

Local Officials in a Metropolitan Governmental Unit Quick Reference Guide

May 2006

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This Quick Reference Guide is intended to aid local officials in meeting the requirements of Minn. Stat. Chapter 10A, the Ethics in Government Act. Chapter 10A and Minn. Rules Chapters 4501, 4505, 4512, and 4515 should be consulted as needed for fuller explanation. All forms listed in the Guide may be downloaded from the Board's Website: www.cfboard.state.mn.us.

This document is available in alternative formats to individuals with disabilities by calling 651/296-5148 or 800/657-3889 or through the Minnesota Relay Service at 800/627-3529. Questions about the Guide or the law may be addressed to staff at 651/296-1720 or 800/657-3889.

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Filing

Statement of Economic Interest Requirements

- All candidates for and holders of elective office (candidates) in a Metropolitan Governmental Unit; and local officials (officials) appointed to or employed in a public position in a Metropolitan Governmental Unit in which the person has authority to make, to recommend, or to vote on as a member of the governing body, major decisions regarding the expenditure or investment of public money must file:
 - [Original Statement of Economic Interest](#):
 - ◆ Candidates – form provided by the filing officer at the time of filing an *Affidavit of Candidacy*.
 - ◆ Local officials – form provided by the appointing authority.
 - [Supplementary Statement of Economic Interest](#) - form is provided by the filing officer to elected candidates and local officials annually in March. If there are changes to be reported from the previous filing, the candidate or official must complete, sign, and return the form to the filing officer no later than April 15th.
 - [Statement of Termination as a Local Official](#):
 - ◆ Elected officials – form is provided to elected candidates after they no longer hold office. If there are changes to be reported from the previous filing, the form must be completed, signed, and returned to the filing officer.
 - ◆ Appointed officials - form is provided to official upon notification of replacement from the appointing authority. If there are changes to be reported from the previous filing, the form must be completed, signed, and returned to the filing officer.

Additional filings

Reports must be filed by an elected or appointed official under certain circumstances:

- [Potential Conflict of Interest](#) if the official has a pending official action or decision that would affect their personal financial holdings or those of a business with which they are associated, if the financial effect is greater on them than on others in their business classification, profession, or occupation.
- [Inability to Abstain](#) if the official has a potential conflict of interest and is not permitted or is unable to abstain from taking action.

Matters governed by Minn. Stat. §§471.87 and 471.88, do not apply to this section.

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Record Keeping

Requirements	All <i>Statements of Economic Interest</i> must include the following information:
Occupation	Your usual trade, profession, employment, or other similar endeavor including categories for which there is no direct financial compensation, such as homemaker or retiree.
Employment information	Employer's name and complete address, if applicable. Officials who are not employed or who are self-employed should indicate that fact in the employer name space. An individual, who is self-employed, not employed, retired, a homemaker, et cetera, should list the address from which the individual conducts business or personal matters or the individual's home address.
Compensation	Compensation received from an associated business in excess of \$50 in any month. "Associated business" means an association, corporation, partnership, limited liability company, limited liability partnership, or other organized legal entity from which the individual receives compensation in excess of \$50, except for actual and reasonable expenses, in any month as a director, officer, owner, member, partner, employer or employee, or whose securities the individual holds worth \$2,500 or more at fair market value. Include payments received for services as a director, officer, owner, member, partner, employer, or employee. Compensation <i>also includes</i> payments of per diem and honoraria. Compensation <i>does not include</i> payments for services as an independent contractor, social security payments, unemployment compensation, workers' compensation, pension benefits, income from rental property, or insurance benefits.
Securities	Securities held in an associated business in which your share has a market value of \$2,500 or more. Securities include any stock, share, bond, warrant, option, pledge, note, debenture, lease, or commercial paper, in any corporation, partnership, mutual fund, trust, or other association. Securities also include stocks in a <u>self-directed</u> IRA and mutual fund shares held in an IRA or a deferred compensation plan. For shares in a mutual fund list the fund provider and fund name but do not itemize the stocks or the assets the mutual fund itself owns. For securities traded on national exchanges, list the name of the security not the exchange symbol. If the security was

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bought and/or sold during the reporting period, you may include the date of acquisition or disposition.

Securities do not include deposits in a savings account; certificates of deposit; money market certificates; treasury bills; federal, state, municipal, or other political subdivision bonds or notes; dividends from securities; holdings in a pension or retirement plan; or stocks in an IRA which is not self-directed.

Real property

Real property within the state of Minnesota, *other than your homestead*.

Include land or buildings held personally or in partnership in which you hold:

- a fee simple interest (own); a mortgage; a contract for deed as a buyer or seller, or an option to buy, whether direct or indirect if your interest is valued in excess of \$2,500; or
- an option to buy, for property which has a fair market value of \$50,000 or more.

You must disclose the county in which property is located and the street address with the city name. If there is no street address you must list the section, township, range, and acreage. The lot, block, addition description, and acreage may be used in place of section, township, and range.

If the property was bought and/or sold during the reporting period you may include the date of acquisition or disposition.

