

Enacting a Local Ethics Law—Part II: Disclosure

By Mark Davies

The previous issue of the *Municipal Lawyer* contained the first part in this three-part series discussing the enactment of a local ethics law. That part dealt with the code of ethics. This part will focus on disclosure, in particular on annual (financial) disclosure. The third and final part will address administration of local ethics laws.



This article will first review the three kinds of disclosure and then discuss adopting an effective disclosure system, including creating a reasonable annual disclosure form.

Types of Disclosure

Although most officials associate disclosure only with annual financial disclosure, two other kinds of disclosure also exist: transactional disclosure and applicant disclosure.

Transactional Disclosure

First and foremost of the three kinds of disclosure is transactional disclosure (and recusal) by an official when the official actually faces a conflict of interest. For example, if I serve on a village planning board and work for a local company that appears before the planning board seeking permission to subdivide its property, I must disclose that conflict of interest on the public record and recuse myself from participating in the matter. Recusal, one should note, requires more than just abstaining from voting. Instead, recusal requires that I have no involvement in the matter at all—that I not participate in discussions or communications (including, but not limited to, e-mails, telephone conversations, and conference calls) concerning the subdivision, that I not attend meetings with village officials and others to discuss the subdivision, and that I not receive copies of any documents concerning the subdivision. Stepping down into the audience and voicing my views “as a member of the public” is wholly impermissible. Indeed, I should leave the room while the subdivision is discussed. While lawyers are familiar with this kind of recusal, many officials are not and must therefore be appropriately counseled by their municipal attorney.

Article 18 of the General Municipal Law (sections 800–813) contains only a limited transactional disclosure requirement. Under section 803, “[a]ny municipal officer or employee who has, will have, or later acquires an interest in or whose spouse has, will have, or later acquires an interest in any actual or proposed contract, purchase agreement, lease agreement or other agreement, including oral agreements, with the municipality . . . shall publicly disclose the nature and extent of such interest in writing to his or her immediate supervisor and to the governing body thereof as soon as he or she has knowledge of such actual or prospective interest. Such written disclosure shall be made part of and set forth in the official record of the proceedings of such body.”¹ Failure to disclose is a misdemeanor.² Section 803, however, does not require disclosure of interests that fall within section 802(2), including exempted stock holdings and small contracts.³

Section 803 must be approached with caution. First, failure to disclose may result in the contract being rescinded or voided.⁴ Second, although section 803 requires only disclosure, not recusal, failure to recuse runs the risk of a court invalidating the action taken.⁵ Third, that said, if the official has an interest in a contract with the municipality in violation of section 801, neither disclosure and recusal nor even sealed bids will cure the violation, which is a misdemeanor and renders the contract void ab initio.⁶ Fourth, despite the mandate of section 803, the municipal official who serves on a board, such as a planning board or zoning board of appeals, should also disclose the conflict of interest on the records of that board. Furthermore, the local ethics law may require disclosure to the ethics board instead of to the municipal governing body, as discussed below. Fifth, section 803 requires disclosure (and, *Tuxedo* suggests, recusal) where the spouse of the official has an interest in a contract with the municipality. Since “interest” is defined to include the person’s employer or business or a corporation in which the person has a substantial stock holding, the municipal official must disclose (and recuse) if his or her spouse’s employer or business or a corporation in which his or her spouse has a substantial stock holding may receive a financial benefit as a result of the contract.

Finally, section 803 requires disclosure only of interests in contracts. An official, however, should disclose and recuse himself or herself as to any conflict of interest, not just as to one that involves an interest in a contract with the municipality. The *Landau* and *Tuxedo*

cases, cited above, suggest that failure to do so may result in a court invalidating an action of the official who failed to disclose and recuse.

Transactional disclosure remains the most critical form of disclosure because it involves an actual conflict of interest and alerts the municipality, contractors, vendors, permittees, the media, and the public to the actual conflict, thus helping to reassure them that the municipality is acting with honesty and integrity. When accompanied by recusal, transactional disclosure also avoids or at least ameliorates the conflict.

