



## ETHICS REVIEW COMMISSION RECOMMENDATION 20220727-1(a)

Date: July 27, 2022

Subject: Approve Recommendation of Amendments to City Code Chapter 2-7, Article 5 (Financial Disclosures) and forwarding Recommendation to the Audit and Finance Committee

June 22, 2022 Motion By: Commissioner Greenberg

Seconded By: Commissioner Teneyuca

July 27, 2022 Motion By: Commissioner Greenberg

Seconded By: Commissioner McCormick

**Recommendation:** Require disclosure of all legal, beneficial, or equitable interests in which a City Official has a substantial interest in real property.

### Description of Recommendation to Council

1. In subsection 13 of Code Section 2-7-2 (Definitions) add “beneficial” before “or legal ownership as follows:

“(13) SUBSTANTIAL INTEREST IN REAL PROPERTY means an interest in real property which is an equitable, beneficial, or legal ownership with a market value of \$5,000 or more.”

2. Amend subsections (E)(8) and (E)(9) of Code Section 2-7-72 (Reports) as follows:

(E) A City official shall include the following information by separate listing in the required statement of financial information, such information to include the source of income or assets and liabilities of their spouses but shall not require a separate report by such official's spouse: ....

“(8) An itemized list of all real property in which the official holds a substantial interest, whether as a [~~any~~] legal, equitable, or beneficial interest, including real property for which the official has entered into a contract for sale, and including a description sufficient to locate the property, stating the street [~~state~~] address, if any, and the present use of the property.

(9) An itemized list of all real property held, owned, acquired, sold or under contract for sale by a corporation, partnership, limited partnership, professional corporation, or other entity in which the official owns or controls at least a substantial interest [~~five percent interest~~], and include [~~including~~] a description sufficient to locate the property, stating the street address, if any, and the present use of the property.”

### Rationale:

The form of reports including the Statement of Financial Information, required by Code Section 2-7-72 (Reports) is among the Commission’s duties under City Code Section 2-7-30. While current requirements under Section 2-7-72 include reporting City officials’ ownership of real property and their ownership interests in business entities (corporations, limited liability corporations or partnerships, other partnerships, etc.), the

above recommendation is intended to clarify that disclosure is required where a business entity owns real property and the city official also owns or controls a substantial interest in the business entity. The recommended changes also are intended to correct a typographical error in subsection (E)(8) of Section 2-7-72 and to add consistency to the description of type of ownership interest (legal, beneficial, or equitable).

**Vote on Item 1(a) on June 22, 2022** (unanimous of the members in attendance)

For: Chair Luis Soberon, Vice-Chair Mary Kahle, and Commissioners: Debra Danburg, Betsy Greenberg, Raafia Lari, Donna Beth McCormick, Mikki Teneyuca, and Sidney Williams.

Against: None

Abstain: None

Absent: Secretary Nguyen Stanton and Commissioner Michael Lovins.

Vacancy: Mayor's nominee to the Commission

**Vote on Item 1(a) on July 27, 2022** (unanimous of the members in attendance)

For: Chair Luis Soberon and Commissioners: Debra Danburg, Betsy Greenberg, Michael Lovins, Donna Beth McCormick, Mikki Teneyuca, and Sidney Williams.

Against: None

Abstain: None

Absent: Secretary Nguyen Stanton, Vice-Chair Mary Kahle, and Commissioner Raafia Lari.

Vacancy: Mayor's nominee to the Commission

Attest: *[Staff or board member can sign]*



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