

Chapter Eth 2

STATEMENT OF ECONOMIC INTERESTS

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Note: Rules Eth 2.01 to 2.09 were created by emergency rule, effective April 2, 1974.

Eth 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.

History: Cr. Register, April, 1974, No. 220, eff. 5-1-74.

Eth 2.02 Filing by candidates. (1) A person who is nominated and appointed by the governor, subject to the advice and consent of the senate, to serve as a state public official shall file a statement of economic interests with the board and with the secretary of state within 21 days of the date the governor publicly announces the nomination.

(2) A person who files nomination papers and a declaration under section 8.10 (5), 8.15 (4) (b) or 8.20 (6), Wis. Stats., for the purpose of appearing on the ballot for election as a state public official and any person nominated for state public office in an election through the write-in process who files a declaration under section 8.10 (5) or 8.15 (4) (b) shall file a statement of economic interests with the board and with the secretary of state within 21 days after filing of such declaration.

History: Cr. Register, April 1974, No. 220, eff. 5-1-74; am. Register, June, 1975, No. 234, eff. 7-1-75.

Eth 2.03 Where to file. State public officials required to file a statement of economic interests under section 19.43, 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

History: Cr. Register, April, 1974, No. 220, eff. 5-1-74.

Eth 2.04 Determination of significant fiduciary relationship. The following shall constitute a significant fiduciary relationship within the meaning of section 19.42 (7), Wis. Stats.:

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

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(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.

History: Cr. Register, April, 1974, No. 220, eff. 5-1-74.

Eth 2.05 Trusts. For the purposes of disclosure of economic interests required under section 19.44 (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 19.44 (1) (a) and (b) must be disclosed.

History: Cr. Register, April, 1974, No. 220, eff. 5-1-74.

Eth 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 19.44 (1) Wis. Stats.

History: Cr. Register, April, 1974, No. 220, eff. 5-1-74.

Eth 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.

History: Cr. Register, April, 1974, No. 220, eff. 5-1-74.

Eth 2.08 Valuation. Valuation of an economic interest required to be disclosed under section 19.44, 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 19.44 (1) (a) and (b) Wis. Stats., the following methods of valuation shall be used:

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(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".

History: Cr. Register, April, 1974, No. 220, eff. 5-1-74.

Eth 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.

History: Cr. Register, April, 1974, No. 220, eff. 5-1-74.

Eth 2.10 Initial filing by state public officials. (1) A person who has been elected to a position identified in section 20.923, Wis. Stats., or who with the advice and consent of the senate has been appointed by the governor shall file as a state public official an initial statement of economic interests with the board no later than April 30 immediately following the date on which he became a state public official; except that this rule shall not apply to trustees of any private higher educational institution receiving state appropriations, officers and employes of the judiciary, trustees and employes of the investment board, and teaching personnel of the university of Wisconsin system.

(2) Any person appointed to a position identified in section 20.923 and whose appointment does not require the advice and consent of the senate, other than a position identified as trustee or employe of the investment board or teaching personnel of the university of Wisconsin system, shall file his initial statement of economic interests no later than 21 days from the effective date of his appointment; provided however, that if such person has filed a statement of economic interests with the board within 6 months of the effective date of his appointment, he shall file an initial statement of economic

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interests with the board no later than April 30 immediately following the effective date of his appointment.

History: Emerg. cr. eff. 7-1-74; cr. Register, September, 1974, No. 225, eff. 10-1-74; emerg. am. eff. 2-12-75; am. Register, August, 1975, No. 236, eff. 9-1-75.

Eth 2.11 Access to statements of economic interests. (1) **REQUEST TO EXAMINE.** Each person wishing to examine a statement of economic interests must obtain from the board a "request to examine a statement of economic interests" form, which such person must complete and sign. The completed form must be presented to the board with proof of identification of the person making the request in the form of a valid driver's license or another form of valid identification. The board shall indicate in the appropriate space on the form the proof of identification presented. Upon giving a statement of economic interests to the person requesting examination, the board shall indicate the time on the form. No statement of economic interests shall be removed from the office of the board. Examination of a statement shall take place in the area specified. Upon return of the statement to the board, the board shall indicate the time of return on the form. The board shall transmit one copy of the completed form to the person whose statement of economic interests was examined. One copy shall be placed in the file of the statement of economic interests examined. One copy shall be placed in a duplicate file, if any. One copy shall be placed in a general chronological file of "requests to examine statements of economic interests".

(2) **REQUEST FOR A COPY.** Each person wishing a copy of a statement of economic interests must make a request to the board on a "request to examine a statement of economic interests" form, which such person must complete and sign. If the completed form is presented to the board in person, proof of identification of the person requesting a copy must be presented in the form of a valid driver's license or another form of valid identification. The board shall indicate in the appropriate space on the form the proof of identification presented. If the completed form is not presented to the board in person, the signature of the person requesting a copy must be acknowledged by a person authorized to acknowledge a signature. The board shall transmit one copy of the completed form to the person whose statement of economic interests was copied. One copy shall be placed in the file of the statement of economic interests copied. One copy shall be placed in a duplicate file, if any. One copy shall be placed in a general chronological file of "requests to examine statements of economic interests". Fees for a copy of a statement of economic interests:

- (a) If request for a copy does not require mailing, 10¢ per page.
- (b) If request for a copy requires mailing, 25¢ per page.

History: Emerg. cr. eff. 5-30-74; cr. Register, September, 1974, No. 225, eff. 10-1-74.