Applicant Disclosure

While transactional disclosure is made by officials, applicant disclosure is made by private citizens or companies who have or seek contracts, licenses, permits, funding, or benefits from the municipality. For example: "Sarah Lee, an owner of ABC Asphalt, which is bidding on this contract, is the brother of Sam Jones, the town's highway superintendent"; if the matter might come before the highway superintendent, he would be required to transactionally disclose the relationship and recuse. One may thus think of applicant disclosure as the counterpart to transactional disclosure, on which applicant disclosure provides a check. Applicant disclosure also gives those who deal with the municipality some stake in municipal officials' compliance with the ethics law.

Section 809 contains a limited form of applicant disclosure, requiring that land use applications, petitions, or requests state the name, residence, and nature and extent of the interest of any officer or employee of the municipality in the person, partnership, or association making the application, petition, or request "to the extent known to such applicant."⁷ A municipal officer or employee is deemed to have an interest in the applicant when the official or an immediate family member is the applicant or has certain business connections with the applicant, with an exception for certain stock ownership.⁸ The applicant must disclose not only interested officials of the municipality but also interested officials of any municipality of which the municipality is a part (e.g., an interested town official if the application is to a village within the town) and interested state officials. A knowing and intentional violation of section 809 is a misdemeanor.⁹ Furthermore, although section 809 does not require recusal by the affected official, the Second Department in the *Tuxedo* case did—and invalidated the board action where the tie-breaking vote was cast by the interested official. Like section 803, section 809 remains too narrow.¹⁰ As discussed below, the local ethics law should expand applicant disclosure beyond land use cases, though such non-land-use cases narrow the universe of those persons deemed to have an interest in the applicant.

Annual Disclosure

Annual financial disclosure remains the most common—and most hated—form of disclosure by municipal officials. Municipal officials hate it for three well-founded reasons: most financial disclosure is burdensome, intrusive, and irrelevant. Yet *sensible* annual disclosure plays a critical role in an effective municipal ethics law.

As discussed in the first part of this series, ethics laws focus not on punishment but on prevention; thus, they do not aim at catching crooks. Indeed, as has often been noted, no crooked municipal official will report a bribe on a financial disclosure form. But sensible annual disclosure alerts the municipality, media, vendors, the public, and the filer himself or herself to potential conflicts of interest—and accordingly helps avoid violations of the ethics code. For example, if a town board member reports on her annual disclosure statement that her husband works for a real estate development company, then everyone will know that she must recuse herself when that developer comes before the town board. Annual disclosure thereby provides a check on whether an official makes required transactional disclosures and recusals. In addition, annual disclosure requires the filer to focus, at least once a year, on the requirements of the code of ethics.

Unfortunately, New York State's financial disclosure law, set forth in General Municipal Law §§ 810–813, violates these fundamental principles. Section 811 requires annual financial disclosure in every county, city, town, and village in the state with a population of 50,000 or more.¹¹ Although Article 18 does not expressly state the minimum disclosure required (unless a municipality fails to adopt its own form and thus defaults into the state form set forth in section 812(5)), the Temporary State Commission on Local Government Ethics, the only state body ever charged with administering the financial disclosure law, concluded that a minimum does exist.¹² While less than the state form, that minimum remains excessively burdensome and unnecessary for most municipalities. The Commission did not expressly state that a minimum form exists for those municipalities, not subject to mandatory financial disclosure, which voluntarily adopt it. In any event, the Commission no longer exists; and municipalities, even those with a population in excess of 50,000, may conclude that they can safely reject the conclusion of a state body that sunsetted over 15 years ago and instead adopt an annual disclosure form that meets the needs of the municipality, provided that the form also complies with the purposes behind the financial disclosure law.¹³

With this background in mind, one may turn to the enactment of effective disclosure provisions in a local ethics law.

