

## **ELECTED OFFICIALS**

### **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 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 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 does not hold an executive or managerial office. (Note that in *Thompson v. Roberts*, 970 S.W.2d 239 (1998), the Arkansas Supreme Court held that 14-42-107 applies to mayors.)