

# AGENCY RULES

## CONFLICTS OF INTEREST BOARD

### CITY OF NEW YORK CONFLICTS OF INTEREST BOARD

Notice of Adoption of Final Rule  
Amending the Dollar Amount  
with Respect to "Ownership Interest"

NOTICE IS HEREBY GIVEN that, pursuant to the authority vested in the Conflicts of Interest Board by Section 2603(a) of the New York City Charter and in accordance with the requirements of Section 1043 of the Charter, the Conflicts of Interest Board has adopted a new final rule, Section 1-11 of Title 53 of the Rules of the City of New York, adjusting the dollar amount in the definition of "Ownership Interest" (Charter Section 2601(16)) to reflect changes in the Consumer Price Index for the metropolitan New York-New Jersey region published by the United States Department of Commerce, Bureau of Labor Statistics. Pursuant to a notice published on September 2, 1994, in *The City Record*, a public hearing on the proposed rule was held on October 11, 1994, at 2 Lafayette Street. The Board did not receive any comments on the proposed rule and, without change, adopted it as final. The text of the new final rule is underlined below. The rule shall become effective 30 days after publication of this notice in *The City Record*.

Dated: October 24, 1994

#### SECTION 1-11. ADJUSTMENT OF DOLLAR AMOUNT IN DEFINITION OF "OWNERSHIP INTEREST"

Effective as of January 1, 1994, the dollar amount in the definition of "Ownership Interest" in subdivision (16) of section 2601 of the New York City Charter shall be adjusted from \$25,000 to \$29,000.

**STATEMENT OF BASIS AND PURPOSE OF PROPOSED RULE:** Subject to certain exceptions, the conflicts of interest provisions of Chapter 68 of the New York City Charter prohibit New York City public servants from having "interests" in firms engaged in business dealings with the City or from taking actions as a public servant particularly affecting the public servant's interest in a firm. See Charter §§ 2604(a) and 2604(b)(1). An interest may be either an ownership interest in a firm or a position with a firm. See Charter § 2601(12). "Ownership interest" is, in turn, defined in Charter § 2601(16) as

an interest in a firm held by a public servant, or the public servant's spouse or unemancipated child, which exceeds five percent of the firm or an investment of twenty-five thousand dollars in cash or other form of commitment, whichever is less, or five percent or twenty-five thousand dollars of the firm's indebtedness,

whichever is less, and any lesser interest in a firm when the public servant, or the public servant's spouse or unemancipated child exercises managerial control or responsibility regarding any such firm, but shall not include interests held in any pension plan, deferred compensation plan or mutual fund, the investments of which are not controlled by the public servant, the public servant's spouse or unemancipated child, or in any blind trust which holds or acquires an ownership interest. The amount of twenty-five thousand dollars specified herein shall be modified by the board pursuant to subdivision a of section twenty-six hundred three. (Emphasis added.)

Charter § 2603(a) requires the Conflicts of Interest Board, by rule, once every four years to adjust the \$25,000 dollar amount established in section 2601(16) to reflect changes in the Consumer Price Index for the metropolitan New York-New Jersey region published by the United States Bureau of Labor Statistics. The foregoing provision became effective on January 1, 1990. Accordingly, the Board must adopt a rule adjusting the \$25,000 amount to reflect changes in the Consumer Price Index.

According to the United States Department of Commerce, Bureau of Labor Statistics, for the four-year period from January 1990 to January 1994, the Consumer Price Index for the metropolitan area increased from 135.1 to 156.0, or 15.5%. Thus, the \$25,000 amount should be adjusted to \$29,000, reflecting a 15.5% increase in the \$25,000 Charter amount, rounded to the nearest \$1,000.

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