Drafting Disclosure Provisions for the Local Ethics Law

Transactional Disclosure

As discussed above, Article 18 contains, in section 803, only a limited transactional disclosure provision, which relates solely to disclosure of interests of a municipal official in certain contracts with the municipality. Transactional disclosure, however, should be required whenever a conflict of interest arises and the official must thus recuse himself or herself from acting on the matter. (Recusal is required by the code of ethics, discussed in part I of this series.) At the same time, the local ethics law should also set forth the requirements of section 803, to avoid requiring an official to consult two ethics laws, both local and state.

A transactional disclosure provision may thus read:

§ 201. Transactional disclosure generally.

(1) Whenever a municipal officer or employee is required to recuse himself or herself under the code of ethics, he or she:

(a) shall promptly inform his or her immediate supervisor, if any;

(b) shall promptly file with the [municipal] clerk a signed statement disclosing the nature and extent of the prohibited action or, if a member of a board, shall state that information upon the public record of the board; and

(c) shall immediately refrain from participating further in the matter.

(2) The [municipal] clerk shall promptly cause a copy of the disclosure statement to be filed with the ethics board.

(3) An officer or employee shall not be required to file a disclosure statement pursuant to this section if he or she, with respect to the same matter, has filed with the [governing body of the municipality] a disclosure statement complying with the requirements of section 202 of this article.

A restatement of section 803 may read:

§ 202. Transactional disclosure involving municipal contracts.

(1) Where a municipal officer or employee, or his or her spouse, has, will have, or later acquires an interest in any actual or proposed contract, purchase agreement, lease agreement, or other agreement, including oral agreements, with the municipality, the officer or employee shall publicly disclose the nature and extent of that interest in writing to his or her immediate supervisor and to the [municipality's governing body] as soon as he or she has knowledge of the actual or prospective interest.

(2) The written disclosure shall be made part of and set forth in the official record of the proceedings of [the governing body]. The clerk of the [governing body] shall promptly cause a copy of the disclosure statement to be filed with the ethics board.

(3) For purposes of this section, "contract" means any claim, account, or demand against or agreement with a municipality, express or implied.

(4) For purposes of this section, "interest" means a direct or indirect pecuniary or material benefit accruing to a municipal officer or employee as the result of a contract with the municipality. A municipal officer or employee shall be deemed to have an interest in the contract of (a) his or her spouse, minor children, and dependents, except a contract of employment with the municipality, (b) a firm, partnership, or association of which the officer or employee is a member or employee, (c) a corporation of which the officer or employee is an officer, director, or employee and (d) a corporation any stock of which is owned or controlled directly or indirectly by the officer or employee.

(5) Notwithstanding the provisions of subdivision 1 of this section, disclosure shall not be required in the case of an interest in a contract described in subdivision 2 of section 802 of the General Municipal Law, unless disclosure is required pursuant to section 201 of this article.

Note that the official must file a disclosure statement where his or her interest in a contract with the

municipality would result in a violation of the local code of ethics, even though such disclosure is not required by section 803. In addition, the appropriate clerk must forward a copy of the transactional disclosure statement to the ethics board.

The penalties section of the ethics law should apply to any failure to file a required transactional disclosure statement, either pursuant to section 201 above or section 202 (a misdemeanor under Gen. Mun. Law § 805). Penalties will be discussed in part III of this series.

Applicant Disclosure

As discussed above, Article 18 also contains, in section 809, limited applicant disclosure, required only in certain land use applications. Applicant disclosure, however, should be expanded to include any instance where the applicant is requesting the municipality to act on a matter in which any official of the municipality, or his or her family member, employer, business, customers, or clients, may have a financial interest, *to the extent the applicant knows of the potential benefit*. For example, an applicant for a zoning variance should be required to list the names of any officer or employee of the municipality—or their associated persons—who may receive a financial benefit as a result of the granting of the variance. Note that the provision imposes upon the applicant no duty to investigate whether any such persons exist. Needless to say, however, an applicant will be hard pressed to argue that it was not aware that its 40% shareholder serves on the zoning board. To avoid requiring an official to consult two ethics laws, both local and state, the local ethics law should also set forth the requirements of section 809.