Pari-mutuel holdings

Include any direct or indirect, partial or full interest held by you or an immediate family member as an investment, ownership, or interest in property connected with pari-mutuel horse racing in the United States and Canada, including a racehorse. If the investment, ownership, or interest was bought and/or sold during the reporting period, you may include the date of acquisition or disposition.

Potential Conflict of Interest and Inability to Abstain

- Full name and address of candidate or local official
- Title of local official
- Name of Metropolitan Governmental Unit
- Name of immediate supervisor
- Date the action or decision will occur
- Description of the action or decision presenting the potential conflict of interest
- The nature of the potential conflict of interest: source of compensation; earned income, securities, real property, pari-mutuel horse racing

Records Retention

Records of all accounts must be kept for four years.

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Reporting

Notes on Responsibilities	The filing officer provides statements to all candidates and local officials required to report upon notification of appointment or termination and annually in March.
Original Statement of Economic Interest	<ul style="list-style-type: none">▪ Candidates must file an Original Statement of Economic Interest within 14 days after filing an <i>Affidavit of Candidacy</i>▪ Appointed local officials must file an Original Statement of Economic Interest within 60 days after the effective date of the appointment
Supplementary Statement of Economic Interest	All elected candidates and appointed officials must file annually by April 15 th if there are changes to be reported from the previously filed statement.
Statement of Termination as a Local Official	A candidate or an official must file anytime following the last day served, but no later than April 15 th following the last day served, if there are changes to be reported from the previously filed statement.
Additional Reporting	These forms, if required, are available on the Board's website.
<i>Potential Conflict of Interest</i>	Must be filed before the action or decision involving a potential conflict of interest. If time does not permit written notice, notice must be given orally to the official's superior. <ul style="list-style-type: none">▪ Appointed officials file with their immediate superior▪ Elected member of the Metropolitan Governmental Unit file with the presiding officer of the body of service
<i>Inability to Abstain</i>	Must be filed with the presiding officer of the body of service within one week after the action was taken. Matters governed by Minn. Stat. §§471.87 and 471.88, do not apply to this section.
Filing	Documents must be filed with the governing body of the Metropolitan Governmental Unit. Mailed documents are considered timely filed if they are postmarked on or before the required filing date.
Filed Statements are "Public Information"	Filed statements are available for public viewing at the office of the governing body of the Metropolitan Governmental Unit.

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Amendments

Required Amendments to Statements

Within ten days after:

- (1) the date of the event prompting the change, or
- (2) the date the official became aware of the inaccuracy or the need to make a change, the official must make corrections or changes to information that has been filed with the filing officer.

All changes and corrections must be in writing.

Penalty for Failure to Amend

A penalty of up to \$3,000 may be imposed on an official for willfully failing to amend a filed report. This violation is also a gross misdemeanor.

Penalties and Fees for Reporting Violations

Candidates and local officials are personally liable for late filing fees and penalties associated with failure to file. Late filing fees and civil penalties are enforced by the Campaign Finance and Public Disclosure Board (Board) upon notification from the filing officer.

Late Filing Fees

Statement	Late Fee Per Day	Maximum	Failure to File
Original Statement of Economic Interest	\$5	\$100	Up to \$1,000
Failure to amend	\$5	\$100	Up to \$1,000

When Late Filing Fee Begins

Statement	When Fee Starts
Original Statement of Economic Interest	Eleven (11) days after the Board notifies the filer by certified mail that the statement has not been received

Civil Penalties

Report	Failure to File
Statement of Economic Interest – Original or Supplementary	Up to \$1,000
Failure to amend	Up to \$1,000
Willfully fail to amend*	Up to \$3,000
Filing a false statement*	Up to \$3,000

* Also a gross misdemeanor

When Civil Penalties Begin

Report	When Late Filing Fees Begin
For all statements, Failure to File	Seven (7) days after the second certified letter is sent by the Board, if the statement or report has not been received

Prohibitions

Gifts to Officials

All elected and appointed local officials are prohibited from accepting gifts from lobbyists or lobbyist principals including:

- money;
- real or personal property;
- a service;
- a loan;
- a forbearance or forgiveness of indebtedness;
- a promise of future employment;
- meals and entertainment;
- loans of personal property for less than payment of fair market value;
- giving preferential treatment for purchases;
- honoraria; and
- payment of loans or other obligations

unless the lobbyist or lobbyist principal receives consideration of equal or greater value in return.

Exception: The gift ban does not apply to the following items unless they are prohibited under another law

- political contributions to a state candidate;
- services to assist an official in the performance of official duties, including providing advice, consultation, information, and communication in connection with legislation and services to the official's constituents;
- services of insignificant monetary value;
- plaques or similar mementos recognizing the individual's services in a field of specialty or to a charitable cause;
- trinket or memento costing \$5 or less;
- informational material of unexceptional value; or
- food or beverage at a reception, meal, or meeting away from the official's place of work provided by an organization before whom the official appears to make a speech or answer questions as part of a program.

