

**MUNICIPAL STABILITY BOARD  
FOR  
THE STATE OF MICHIGAN**

**Standards of Conduct, Conflicts of Interest, and Ethics Policy**

This Standards of Conduct, Conflicts of Interest, and Ethics Policy (this "Code") for the members of the Municipal Stability Board (the "Board") for the State of Michigan (the "State") is designed to maintain the standards of conduct of the Board, and to assure compliance with all applicable laws including, but not limited to, (i) 1968 PA 317, MCL 15.321 to 15.330 and (ii) 1968 PA 318, MCL 15.301 to 15.310. To the extent there is conflict between this policy and applicable law, the applicable law shall govern.

The Board is committed to conducting its business in accordance with the highest ethical standards. It is the policy of the Board to conduct its business fairly, ethically, and in compliance with applicable law.

This Code requires not only the avoidance of misconduct, but also the avoidance of acts or omissions by a Board member that give the appearance of misconduct or impropriety, as well as the obligation to report misconduct. Board members shall not enter into any activity or incur any expense or liability which would compromise the Board's commitment to these high standards.

**I. Definitions.**

- A. "Affiliate" means a person who directly or indirectly owns or controls, is owned or controlled by, or is under common ownership or control with, another person.
- B. "Immediate Family Member" means a person's spouse, child, sibling, or parent (including stepchildren, stepsiblings, stepparents, and adoptive relationships) or a relative of any degree residing in the same household as that person.
- C. "State Board of Ethics" means the board created by MCL 15.343.
- D. "Local Unit of Government" means a local unit of government defined by MCL 38.2803(h).

**II. Disclosure of Financial Interests.** All Board members must disclose any financial interests held that could create the appearance of impropriety. This must be done at any point during a Board member's term, at the next scheduled meeting of the Board, after an apparent conflict related to any matter before the Board arises and before the Board takes any action with respect to such matter.

**III. Conflicts of Interest.** A Board member's duty to the Board demands avoiding and disclosing actual, potential, and apparent conflicts of interest, including strict adherence to MCL 15.342, MCL 15.342a, and any other applicable law. A conflict of interest exists where the interests or benefits of a Board member, or any of their Affiliates or Immediate Family Members conflicts with the interests or benefits of the Board or the State. A Board member also has a conflict of interest if, in the course of performing his or her duties for the Board, such Board member's judgment and discretion is or may be influenced by considerations of personal gain or benefit, or gain or benefit to a third party other than the Board or the State. Finally, a Board member also has a conflict of interest in any matter before the Board involving an Immediate Family Members who are officers or employees of a Local Unit of Government or who are directly or indirectly, through an Affiliate, (i) do business with the Local Unit of Government, (ii) have any contracts with the Local Unit of Government, (iii) respond to any request for proposals of the Local Unit of Government, or (iv) seek any no-bid contracts (pending or future) of the Local Unit of Government. Notwithstanding anything in this policy to the contrary, nothing herein shall be deemed to preclude the Board members from fulfilling the duties of their respective offices.

- A. Board members shall not engage in any conduct that constitutes a conflict of interest and shall immediately advise the Board in writing of any incident or circumstance that may

present the existence of an actual, potential or apparent conflict of interest. The Board shall immediately notify in writing the State Board of Ethics of any actual, potential or apparent conflicts of interest.

B. A Board member with a conflict of interest related to any matter before the Board shall disclose the conflict of interest before the Board takes any action with respect to such matter, which disclosure shall become a part of the record of the Board's official proceedings.

C. The Board member shall refrain from doing all of the following with respect to the matter that is the basis of the conflict of interest:

1. voting in the Board's proceedings related to the matter;
2. participating in the Board's discussion of and deliberation on the matter; and
3. discussing the matter with any other Board member.

**IV. Confidential Information.** During and after their service with the Board, Board members shall not knowingly disclose to third parties, or appropriate for their own use or the use of others, any Confidential Information obtained during his or her service with the Board. "Confidential Information" means any information concerning the Board's and the State's assets, employees, property, affairs, customers, service providers, processes, technology, data, financial information and any other information or data concerning the operation of the Board or the State that is not public information.

**V. Fair Dealing.** The Board is committed to conducting its business fairly and in accordance with the highest ethical standards. No Board member shall:

- A. use unfair techniques, such as misrepresentation of material facts or improper concealment of information, to gain an advantage;
- B. offer or accept a bribe, kickback or improper favor in order to secure a business advantage;
- C. knowingly use his or her official position, in violation of applicable law, to improperly influence a decision of the Board, a Local Unit of Government, or any other employees of the State; or
- D. attempt to influence any decision to fill a State or Local Unit of Government employment position with an Immediate Family Member.

**VI. Reporting of Illegal or Unethical Behavior and Violations of this Code.** A Board member shall report promptly any actual, attempted, potential, or apparent violation of this Code. If a violation is observed or reported, or is indicated by records or other information of which a Board member becomes aware, then the matter shall be immediately reported to the State Board of Ethics. In no event shall the Board take or threaten any action against a Board member for making a complaint or disclosing information in good faith concerning an actual, attempted, potential, or apparent violation of this Code.