An applicant disclosure provision may thus read:

§ 203. Applicant disclosure generally.

(1) Where a person requests the municipality or a municipal officer or employee to take or fail to take any action (other than a ministerial act) that may result in a financial benefit both to the requestor and to either any officer or employee of the municipality or one of the other persons listed in subdivision one of section [the code of ethics] of this article, the requestor shall disclose the names of any such persons, to the extent known to the requestor at the time of the request.

2. If the request is made in writing, the disclosure shall accompany the request; the officer or employee receiving the request shall promptly forward

a copy of the disclosure to the ethics board. If the request is oral and made at a meeting of a board, the disclosure shall be set forth in the public record of the board and promptly forwarded by the clerk of the board to the ethics board. If the request is oral and not made at a meeting of a board, the disclosure shall be set forth in a writing filed with the clerk of the municipality, who shall promptly forward a copy to the ethics board.

A restatement of section 809 may read:

§ 204. Applicant disclosure in land use matters.

(1) Every application, petition, or request submitted for a variance, amendment, change of zoning, approval of a plat, exemption from a plat or official map, license, or permit, pursuant to the provisions of any ordinance, local law, rule, or regulation constituting the zoning and planning regulations of the [municipality] shall state the name, residence, and the nature and extent of the interest of any state officer¹⁴ or any officer or employee of the municipality or of [each municipality of which such municipality is a part], in the person, partnership, or association making the application, petition, or request (hereinafter called the applicant) to the extent known to the applicant.

(2) For the purpose of this section, an officer or employee¹⁵ shall be deemed to have an interest in the applicant when he, his spouse, or their brothers, sisters, parents, children, grandchildren, or the spouse of any of them

- (a) is the applicant, or
- (b) is an officer, director, partner, or employee of the applicant, or
- (c) legally or beneficially owns or controls stock of a corporate applicant or is a member of a partnership or association applicant, or
- (d) is a party to an agreement with such an applicant, express or implied, whereby he or she may receive any payment or other benefit, whether or not for services rendered, dependent or contingent upon the favorable approval of such application, petition, or request.

(3) Ownership of less than five per cent of the stock of a corporation whose stock is listed on the New York or American Stock Exchanges shall not constitute an interest for the purposes of this section.¹⁶

The penalties section of the ethics law should apply to any failure to file a required applicant disclosure statement, either pursuant to section 203 above or section 204 (a misdemeanor under Gen. Mun. Law § 809(5)). Penalties will be discussed in part III of this series.

Annual Disclosure

Drafting a sensible, and acceptable, annual disclosure form presents little difficulty if one remembers the purpose and principles of an ethics law generally and of annual disclosure specifically, as discussed above. Consequently, in drafting such a form one must be guided by three rules. First, the disclosure form must be tied directly to the code of ethics, that is, it must ask *only* those questions that may reveal a potential, significant violation of the ethics code. For example, if the code of ethics would not prohibit a town board member from voting to purchase Dell computers when the member owns less than \$10,000 worth of Dell stock, then a board member who owns \$9,000 worth of Dell stock should not be required to disclose that stock on her annual disclosure form since that stock ownership cannot result in a conflict of interest. Second, accordingly, creating an annual disclosure form is an exercise in zero-based drafting: one begins with a blank sheet of paper and asks *only* those questions that may reveal a potential, significant violation of the ethics code. Third, one must never let the perfect be the enemy of the good. A short and simple annual disclosure form will reveal 95% of the potential conflicts of interest at the municipal level. Doubling the size of the form in an attempt to squeeze out another 3% will make the form far more intrusive, is thus hardly worth it, and, indeed, may well doom to failure the entire effort at ethics reform. If in doubt, leave it out.