Additional exceptions: The prohibition does not apply if the gift is given:

- because of the official's membership in a group, a majority of whose members are not officials, provided an equivalent gift is given to the other members of the group; or
- by a lobbyist or lobbyist principal who is a member of the official's family, unless the gift is given on behalf of someone who is not a member of the official's family.

Minn. Stat. §471.895 should be consulted for further restrictions on gifts to local officials.

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Advisory Opinions, Complaints

Advisory Opinions

Individuals who are subject to the requirements of Minn. Stat. Chapter 10A or their representatives may request an advisory opinion from the Campaign Finance and Public Disclosure Board regarding Chapter 10A to guide their actions for compliance with the law. Requests for an opinion and the Board's opinions are classified confidential in the Minnesota Government Data Practices Act. A "public" version of Advisory Opinions, (personal and organizational identifying information removed) is published on the Board's Website. Except in limited circumstances, opinions issued are binding on the Board.

Complaints

Any person may file a written complaint with the Campaign Finance and Public Disclosure Board concerning suspected violations of Minn. Stat. Chapter 10A. A sample form for filing a complaint may be printed from the Board's Website or obtained from the Board office.

Penalties for Other Chapter 10A Violations

Civil Penalty of Up to \$3,000 in Addition to Misdemeanor or Gross Misdemeanor Criminal Penalty

- Knowingly filing false information or knowingly omitting required information
- Willfully failing to amend a filed statement

Gross Misdemeanor Criminal Penalty

Knowingly failing to keep records for four years from the date of filing of the statement

Forms Noted in this Guide

All forms are available from the Board office or the Website at www.cfboard.state.mn.us

[Notice of Appointment](#)

[Original Statement of Economic Interest for Appointed Local Officials](#)

[Original Statement of Economic Interest for Candidates for Elective Office](#)

[Supplementary Statement of Economic Interest](#)

[Statement of Termination as Local Official](#)

[Potential Conflict of Interest](#)

[Inability to Abstain](#)

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Contacts for Assistance and Related Resources

Subject Matter	Contact Person – Phone – E-mail Address
General Information	Governing body of the Metropolitan Governmental Unit
Economic Interest Statements	LuAnn Swanson 651/297-7352 LuAnn.Swanson@state.mn.us
Conflict of Interest Disclosure	LuAnn Swanson 651/297-7352 LuAnn.Swanson@state.mn.us
Representation Disclosure	LuAnn Swanson 651/297-7352 LuAnn.Swanson@state.mn.us
Advisory Opinions	Jeff Sigurdson 651/296-1720 Jeffrey.G.Sigurdson@state.mn.us
Gift Ban	Jeff Sigurdson 651/296-1720 Jeffrey.G.Sigurdson@state.mn.us
Complaints	Jeanne Olson 651/296-1721 Jeanne.Olson@state.mn.us
Forms, General Information	651/297-7352 800/657-3889 www.cfboard.state.mn.us

Laws and
rules

Source(s)	Website Information
Minnesota Statutes Chapter 10A	www.revisor.leg.state.mn.us/stats/10A
Campaign Finance and Public Disclosure Board Rules	www.cfboard.state.mn.us/law
Minnesota Statutes Chapter 471.895	http://www.leg.state.mn.us/leg/statutes.asp
State Legislature	www.leg.state.mn.us/leg/statutes.asp
Minnesota's Bookstore	www.comm.media.state.mn.us/ bookstore/bookstore.asp

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Definition of Local Official

Local official	A person who holds elective office in a Metropolitan Governmental Unit or who is appointed to or employed in a public position in a Metropolitan Governmental Unit in which the person has authority to make, to recommend, or to vote on as a member of the governing body, major decisions regarding the expenditure or investment of public money.
Metropolitan Governmental Unit	<p>Includes the seven counties in the metropolitan area as defined in Minn. Stat. §473.121, subd. 2:</p> <ul style="list-style-type: none">• Anoka County• Carver County• Dakota County• Hennepin County• Ramsey County• Scott County• Washington County; <p>a regional railroad authority established by one or more of the counties listed above, including:</p> <ul style="list-style-type: none">• Anoka County Regional Railroad Authority• Carver County Regional Railroad Authority• Dakota County Regional Railroad Authority• Hennepin County Regional Railroad Authority• Ramsey County Regional Railroad Authority• Scott County Regional Railroad Authority• Washington County Regional Railroad Authority; <p>a city with a population of over 50,000 located in one of the counties listed above:</p> <ul style="list-style-type: none">• Blaine• Bloomington• Brooklyn Park• Burnsville• Coon Rapids• Eagan• Eden Prairie• Maple Grove• Minneapolis• Minnetonka• Plymouth• St. Paul; <p>the Metropolitan Council; and</p> <p>a metropolitan agency as defined in Minn. Stat. §473.121, subd. 5a:</p> <ul style="list-style-type: none">• Metropolitan Airports Commission• Metropolitan Parks and Open Space Commission• Metropolitan Sports Facilities Commission.

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