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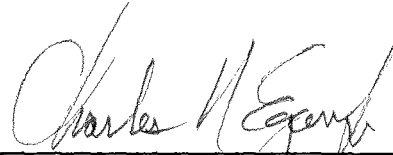
Filed April 1, 1974
8:00 am

STATE OF WISCONSIN
STATE ETHICS BOARD

I, Charles N. Egan, Jr., Executive Director of the State Ethics Board, and legal custodian of the files and records of the State Ethics Board, certify that the attached is a copy of the rules which were adopted by the State Ethics Board on March 20, 1974.

I further certify that I have compared the copy of the rules with the original and that it is a true and correct copy of said original rules.

IN TESTIMONY WHEREOF, I have
hereunto set my hand on this
1st day of APRIL,
1974, in the City of Madison.



Charles N. Egan, Jr.
Executive Director

STATE OF WISCONSIN
STATE ETHICS BOARD

ORDER OF THE STATE ETHICS BOARD
ADOPTING RULES

Pursuant to the authority vested in the State Ethics Board by Chapter 227 of the Wis. Stats. and section 11.08(1)(a) of the Wis. Stats., the State Ethics Board adopts rules as follows:

Section Eth. 1 and Eth. 2 of the Wisconsin administrative code are adopted to read:

Ch. Eth. 1 - Authority and Definitions

1.01 AUTHORITY. Rules adopted by the board are pursuant to section 11.08(1), Wis. Stats. and Chapter 227, Wis. Stats., and such rules shall apply to all actions and proceedings of the board.

1.02 DEFINITIONS. The following definitions apply to undefined terms used in Chapter 11, Wis. Stats., and to rules adopted by the board.

(1) TEACHING PERSONNEL OF THE UNIVERSITY OF WISCONSIN SYSTEM. The phrase "teaching personnel of the university of Wisconsin system" is defined as unclassified positions in the university of Wisconsin system, including the following positions identified in section 20.923(6)(m), Wis. Stats., deans, principals, professors, instructors, research assistants, librarians and other teachers; but does not include the following positions identified in section 20.923, Wis. Stats.:

(a) President, subsection (4)(j)1.

- (b) Two Vice Presidents, subsection (4)(g)6.
- (c) Two Senior Vice Presidents, subsection (4)(i)2.
- (d) Associate Vice Presidents, Assistant Vice Presidents, Campus Vice Chancellors, Associate Vice Chancellors, Assistant Vice Chancellors and Assistant to Chancellors, subsection (5).
- (e) Center system Chancellor, subsection (4)(g)2.
- (f) Milwaukee Campus Chancellor, subsection (4)(h)3.
- (g) Deputy Chancellor, subsection (4)(g)9.
- (h) Extension system Chancellor, subsection (4)(g)4.
- (i) Extension system Vice Chancellor, subsection (4)(f)10.
- (j) Madison Campus Chancellor, subsection (4)(i)3.
- (k) Deputy Chancellor, subsection (4)(g)5.
- (l) Vice Chancellor of Madison Campus Center for Health Science, subsection (4)(h)2.
- (m) Chancellors Eau Claire, Green Bay, LaCrosse, Oshkosh, Parkside, Platteville, River Falls, Stevens Point, Stout, Superior and Whitewater Campuses, subsection (4)(g)3.

(2) ORGANIZED MILITIA: OFFICES AND POSITIONS. The phrase "organized militia: offices and positions" as used in section 20.923(6)(c), Wis. Stats., is defined to identify the position of Deputy Adjutant General in the Department of Military Affairs.

(3) LEGAL DEPENDENT. The term legal dependent is defined as a parent or child of a state public official or of the spouse of a state public official who is receiving over one-half of their support from the state public official or from the spouse of a state public official or is sharing the same home with the state public official.

Ch. Eth. 2 - Statement of Economic Interests

2.01 TIMELY FILING. A statement of economic interests required to be filed shall be considered filed on time if mailed in a properly addressed envelope with first class postage prepaid and the envelope postmarked before midnight of the date on which the statement is required to be filed.