Note that, as a corollary to the first rule, no need exists for an annual disclosure form to ask the *amount* of any interest. Whether the conflict is a \$10,000 one or a \$10 million one, it is still a conflict and still prohibited. Once the disclosure form is tied to the ethics code, amounts become irrelevant. By contrast, however, information about the filer's spouse is significant because a financial benefit to one spouse almost always benefits the other spouse. So, too, the employer, business, and local real estate interests of immediate family members become significant because the code of ethics prohibits the filer from taking an action that

would benefit one of those interests since doing so would impermissibly benefit the family member.

With respect to who should be required to file an annual disclosure statement, one should require only those officials to file who run some significant risk of conflicts of interest. The determination by the Temporary State Commission of required filers under the General Municipal Law in political subdivisions with a population of 50,000 or more provides an excellent list:

- Elected municipal officials
- Agency heads, deputy agency heads, and assistant agency heads (i.e., those persons authorized to act for the agency in the absence of the agency head)
- Policymakers, including members of all boards and commissions
- Officers and employees whose duties involve the negotiation, authorization, or approval of contracts, leases, franchises, permits, licenses, grants, and the like or the adoption or repeal of any rule or regulation having the force and effect of law (note that this category would include only those officials who exercise discretionary authority)
- Candidates for local elective office
- Local political party officials (i.e., compensated chairs of local political parties)¹⁷

One may wish to add inspectors to the list since they often run significant risks of conflicts of interest. Note that certain tax assessors are subject to a separate state disclosure law and disclosure form.¹⁸

One should also note that state law, in regard to filing of annual disclosure statements, makes no distinction between volunteers and compensated officers and employees—and neither should the municipality. Indeed, at the local level, substantial power is wielded by volunteer board members at significant risk of conflicts of interest and who should therefore be required to file an annual disclosure statement. That said, in recognition of the difficulty of recruiting volunteer board members, the municipality may wish to require less disclosure of them—and, in fact, of all filers who are not elected officials or compensated policymakers.

Not surprisingly, the smaller the municipality, the greater the percentage of filers. Thus, in New York City less than two and a half percent of the public servants file an annual disclosure statement. In a small town or village, the percentage may approach ten times that, although the total number of filers will be quite small.

Immediately following this article is a model annual disclosure form that one may easily adapt to a municipality's local ethics code. Most officials can complete the form in less than 10 minutes, yet it will provide sufficient disclosure in all but the largest municipalities in the state. Since, as noted above, one of the purposes of annual disclosure lies in compelling the filer to focus, at least once a year, on the requirements of the code of ethics, the disclosure form should attach the code of ethics, or a summary of it, and require the filer to certify that he has read the code or summary within the previous two weeks.

As with transactional disclosure and applicant disclosure, so, too, with annual disclosure, the penalties section of the ethics law should apply to any failure to file a disclosure statement. In addition, penalties for late filing and for misstatements of assets and liabilities should be imposed.¹⁹ Absent such penalties, few officials are likely timely to file an annual disclosure statement. Penalties will be discussed in part III of this series.

Conclusion

Disclosure—transactional, applicant, and annual—forms the second pillar of an effective local ethics law. Properly drafted and enforced, disclosure need not be onerous. Yet without it, the entire ethics law will collapse.

