

## Conflicts of Interest

Legislation was introduced in both the House and in the Senate during the 2015-16 legislative biennium that addressed conflicts of interest. As introduced, H.557 and S.184 would have established an ethics commission to investigate complaints “alleging unethical conduct committed by legislators outside the scope of their legislative duties and by elected and appointed officers in the executive branch.” Neither bill passed the full legislature, but it is likely that bills will be introduced in the 2017 legislative session to again address this subject. What does that mean for local government? It could mean that the legislature might change what is currently working well at the local level and place additional mandates requiring municipal governments to do more, even to the point of ignoring the potential ethics concerns at the state level. So, what *should* happen?

First, as you know, real and perceived conflicts can result in damage to reputations, a growth in the lack of trust in government operations, and a lack of respect for those who are attempting to do the public’s business. Managing potential conflicts and dealing appropriately with ethics issues is a key area of responsibility for government officials. Whether it be direct or indirect financial interest in an issue or direct or indirect personal interest in an issue, transparency is critical, as is the importance of assuring constituents that their elected and appointed officials take these issues seriously.

Legislators may be unaware that much of what *should* happen with regard to conflicts of interest is *already* happening at the local level. Cities and towns in Vermont currently have broad authority from the legislature to adopt conflict of interest policies or ethics ordinances. Many have adopted stand-alone policies while others have included conflict of interest provisions in their purchasing policies or personnel policies to address these concerns. In fact, municipalities in Vermont have been the leaders in the focus and adoption of conflict of interest policies for elected officials, boards, and employees.

Vermont law currently mandates that local zoning boards and commissions conducting quasi-judicial proceedings must have conflict of interest policies in place. (24 V.S.A. § 4461.) Further, the statute allows a selectboard to adopt a policy that affects all of the elected and appointed officials in the municipality. (24 V.S.A. § 2291(20)). Residents of a community may also adopt a policy that applies to elected and appointed officials by voting locally to do so. (24 V.S.A. § 1984). Finally, some communities have addressed ethics and conflicts of interest in their municipal charters. So there are many options at the local level in Vermont to address conflicts of interest and to ensure that officials and employees are aware of and focused on potential conflict issues. Every year more cities and towns are taking the necessary steps not only to adopt the policies, but to expend money on educating town officials and employees about the best ways to manage ethics and conflicts of interest.

VLCT, through its Board and members, has taken the position that it is *not* necessary to *mandate* that all municipalities adopt policies or regulations. Instead the Board is committed to providing

municipalities with the resources and education needed to address conflicts in a meaningful and sustainable manner. It is clear that the forced and hurried adoption of such policies without adequate time, training, and legal support will not create systems that address conflicts effectively and thoroughly. VLCT continues to provide training opportunities for these issues, and we offer a model conflict of interest policy to members to help develop policies that work for them. Several municipalities have used the model as a starting point and have sought further guidance about adding provisions that are unique to that municipality. We all know that “one size fits all” solutions don’t usually work very well. The current statute allows municipalities to take into account special or unusual circumstances that pertain to them. That works.

VLCT stands ready to assist the legislature in understanding how these policies are working locally and how they might work at the state level. Conflict of interest policies should not be seen as attempts to expose officials who are doing something wrong. Rather, such policies promote transparency and accountability and allow the public to ask appropriate questions and understand better the interests of public officials and the good work they are doing. Such policies can help to eliminate suspicion, create open communication, and enhance respect for local government and local officials.

If the legislature decides to mandate that all cities, towns, and incorporated villages adopt conflict of interest regulations in some form, it is *as* important, if not *more* important that such mandates are imposed on the legislative and executive branches of state government.

Local officials are leaders in many areas, including their efforts to address potential conflicts of interest and ethics issues. It is time for the legislature to recognize those leadership efforts and to follow the lead that has been set locally. Local officials should be commended for the work they are doing by paying attention to serious concerns in public life. They should not be used as a screen or as a reason for state officials to avoid addressing their own conflicts of interest. We are sure that town and city officials are very willing to share their experiences with state officials and to reassure them that it is simpler and easier to do the right thing than they might anticipate. The first step is always the hardest. Local officials have taken that first step. State officials can, too.

*If you have not yet adopted a conflict of interest or ethics policy, please review [VLCT's Model Policy](#) and contact VLCT's Municipal Assistance Center with questions.*

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