

Advisory Opinion No. 75-13

QUESTION:

Having recently been appointed to a State Commission which regulates an industry in the State, is it illegal or unethical for me to collect accounts receivable from members of the regulated industry who were formerly my clients?

RESPONSE:

The collection of accounts receivable from former clients to whom services have already been rendered and of whom, as you state, you have already divested yourself is certainly not unethical under the provisions of the Nevada Ethics in Government Law. It would be unreasonable and unjust to require or expect a person upon entering upon public office to forego the debts owed him for services already rendered. Though not completely parallel, the principles invoked in the opinion of the Attorney General (AGO-6; 2-11-63) regarding a legislator who had contracts with a state agency prior to his election, have relevance here. In that opinion, the Attorney General wrote in part:

"In a lengthy opinion, well documented..., this office held that a school trustee did not violate the law by continuing to furnish oil to the school district under a contract which was in existence prior to the time he became a member of the school board...We pointed out in that opinion that this type of restriction is common, and that it was to prevent a personal interest which might come in conflict with the duty that the officer owes to the public. (See Corpus Juris Secundum 406.) Under *Beaudry v. Valdez*, 32 Cal. 269, and other citations the interest must arise at the time the contract is made."

Similarly, this Commission holds that continuing to collect from accounts due from services rendered before one was appointed to the regulatory commission is neither a conflict of interest nor an unethical action.

December 10, 1975.