Endnotes

1. Gen. Mun. Law § 803(1). "Contract," "interest," and "municipal officer or employees" are all defined terms. See Gen. Mun. Law § 800(2), (3), (5), respectively. See generally Davies, *Article 18 of New York's General Municipal Law: The State Conflicts of Interest Law for Municipal Officials*, 59 ALBANY L. REV. 1321, 1333–1335 (1996) (available on the Section's website, under Ethics for Municipal Lawyers).
2. Gen. Mun. Law § 805.
3. Gen. Mun. Law § 803(2). See also Gen. Mun. Law § 802(2) (a) (certain stock holdings), (e) (small contracts). 2005 N.Y. Laws ch. 499, § 1, repealed the former exemption that once disclosure has been made as to an interest in a contract with a particular person, firm, corporation, or association, no further disclosure by the municipal official is required as to additional contracts with the same party during the remainder of the fiscal year.
4. See, e.g., *Landau v. Percacciolo*, 50 N.Y.2d 430, 429 N.Y.S.2d 566 (1980) (invalidating at county's request contract to sell land to county where county civil defense director, the broker on the deal, failed, in violation of section 803, to disclose his (non-prohibited) interest in the contract and where the purchaser knew of the interest and the nondisclosure).
5. Cf. *Tuxedo Conservation & Taxpayers Ass'n v. Town Board of Town of Tuxedo*, 69 A.D.2d 320, 418 N.Y.S.2d 638 (2d Dep't 1979) (invalidating, as contrary to the "spirit" though not the letter of section 809, a special permit where the town board member who cast the tie-breaking vote was vice-president

of an advertising agency that had the parent of the applicant as a client and that would be a strong contender to obtain all advertising contracts on the \$200 million project if it was approved).

6. Gen. Mun. Law §§ 800, 804, 805. See generally Davies, *Article 18: A Conflicts of Interest Checklist for Municipal Officers and Employees*, NYSBA/MLRC MUNICIPAL LAWYER, Summer 2005, at 10 (available on the Section's website, in Municipal Lawyer Ethics Columns under Ethics for Municipal Lawyers).
7. Gen. Mun. Law § 809(1).
8. Gen. Mun. Law § 809(2), (4).
9. Gen. Mun. Law § 809(5).
10. See generally Davies, *Article 18 of New York's General Municipal Law: The State Conflicts of Interest Law for Municipal Officials*, 59 ALBANY L. REV. 1321, 1344–1346 (1996) (available on the Section's website, under Ethics for Municipal Lawyers).
11. See generally Davies, *1987 Ethics in Government Act: Financial Disclosure Provisions for Municipal Officials and Proposals for Reform*, 11 PACE L. REV. 243 (1991) ("FD Article") (available as "Ethics in Gov't Act—Financial Disclosure Provisions" on the website of the New York City Conflicts of Interest Board, at <http://www.nyc.gov/ethics>, then Publications, then Directory of Ethics Materials for Municipal Ethics Boards, then Directory of NYS Municipal Ethics Materials).
12. See FD Article, *supra* note 11, at 249–251. The minimum form may be found in Appendix B to FD Article, *supra* note 11, at 269–272. In regard to defaulting into the state form, see Gen. Mun. Law § 811(2).
13. See also Gen. Mun. Law § 806(1)(a), which states that local codes of ethics "may provide for . . . disclosure of information. . . ."
14. In the County of Nassau, add "or party officer." See Gen. Mun. Law § 809(3).
15. In the County of Nassau, add "or any party officer." See Gen. Mun. Law § 809(3).
16. In the County of Nassau, add a subdivision (4): "For purposes of this section, 'party officer' shall mean any person holding any position or office, whether by election, appointment, or otherwise, in any party, as defined by Election Law § 1-104(5)." See Gen. Mun. Law § 809(3).
17. See FD Article, *supra* note 11, at 251–253. See also Gen. Mun. Law §§ 810(2), (3), (6), 811(1)(a), (b), 812(1)(a), 813(9)(k).
18. Real Prop. Tax Law § 336. See also Gen. Mun. Law § 812(1)(a).
19. See Gen. Mun. Law §§ 811(1)(c), (d), 812(6), 813(11)–(16); 1987 N.Y. Laws ch. 813, § 26, as amended by 1988 N.Y. Laws ch. 108, § 2 (providing that the powers of the Temporary State Commission, upon its expiration, devolve upon the municipality's board of ethics or, if the municipality has no board of ethics, upon the municipality's governing body).

