

STOBBS, SINCLAIR & LIVINGSTONE, LTD.

Attorneys and Counselors at Law

**JAMES S. SINCLAIR
DAVID K. LIVINGSTONE**

500 Bond Street
Alton, IL 62002-6122
618-465-6978
618-465-7022 (Facsimile)
jsinclair@sslalaw.com
dlivingstone@sslalaw.com

Memo

To: Fire Protection District and Local Government Clients

From: Jim Sinclair & David Livingstone

Re: Statement of Economic Interests & Fire Protection District Trustee Training

We have recently received inquiries from some districts and emails from some county clerks about the annual Statement of Economic Interests which must be filed by fire protection district trustees (and fire chiefs in most cases) and all other local public officials each year by May 1. This year, there have been some changes in the form due to an amendment to the Illinois Governmental Ethics Act by Public Act 102-0664 effective January 1, 2022. Some of the questions which are required to be answered have changed and definitions have been modified or added to the law to clarify what must be disclosed in answering the questions.

- Question 1 now requires a listing of any single asset with a value in excess of \$10,000.
- Question 2 now requires a listing of sources of income or capital gains in excess of \$7,500 in the prior calendar year.
- Question 3 requires a listing of certain, but not all, debts owed in excess of \$10,000.
- Question 4 requires the listing of a unit of government by which the official is employed, does contract work for, or is an official of.
- Question 5 requires the listing of any lobbyist with whom the official has an "economic relationship" or any family member of the official who is a registered lobbyist.
- Question 6 requires that any gifts be listed which singly or in total exceed \$500 from an entity or a person who is not a family member of the official (unless the family member is a registered lobbyist in which case it must be disclosed) for the preceding calendar year.
- Question 7 requires the disclosure of a spouse or immediate family member who is employed by a public utility in the state.

While persons submitting the form are required to disclose and identify assets and debts, the statutory instructions state that "you do not need to disclose specific amounts or values...." This means that while you must list an asset or a debt, you do not have to state the value or dollar amount of that item. There are also items in these categories that do not have to be reported. With this memo is a sheet of definitions which, for assets and debts in particular, may assist in the preparation of the answers.

Submittal of the Statement is mandatory. This year, extra care should be taken in completing it correctly. Local officials who do not submit the Statement face forfeiture of office and incomplete or inaccurate answers would violate the statute and, while not likely, could result in fines or imprisonment.

Although the form as set out in the statute contains a certification by an "ethics officer" this applies to state officials and not local officials.

Some counties are now requiring the statement to be completed online rather than by paper. Your County Clerk can advise you about the manner of filing in your county. If you hold more than one office, only one filing is required.

If you have questions about the Statement or its completion, please contact us or your County Clerk.

TRAINING OPPORTUNITIES FOR FIRE PROTECTION DISTRICT TRUSTEES

- **On February 12, 2022**, the Illinois Association of Fire Protection Districts is sponsoring a virtual, online only Continuing Trustee Education (CTE) training session. We will be presenting the legal update portion of the program. This program is being given in lieu of the Winter Conference this year due to the Omicron COVID outbreak.
- **On March 5, 2022**, an in-person only CTE program will be presented at the Illinois Fire Service Institute in Champaign. We will again be the presenters of the legal portion. Information and
- **On March 26, 2022**, an in-person only CTE program will be presented at Cherry Valley with the legal program being given by attorneys Shawn Flaherty and John Motylinski of the Ottosen law firm.

Information and Registration for all of these programs is online at info@iafpd.org or from Karrie Beneky at karrie@iafpd.org. We strongly suggest that at least one trustee from the district attend one of these programs.

