

Welcome to The City of Orem

Ethics Training

Prepared Nov. 2025

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CONFLICT OF INTEREST

Orem City Code 2-6-8(B):

Whenever the performance of a public servant's official duty requires governmental action on any matter involving that person's or a relative of that person's direct financial or personal interest and it is reasonably foreseeable that the decision will have an individualized material effect on such interest, distinguishable from its effect on the public generally, the public servant shall disclose the conflict and disqualify herself or himself from deliberating, deciding and voting upon the matter.

REQUIRED ACTION

1. The Public Servant shall disclose the conflict.
2. Disqualify herself or himself from deliberating, deciding and voting upon the matter.
3. Disclosure shall be made to the public body of which the public servant is a member.
4. In the case of an employee of the City, the employee's supervisor.

A Planning Commission member, Mr. Smith, owns undeveloped land in Orem.

- The Matter: A proposal before the Planning Commission seeks to rezone Mr. Smith's property from Single-Family Residential to High-Density Multi-Family Residential.
- Direct Financial Interest: Approval would dramatically increase Mr. Smith's land value, allowing him to sell to a developer for a much higher price.
- Foreseeable Individualized Material Effect: The decision will reasonably foreseeably have an individualized material effect on Mr. Smith's finances due to the direct, substantial property value increase.
- Distinguishable from the Public Generally: The financial benefit to Mr. Smith is specific and significant, relating directly to his private land transaction, unlike the general public's effect.

Library Advisory Commission member, Ms. Davis, is married to a TechServe, Inc. representative. TechServe sells technology to libraries.

- The Matter: The Commission is reviewing a new policy that prioritizes vendors offering "bundled technology support packages" (a TechServe specialty) for five-year hardware purchases, which the Commission will recommend to the City Council.
- Conflict: Ms. Davis's spouse's compensation is tied to large, long-term contracts. This policy favors TechServe, potentially resulting in a substantial contract and increased income/commissions for her spouse.
- Foreseeable Effect: The Commission's recommendation is reasonably foreseeable to materially affect Ms. Davis's spouse financially.
- Individualized Benefit: The financial benefit flows directly to TechServe, Ms. Davis's relative, and household, not the general public.

Prohibits the use of office for personal economic gain or to secure special privileges.

Use of Office for Personal Benefit Prohibited
(Utah Code 10-3-1304)

Municipal officers and employees cannot receive compensation for aiding a person or business in a transaction with the municipality unless they file a sworn statement detailing the assistance and publicly disclose it to their body members or supervisor.

Compensation for Assistance in Transaction Involving Municipality
(Utah Code 10-3-1305)

Municipal officers and employees must disclose any substantial interest—like an officer or ownership role—in a municipal-regulated business upon starting their term and when changes occur.

Disclosure Statement Required for Interest in Business Entity Regulated by the Municipality.
(Utah Code 10-3-1306)

Municipal officers and employees must publicly disclose their conflict of interest—specifically their role or substantial ownership interest—in a business entity that does or anticipates doing business with the municipality immediately before any relevant discussion.

Disclosure Statement Required for Interest in Business Entity Doing Business with Municipality
(Utah Code 10-3-1307)

Utah Municipal Officers and Employees Ethics Act

Utah Code 10-3-1301, *et. seq.*

The purpose of this Act is to establish standards of conduct for municipal officials and employees and to require them to disclose actual or potential conflicts of interest between their public duties and their personal interests.

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Use of Office for Personal Benefit Prohibited

1.

Do not disclose or improperly use private, controlled, or protected information acquired through official duties to further personal economic interests or secure special privileges or exemptions for oneself or others.

2.

Do not use or attempt to use an official position to: (1) substantially further personal economic interest; or (2) secure special privileges for oneself or others.

3.

Do not knowingly receive, accept, or solicit any substantial gift or economic benefit that is intended to improperly influence your public duties or is meant to reward you for official action already taken.

4.

The prohibition against accepting substantial gifts or economic benefits excludes occasional non-monetary gifts under \$50, public service awards, legitimate ordinary-course-of-business loans, and political campaign contributions.

It is an offense for an official to receive or agree to receive or agree to receive compensation for assisting any person or business entity in any transaction involving the municipality **UNLESS**:

1. Files with the Mayor a sworn statement;
2. The official makes a disclosure in an open meeting to the members of the municipal body of which the officer is a member immediately before the discussion; and
3. For an officer that is an elected officer, files the sworn statement with the City Recorder.

The sworn statement must be filed 10 days prior to any agreement between the officer and the business or 10 days before the receipt of compensation, whichever is earlier.

The Statement must contain the following:

1. The name and address of the official.
2. The name and address of the business entity being assisted; and
3. A brief description of the transaction and the nature of the service to be performed.



Compensation for Assistance in Transaction Involving Municipality

DISCLOSURE STATEMENT REQUIRED FOR INTEREST IN BUSINESS ENTITY REGULATED BY THE MUNICIPALITY

Mandatory Disclosure: Officers and employees must disclose any substantial interest (e.g., being an owner, officer, or director) in a business entity that is **regulated by the municipality**.

- **When to Disclose:** Upon starting the position and whenever the position or the value of the interest significantly changes.
- **How to Disclose:** File a sworn statement with the Mayor and the City Recorder/Town Clerk (for elected officials).
- **Public Access:** The disclosure is reported to the governing body and posted on the municipality's website.
- **Exception:** Disclosure is not required if the value of the interest does not exceed \$5,000.

DISCLOSURE STATEMENT REQUIRED FOR INTEREST IN BUSINESS ENTITY DOING BUSINESS WITH THE MUNICIPALITY

Rule: Officers and employees must publicly disclose their interest (e.g., being an owner or director) in any business entity that **does or anticipates doing business with the municipality**.

- **When to Disclose:** Immediately before any discussion by the municipal body concerning the business entity.
- **How to Disclose:** Make a public, verbal disclosure (which must be recorded in the minutes) and, for elected officers, file a sworn statement.
- **Key Action:** The disclosure ensures transparency and is posted on the municipality's website.
- **Recorded in Minutes:** The public disclosure shall be entered into the minutes of the meeting.

PENALTIES FOR ETHICS VIOLATIONS

RULE: Knowingly and intentionally violating most sections of the Utah Municipal Officers and Employees Ethics Act results in **dismissal from employment or removal from office** *and potentially the following:*

VALUE OF COMPENSATION/CONFLICT	CRIMINAL PENALTY
Exceeds \$1,000	2nd Degree Felony
\$250 - \$1,000	3rd Degree Felony
\$101 - \$250	Class A Misdemeanor
\$100 or less	Class B Misdemeanor

Questions regarding the application of these laws to specific circumstances should be directed to the City Attorney's office for legal guidance



CITY ATTORNEY'S OFFICE

801-229-7097