enters into a contract regarding the reimbursement with the agricultural producer before the agricultural producer makes their purchase and the reimbursement is thereafter issued.

According to you, no eligible applicant has ever been denied reimbursement funding. You state that the District is not placed in the position of prioritizing applications in a competitive environment.

In response to questions from Commission staff, you state that the Governing Board of the District has the authority to change the maximum reimbursement amount and has done so in the past. For example, in April 2019, the District added alternative water supply projects and added variable frequency drives as purchases eligible for cost-share, both reimbursed at seventy-five percent of the cost. In January 2020, the District began allowing cost-share reimbursement for a fourth, fifth, and sixth year of service agreements, reimbursed at a rate of fifty percent of the cost.

You request this opinion on behalf of two members of the Governing Board of the District. One member is not an agricultural producer, but owns property within the District that the member leases to agricultural producers who may attempt to avail themselves of the grant program during the member's tenure on the Governing Board. The other member has, in the past, and may, in the future, be an officer and/or director in the member's family's agricultural company, which may seek to avail itself of the grant program. You ask whether these two members would have a prohibited conflict of interest if their respective tenants or company received a grant from the District.

Analysis under Section 112.313(7)(a), Florida Statutes, is appropriate. It states:

> No public officer or employee of an agency shall have or hold any employment or contractual relationship with any business entity or any agency which is subject to the regulation of, or is doing business with, an agency of which he or she is an officer or employee . . . ; nor shall an officer or employee of an agency have or hold any employment or contractual relationship that will create a continuing or frequently recurring conflict between his or her private interests and the performance of his or her public duties or that would impede the full and faithful discharge of his or her public duties.

The first clause of this statute would prohibit a public officer from having any contractual relationship with a business entity that is regulated by or does business with his or her agency. The second clause of this statute would prohibit a public officer from having a contractual relationship that would create a continuing or frequently recurring conflict of interest or would create an impediment to the full and faithful discharge of his or her public duties.

As a predicate to answering your question, we take this opportunity to reaffirm our longstanding interpretation of Section 112.313(7)(a) that an entity is "doing business" with an agency when it has entered into a contract or other legal arrangement under which one party would have a cause of action against the other if a breach or default were to occur. See, e.g., CEO 12-7 (citing CEO 88-65).

We found a conflict of interest and declined to apply any exemption in CEO 12-7. In that opinion, a city's CRA offered a façade grant that provided up to $10,000 to allow applicants to improve the exteriors of buildings. We opined that a CRA board member would have a conflict

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share agreement will require the expenditure of more than $30,000 of District funds, then it must be approved by the Governing Board.