

16.13 Conflicts of interest.

1. As used in [this section](#), “*member*” means each individual appointed to any of the following:

a. The board of directors of the authority created pursuant to [section 16.2](#).

b. The board of directors of the agricultural development division created pursuant to [section 16.2C](#).

2. a. If a member or employee of the authority other than the executive director of the authority has an interest, either direct or indirect, in a contract to which the authority is, or is to be, a party, or in a mortgage lender requesting a loan from, or offering to sell mortgage loans to, the authority, the interest shall be disclosed to the authority in writing and shall be set forth in the minutes of the authority. The member or employee having the interest shall not participate in any action of the authority with respect to that contract or mortgage lender.

b. A violation of a provision of [this subsection](#) is misconduct in office under [section 721.2](#). However, a resolution of the authority is not invalid because of a vote cast by a member in violation of [this subsection](#) unless the vote was decisive in the passage of the resolution.

c. For the purposes of [this subsection](#), “*action of the authority with respect to that contract or mortgage lender*” means only an action directly affecting a separate contract or mortgage lender, and does not include an action which benefits the general public or which affects all or a substantial portion of the contracts or mortgage lenders included in a program of the authority.

3. Nothing in [this section](#) shall be deemed to limit the right of a member, officer, or employee of the authority to acquire an interest in bonds or notes of the authority or to limit the right of a member, officer, or employee other than the executive director to have an interest in a financial institution, including a lending institution, in which the funds of the authority are, or are to be, deposited or which is, or is to be, acting as trustee or paying agent under a trust indenture to which the authority is a party.

4. The executive director shall not have an interest in a financial institution, including a lending institution, in which the funds of the authority are, or are to be, deposited or which is, or is to be, acting as trustee or paying agent under a trust indenture to which the authority is a party. The executive director shall not receive, in addition to fixed salary or compensation, any money or valuable thing, either directly or indirectly, or through any substantial interest in any other corporation or business unit, for negotiating, procuring, recommending, or aiding in any purchase or sale of property, or loan, made by the authority, nor shall the executive director be pecuniarily interested, either as principal, coprincipal, agent, or beneficiary, either directly or indirectly, or through any substantial interest in any other corporation or business unit, in any such purchase, sale, or loan.

[2014 Acts, ch 1080, §24, 78](#)

Section takes effect January 1, 2015; 2014 Acts, ch 1080, §78

NEW section