

**403A.22 Personal interest prohibited.**

No public official or employee of a municipality or board or commission thereof and no commissioner or employee of a municipal housing agency which has been vested with municipal housing project powers under [section 403A.5](#), shall voluntarily acquire any personal interest, as hereinafter defined, whether direct or indirect, in any municipal housing project, or in any property included or planned to be included in any municipal housing project of such municipality, or in any contract or proposed contract in connection with such municipal housing project. Where such acquisition is not voluntary, the interest acquired shall be immediately disclosed in writing to the local governing body, and such disclosure shall be entered upon the minutes of the governing body. If any such official, commissioner or employee presently owns or controls, or has owned or controlled within the preceding two years, any interest, as hereinafter defined, whether direct or indirect, in any property which it is known is included or planned to be included in a municipal housing project, the commissioner shall immediately disclose this fact in writing to the local governing body, and such disclosure shall be entered upon the minutes of the governing body; and any such official, commissioner or employee shall not participate in any action by the municipality, or board or commission thereof affecting such property, as the terms of such proscription are hereinafter defined. For the purposes of [this section](#) the following definitions and standards of construction shall apply:

1. “*Action affecting such property*” shall include only that action directly and specifically affecting such property as a separate property but shall not include any action of which any benefits accrue to the public generally, or which affects all or a substantial portion of the properties included or planned to be included in such a project.

2. Employment by a state public body, its agencies, and institutions or by any other person as defined in [section 403.17, subsection 18](#), having such an interest shall not be deemed an interest by such employee or of any ownership or control by such employee of interests of the employee’s employer. Such an employee may participate in a municipal housing project so long as any benefits of such participation accrue to the public generally, such participation affects all or a substantial portion of the properties included or planned to be included in such a project, or such participation promotes the public purposes of such project, and shall limit only that participation by an employee which directly or specifically affects property in which an employer of an employee has an interest.

3. The word “*participation*” shall be deemed not to include discussion or debate preliminary to a vote by a local governing body or agency upon proposed ordinances or resolutions relating to such a project or any abstention from such a vote.

4. The designation of a bank or trust company as a depository, paying agent, or agent for investment of funds shall not be deemed a matter of interest or personal interest.

5. Stock ownership in a corporation having such an interest shall not be deemed an interest of, or ownership or control by, the person owning such stocks when less than five percent of the outstanding stock of the corporation is owned or controlled directly or indirectly by such person.

6. The word “*action*” shall not be deemed to include resolutions advisory to the local governing body or agency by any citizens group, board, body, or commission designated to serve a purely advisory function of approving or recommending under [this chapter](#).

7. The limitations of [this section](#) shall be construed to permit action by a public official, commissioner, or employee where any benefits of such action accrue to the public generally, such action affects all or a substantial portion of the properties included or planned to be included in such a project, or such action promotes the public purposes of such project, and shall be construed to limit only that action by a public official, commissioner, or employee which directly or specifically affects property in which such official, commissioner, or employee has an interest or in which an employer of such official, commissioner, or employee has an interest. Any violation of the provisions of [this section](#) shall constitute misconduct in office, but no ordinance or resolution of a municipality or agency shall be

invalid by reason of a vote or votes cast in violation of the standards of [this section](#) unless such vote or votes were decisive in the passage of such ordinance or resolution.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.22]

[2000 Acts, ch 1154, §28](#)