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Model Annual Disclosure Form

[County, City, Town, Village, or Other Municipality] of _____

Annual Disclosure Statement

For Calendar Year 2007

| | | |
|-----------|------------|---------|
| Last Name | First Name | Initial |
|-----------|------------|---------|

| | |
|-------|----------------------|
| Title | Department or Agency |
|-------|----------------------|

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|--------------|----------------|
| Work Address | Work Phone No. |
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If the answer to any of the following questions is "none," please so state. Attach additional pages if necessary.

- Outside Employers and Businesses.** List the name of every employer or business, other than the [municipality], from which you received more than \$1,000 for services performed or for goods sold or produced, or of which you were a paid member, officer, director, or employee during the year 2007. Do not list individual customers or clients of the business. Do not list businesses in which you were an investor only (they are listed in Question 2 below). Identify the nature of the business and the type of business, such as a partnership, corporation, or sole proprietorship, and list your relationship(s) to the employer or business (i.e., owner, partner, officer, director, member, employee, and/or shareholder). Provide the same information for your relatives. "Relative" means your spouse, registered domestic partner, child, stepchild, brother, sister, parent, stepparent, any person you claimed as a dependent on your latest income tax return, and their spouses or registered domestic partners.¹

| Name of Family Member | Relationship to You | Name of Employer or Business | Nature of Business | Type of Business | Relationship to Business |
|---------------------------|---------------------|------------------------------|--------------------|--------------------|--------------------------|
| <i>[E.g.: John Smith]</i> | <i>Self</i> | <i>TechIM</i> | <i>Computers</i> | <i>Corp.</i> | <i>Pres./Shareholder</i> |
| <i>[E.g.: Rose Smith]</i> | <i>Wife</i> | <i>Monument Realty</i> | <i>Real Estate</i> | <i>Partnership</i> | <i>Employee</i> |

- Investments.** List the name of any entity in which you have an investment of at least 5% of the stock or debt of the entity or \$10,000,² whichever is less. Do not list any entity listed in response to Question 1 above. Identify the nature of the business and the type of business (e.g., corporation). Provide the same information for your spouse or registered domestic partner and any of your children who are under age 18.

| Name of Family Member | Relationship to You | Name of Entity | Nature of Business | Type of Business |
|---------------------------|---------------------|----------------|-----------------------|------------------|
| <i>[E.g.: John Smith]</i> | <i>Self</i> | <i>Verizon</i> | <i>Communications</i> | <i>Corp.</i> |

3. **Real Estate.** List the address of each piece of real estate that you or your relatives, as defined in Question 1, own or rent, in whole or in part, or otherwise have a financial interest in. List only real estate that is located in the [municipality] and the [contiguous municipalities]. For residential property, list as the address only the city or village (or, if none, the town) in which the property is located.

| Name of Family Member | Relationship to You | Address of Real Estate | Type of Interest |
|-----------------------------|---------------------|----------------------------|----------------------|
| <i>[E.g.: Robert Smith]</i> | <i>Father</i> | <i>2 Main St., Teatown</i> | <i>Hold mortgage</i> |
| | | | |
| | | | |

4. **Gifts.** List each gift that you or your spouse or registered domestic partner received worth \$10³ or more during the year 2007, except gifts from relatives, as defined in Question 1. A "gift" means anything of value for which you or your spouse or registered domestic partner paid nothing or paid less than the fair market value and may be in the form of money, services, reduced interest on a loan, travel, travel reimbursements, tickets, entertainment, hospitality, or in any other form. Separate gifts from the same or affiliated donors during the year must be added together for purposes of the \$10 rule. You do not need to list a gift if you know that the donor has had no business dealings with the [municipality] during the previous 24 months and contemplates no business dealings with the [municipality] during the next 24 months.

| Recipient of Gift | Donor of Gift | Relationship to Donor | Nature of Gift |
|---------------------------|-------------------|------------------------|-------------------------------|
| <i>[E.g.: John Smith]</i> | <i>Acme Corp.</i> | <i>Former employer</i> | <i>Free trip to Las Vegas</i> |
| | | | |
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5. **Political Contributions.** List each person or firm that made to you or your campaign committee, within the previous 24 months, financial contributions, in money, goods, or services, totaling \$1,000⁴ or more to assist in your election to public office.

