LICENSING AND REGULATORY AFFAIRS CUSTOMER DRIVEN. BUSINESS MINDED.	**Effective Date:**	09-12-2011
	Policy #:	G-06
	Supersedes:	
Subject: **Conflict of Interest for Boards, Commissions, Agencies, Authorities, and Committees**	**Page:**	1 of 4

PURPOSE

To maintain the high standard of conduct expected and to comply with all applicable state ethics laws, every Board, Commission, Agency, Authority, and Committee (hereinafter "Board" or "Boards") within the Department of Licensing and Regulatory Affairs (LARA) shall operate under the following Code of Conduct.

DEFINITION

For purposes of this policy, "immediate family member" means an employee's grandparent, parent, parent-in-law, stepparent, sibling, spouse, child, or stepchild.

STANDARDS

All persons serving as members and designated alternate members of any Board, Commission, Agency, Authority, and/or Committee (hereinafter "Board" or "Boards") within LARA are public officials who have been appointed by the Governor and who have taken the constitutional oath of office. As public officials, Board members shall perform their official duties in a manner that is consistent with this policy and other Michigan statutes which, as may be applicable to a particular Board member, include the following:

- Michigan Legislature - Article IV § 10, section 10 of the Michigan Constitution of 1963, Legislators and State Officers, Government Contracts, Conflict of Interest.
- Standards of Conduct for Public Officers and Employees Act ("State Ethics Act"), MCL 15.341 et seq.
- Michigan Incompatible Public Offices Act, MCL 15.181 et seq.
- Conflict of Interest Act, MCL 15.301 et seq.
- Michigan Contracts of Public Servants with Public Entities Statute, MCL 15.321 et seq. (hereinafter, "Public Servant Act").

GUIDELINES

Each Board member shall:

1. Comply with LARA's Conflict of Interest Policy for Boards, Commissions, Agencies, Authorities, and Committees as well as applicable Michigan Law.

2. Disclose any pecuniary, contractual, business, employment or personal interest that the Board member may have in a contract, grant, loan, or regulatory matter before the Board, refrain from participating in any discussion, directly or indirectly, with other Board members regarding the pending item and abstain from voting on any motion or resolution relating to the matter. A Board member who is or whose immediate family member is a director, officer, direct or indirect shareholder, or employee of an entity that is to be awarded a contract, grant, or loan by the Board, or is the subject of a regulatory action before the Board, is hereby deemed to have an interest that warrants disclosure and must abstain from participation in discussion or voting on the contract, grant, loan, or regulatory matter. Such disclosure shall be made a part of the public record of the Board's official action.

3. Use state resources, property, and funds under the Board member's official care and control judiciously and solely in accordance with prescribed constitutional, statutory, and regulatory procedures and not for personal gain or benefit.

4. Refrain from all of the following:

   A. Divulging to unauthorized person confidential information acquired in the course of the member's service on the Board in advance of the time prescribed for its authorized release to the public.

   B. Representing his or her personal opinion as that of the Board or LARA.

   C. Soliciting or accepting a gift or loan of money, goods, services, or other thing of value for the benefit of a person or organization, other than the

State, which could reasonably be expected to influence the manner in which the Board member performs official duties.

D. Engaging in a business transaction in which the Board member may profit from his or her official position or authority or benefit financially from confidential information which the Board member has obtained or may obtain by reason of that position or authority.

E. Rendering services for a private or public interest when that service is incompatible or in conflict with the discharge of the Board member's official duties.

F. Participating in the negotiation or execution of contracts, making of loans, granting of subsidies, fixing of rates, issuance of permits or certificates, or other regulation or supervision relating to a business entity in which the Board or Board member's immediate family has a pecuniary or personal interest except for interests in a publicly traded company which constitutes less than two percent of the issued and outstanding stock of such company.

DISCLOSURE

In addition to the requirements set forth above, with respect to contracts, grants, or loans, the Board's conflict of interest policy shall be as follows:

Any contract, grant, or loan that is approved by the Board, and which is entered into or awarded to an entity that has a Board member or an immediate family member of a Board member who is a direct or indirect shareholder, member, director, officer, or employee of the entity, is prohibited under applicable conflict of interest law, if all of the following occur:

1. Except as otherwise provided in Section 3(3) of the Public Servant Act, MCL15.323(3), the affected Board member abstains from participating in any discussion or vote on the contract, grant or loan; and

2. The affected Board member promptly discloses the pecuniary, contractual, business, employment or personal interest in the contract, grant or loan as may be required, and in the manner provided, by the statutory requirements set forth in section one. Any such disclosure, if required by law, shall simultaneously be made to the Director of LARA; and

3. The disclosures, affidavit, and actions required by Section 3 of the Public Servant Act, MCL 15.323, if applicable, are made and fulfilled with any required disclosure and/or affidavit being simultaneously delivered to the Director of LARA.