory authority, and making penalties applicable.(See HF 491.)

Subcommittee Members: Sexton-CH, Konfrst, Meyer, A.

Date: 02/04/2021

Time: 12:45 PM

Location: RM 19

Name: Mike Marshall

Comment: The Ethics Board proposed this narrow bill to close what appears to be an unintended loophole in the Code.HSB 152 would add real estate sales and leases to the list of transactions not permitted to officials and employees of regulatory agencies without the consent of their agency. Code section 68B.4 already prohibits the sell or lease of goods and services, but not real estate, to individuals or entities subject to the agency's regulatory authority.The Board proposed the same bill last session. Concerns were raised then whether state university staff could continue renting property to students under this proposal and I understand others may have concerns this year about the potential impact of this proposal on the practice of their profession.In both instances, the agency consent provisions of 68B.4 would apply. The relevant agency could consent to these activities on an individual transactional basis or with a blanket consent. Both types of consents are filed with the Ethics Board. With either consent, the selling or leasing of real estate would be done in the open, with the prior approval of the affected regulatory agency, as already occurs with goods and services. And the public would be assured that no selfdealing or abuse of regulatory authority has occurred with respect to real estate transactions.Thank you for your consideration of this proposal.