

Does a conflict of interest exist if the mayor or an alderman works at the bank where the city's money is deposited?

Ark. Code Ann. § 14-42-107 provides that no alderman, official or municipal employee may have an interest, directly or indirectly, in the profits of any contract with the city. Banking services would undoubtedly fall into this category. See Atty. Gen. Op. No. 2000-276. There are two exceptions: (1) the city may pass an ordinance permitting aldermen, officials or employees to conduct business with the city and prescribing the extent of this authority and (2) the law does not apply to a business in which the alderman, official or employee does not hold an executive or managerial office or to a corporation in which a controlling interest is held by stockholders who are not aldermen or council members. (Note that in *Thompson v. Roberts*, 970 S.W.2d 239(1998), the Arkansas Supreme Court held that the reference to aldermen in 14-42-107 applies to mayors.)