



STATE OF KANSAS

Office of the Attorney General

1st Floor, State Capitol Bldg. (913) 296-2215 Topeka, Kansas 66612

CURT T. SCHNEIDER
Attorney General

July 30, 1975

ATTORNEY GENERAL OPINION NO. 75- 312

Mr. Calvin A. Strowig
Chairman
Governmental Ethics Commission
109 West Ninth
Topeka, Kansas 66612

Re: Urban Renewal--Conflict of Interest

Synopsis: Under K.S.A. 17-4758, a commissioner of an urban renewal agency may not act as real estate broker in regard to contracts for the sale of land by the Agency.

* * *

Dear Mr. Strowig:

We have your letter of July 24, 1975, transmitting an inquiry by Mr. Robert Cowdrey, a member of the Board of Commissioners of the Urban Renewal Agency of the Wichita, Kansas, Metropolitan Area. The question is posed whether a commissioner of an urban renewal agency may act as a real estate agent or broker in regard to contracts between the Agency and purchasers of disposition lands, in view of K.S.A. 17-4758, which states in pertinent part thus:

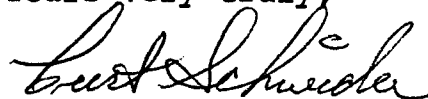
"[N]o commissioner or employee of an urban renewal agency which has been vested by a municipality with urban renewal project powers . . . shall voluntarily acquire any interest, direct or indirect, in any urban renewal project, or in any property included or planned to be included in any urban renewal project of such municipality or in any contract or proposed contract in connection with such urban renewal project."
[Emphasis supplied.]

Mr. Calvin A. Strowig
Page Two
July 30, 1975

We assume that a broker who procures or negotiates a contract for the sale of land by the Agency receives the compensation therefor which is usual in the trade, subject, of course, to any pertinent regulations applicable to Agency transactions, and that such compensation is paid to the broker by either the seller or purchaser. Although it is not legally determinative, we assume that the compensation of the broker is paid by the purchaser of property from the Agency. The claim of the broker to compensation rests on a contract, written or oral, with the purchaser, for whom the broker acts as principal, in procuring or negotiating a contract of sale of property. The compensation of the broker is ordinarily a commission on the private or value of the property sold or exchanged, and his right thereto depends upon the terms of his employment contract, and the performance of the service contracted for. The compensation of the broker, thus, ordinarily depends upon the procuring and execution of a contract of urban renewal property. He has, in our judgment, an interest, then, in a "contract or proposed contract in connection with" an urban renewal project. Whether the interest is direct or indirect is legally immaterial to the statute, so long as it is one or the other. Certainly, a broker acting in behalf of a purchaser of property has an indirect interest in any contract or proposed contract relating to that property, for it is for the procuring or negotiation of that contract for which he is expressly employed by his principal.

It is accordingly our opinion that under K.S.A. 17-4758 a commissioner of an urban renewal agency may not act as a real estate broker in regard to contracts between the agency and others.

Yours very truly,



CURT T. SCHNEIDER
Attorney General

CTS:JRM:kj

cc: Mr. Robert Cowdrey
Commissioner
Urban Renewal Agency
Suite 300, Union National Bldg.
Wichita, Kansas 67202