Name of Contributor _____

[E.g.: Alfred Jones]

6. **Relatives in [Municipality's] Service.** List each relative, as defined in Question 1, who is an officer or employee of the [municipality], whether paid or unpaid, including the relative's name, relationship to you, title, and department.

| Name of Family Member | Relationship to You | Title | Department |
|---------------------------|-------------------------|--------------------------|-----------------|
| <i>[E.g.: Alex Jones]</i> | <i>Sister's husband</i> | <i>Code Enf. Officer</i> | <i>Building</i> |
| | | | |
| | | | |

7. **Volunteer Positions.** List each volunteer office or position that you hold with any not-for-profit organization. Do not list entities of which you were a member only or for which you volunteered only in a non-policy-making, non-administrative capacity, such as a Little League coach. Provide the same information for your spouse or registered domestic partner.

| You or Spouse/RDP | Name of Entity | Position | Nature of Business |
|--------------------------|-------------------------------|--------------------------------|------------------------------|
| <i>[E.g.: Spouse]</i> | <i>Shepherd's Food Pantry</i> | <i>Bd. of Directors member</i> | <i>Distributes free food</i> |
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8. **Money You Owe** [Elected Officials and Compensated Policymakers Only]. List each person or firm to which you or your spouse or your registered domestic partner owes \$10,000⁵ or more. Do not list money owed to relatives, as defined in Question 1. Do not list credit card debts unless you have owed the money for at least 60 days.

| Debtor | Creditor | Type of Obligation |
|--------------------------------------|-------------------|---------------------------|
| <i>[E.g.: John & Rose Smith]</i> | <i>Chase Bank</i> | <i>Mortgage loan</i> |
| | | |
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9. **Money Owed to You** [Elected Officials and Compensated Policymakers Only]. List each person or firm that owes you or your spouse or your registered domestic partner \$10,000⁶ or more. Do not list money owed by relatives, as defined in Question 1.

| Creditor | Debtor | Type of Obligation |
|---------------------------|-------------------|---------------------------|
| <i>[E.g.: John Smith]</i> | <i>Alexis Doe</i> | <i>Personal loan</i> |
| | | |
| | | |
| | | |

I certify that all of the above information is true to the best of my knowledge and that, within the past two weeks, I have read the two-page ethics guide attached to this form.⁷

Signed: _____

Date Signed: _____

Endnotes

1. "Relative" should be defined to include only those relatives whom, under the ethics code, an official may not take an action to benefit.
2. The amount should equal the threshold for a conflict of interest under the municipal ethics law. For example if an official does not violate the ethics law by acting to benefit a company in which he or she has an investment of less than \$10,000 or 5%, then disclosure of that interest should not be required.
3. The amount should equal the threshold for prohibited gifts under the municipal ethics law but not more than \$75 (see Gen. Mun. Law § 805-a(1)(a)).
4. The amount should equal the threshold for a conflict of interest under the municipal ethics law. For example, if an official does not violate the ethics law by acting to benefit a person who donated \$500 to the official's campaign, then disclosure of that contribution should not be required on the annual disclosure statement.
5. The amount should be equal to the amount that would constitute a financial relationship between the official and the creditor, thus prohibiting the official from taking an official action that might benefit that creditor.
6. The amount should be equal to the amount that would constitute a financial relationship between the official and the debtor, thus prohibiting the official from taking an official action that might benefit that debtor.
7. A copy of the code of ethics (not the entire ethics law, just the code itself) should be attached to the disclosure form, if the code is sufficiently short. If it is not, then a summary, of no more than two pages, should be attached.