DEFINITIONS FOR TERMS USED IN STATEMENT OF ECONOMIC INTERESTS FORM (new in 2022)

"ASSET": For the purposes of Sections 4A-102 and 4A-103, an item that is owned and has monetary value. For the purposes of Sections 4A-102 and 4A-103, assets include, but are not limited to: stocks, bonds, sector mutual funds, sector exchange traded funds, commodity futures, investment real estate, beneficial interests in trusts, business interests, and partnership interests. For the purposes of Sections 4A-102 and 4A-103, assets do not include: personal residences; personal vehicles; savings or checking accounts; bonds, notes, or securities issued by any branch of federal, state or local government; Medicare benefits; inheritances or bequests, other than beneficial interests in trusts; diversified funds; annuities; pensions (including government pensions); retirement accounts; college savings plans that are qualified tuition plans; qualified tax-advantaged savings programs that allow individuals to save for disability-related expenses; or tangible personal property.

"DEBT": means, for the purposes of Sections 4A-102 and 4A-103, any money or monetary obligation owed at any time during the preceding calendar year to an individual, company, or other organization, other than a loan that is from a financial institution, government agency, or business entity and that is granted on terms made available to the general public. For the purposes of Sections 4A-102 and 4A-103, "debt" includes, but is not limited to: personal loans from friends or business associates, business loans made outside the lender's regular course of business, and loans made at below market rates. For the purposes of Sections 4A-102 and 4A-103, "debt" does not include: (i) debts to or from financial institutions or government entities, such as mortgages, student loans, credit card debts, or loans secured by automobiles, household furniture, or appliances, as long as those loans were made on terms available to the general public and do not exceed the purchase price of the items securing them; (ii) debts to or from a political committee registered with the Illinois State Board of Elections or political committees, principal campaign committees, or authorized committees registered with the Federal Election Commission; or (iii) a loan from a member of the filer's family not known by the filer to be registered to lobby under the Lobbyist Registration act.

"DIVERSIFIED FUNDS": means investment products, such as mutual funds, exchange traded funds, or unit investment trusts, that invest in a wide variety of securities across multiple sectors or asset classes. "Diversified funds" does not include sector funds.

"ECONOMIC RELATIONSHIP": means, for the purposes of Sections 4A-102 and 4A-103, any joint or shared ownership interests in businesses and creditor-debtor relationships with third parties, other than commercial lending institutions, where: (a) the filer is entitled to receive (i) more than 7.5% of the total distributable income, or (ii) an amount in excess of the salary of the Governor; or (b) the filer together with his or her spouse or minor children is entitled to receive (i) more than 15%, in the aggregate, or the total distributable income, or (ii) an amount in excess of 2 times the salary of the Governor.

"FAMILY": means, for the purposes of Sections 4A-102 and 4A-103, a filer's spouse, children, step-children, parents, step-parents, siblings, step-siblings, half-siblings, sons-in-law, daughters-in-law, grandparents, and grandchildren, as well as the parents and grandparents of the filer's spouse, and any person living with the filer.

"INCOME": means, for the purposes of Sections 4A-102 and 4A-103, pension income and any income from whatever source derived, required to be reported on the filer's federal income tax return, including, but not limited to: compensation received for services rendered or to be rendered (as required to be reported on any Internal Revenue Service forms, including but not limited to, Forms W-2, 1099, or K-1); earnings or capital gains from the sale of assets; profit; interest or dividend income from all assets; revenue from leases and rentals, royalties, prizes, awards, or barter; forgiveness of debt; and earnings derived from annuities or trusts other than testamentary trusts. "INCOME" does not include compensation earned for service in the position that necessitates the filing of the statement of economic interests, or investment or interest returns on items excluded from the definition of "asset", or income from the sale of a personal residence or personal vehicle.

"INVESTMENT REAL ESTATE": means any real property, other than a filer's personal residences, purchased to produce a profit, whether from income or resale. Investment real estate may be described by the city and state where the real estate is located.

"LOBBYING": means engaging in activities that require registration under the Lobbyist Registration Act.

"LOBBYIST": means an individual who is required to be registered to engage in lobbying activities pursuant to the Lobbyist Registration Act.

"PERSONAL RESIDENCE": means, for the purposes of Sections 4A-102 and 4A-103, a filer's primary home residence and any residential real property held by the filer and used for residential rather than commercial or income generating purposes.

"SECTOR FUNDS": means mutual funds or exchange traded funds invested in a particular industry or business.