2.02 PERSONS APPOINTED BY GOVERNOR WITH ADVICE AND CONSENT OF SENATE. Persons appointed by the governor with the advice and consent of the senate shall file an initial statement of economic interests before taking office, before filing their official oath of office, or within 21 days of nomination by the governor for the appointment, whichever occurs first.

2.03 WHERE TO FILE. State public officials required to file a statement of economic interests under section 11.03, Wis. Stats. shall file a statement with the State Ethics Board at the address below no later than the time specified and such statements shall be open for public examination:

(1) State Ethics Board
122 West Washington Avenue
Madison, Wisconsin 53703

2.04 DETERMINATION OF SIGNIFICANT FIDUCIARY RELATIONSHIP.

The following shall constitute a significant fiduciary relationship within the meaning of section 11.02(7), Wis. Stats.:

(1) The ownership, whether of record or beneficial, or the control, whether direct or indirect, of:

- a. an interest having a value of \$5,000 or more in the capital and/or retained earnings and/or net profit or loss of any business; or
- b. an interest of 10% or greater in the capital and/or retained earnings and/or net profit or loss of any business.

(2) Securities held in the name of a person required to file or a member of such person's immediate family, or in the name of a bank, broker-dealer, or nominee for the account of a person required to file or a member of such person's immediate family, shall be regarded as owned by a person required to file or a member of such person's immediate family. A person shall also be regarded as the owner of securities held in the name of another person or entity if by reason of any contract, understanding, relationship, including a family relationship or arrangement, such person obtains therefrom benefits substantially equivalent to those of ownership.

2.05 TRUSTS. For the purposes of disclosure of economic interests required under section 11.04(1), Wis. Stats., a person required to file or a member of such person's immediate family who has a present or future beneficial interest in an express or constructive trust shall be deemed to be the owner of the trust estate to the degree of such person's present or future beneficial interest in the trust. Only those economic interests which are deemed to be owned by such person and are required to be disclosed under section 11.04(1)(a) and (b) must be disclosed.

2.06 QUALIFIED PLAN OR TRUST. Any interest in a state retirement fund or an employe trust, profit sharing, or pension plan which is a "qualified" trust or plan for purposes of the Internal Revenue Code shall not be required to be disclosed under section 11.04(1), Wis. Stats.

2.07 INFORMATION CURRENT WITHIN 60 DAYS. Information required to be disclosed regarding business offices and directorships held by a state public official or a member of such person's immediate family, shall be information current within 60 days of the date the statement of economic interests is required to be filed.

2.08 VALUATION. Valuation of an economic interest required to be disclosed under section 11.04(1), Wis. Stats., shall be made within 60 days of the date the statement of economic interests is required to be filed. Therefore, such statement

may not be filed before 60 days prior to the date the statement is required to be filed. If relevant information respecting the value of an interest is not available within the 60 days, the valuation shall be made as of the most recent day such information is available and such date shall be indicated on the statement.

(1) For the purpose of determining whether economic interests are required to be disclosed under section 11.04(1)(a) and (b), Wis. Stats., the following methods of valuation shall be used:

(a) The value of securities listed on a stock exchange shall be the closing price on such exchange.

(b) The value of unlisted securities traded in the over-the-counter market shall be the average of the bid and asked price.

(c) The value of securities for which no market information is readily available shall be determined as follows:

1. Common Stock or Equivalent Securities--book value (net worth divided by number of outstanding voting shares, times the number of shares held).
2. Preferred Stock--redemption price or par or stated value if not redeemable.
3. Debt Securities--unpaid balance.

(d) The value of a sole proprietorship shall be its net

worth as shown on the books of the business.

(e) The value of an interest in the capital of a partnership shall be the book value (net worth of the partnership times percentage of interest held). If the interest is only in "net profit or loss" of a partnership, identify the partnership and indicate that the interest is only in "net profit or loss".

2.09 SIGNING STATEMENT. Each person required to file a statement of economic interests shall sign such statement indicating the truth of the information contained therein. If such statement is prepared by a person other than the person required to file a statement of economic interests, such person shall also sign the statement and provide their address.

Dated this 20th day of March, 1974

Thomas S. Smith

Thomas S. Smith, Chairman
State Ethics Board