

In Brief

WHO MUST FILE AND WHAT MUST BE DISCLOSED ON THE NEW STATEMENT OF ECONOMIC INTEREST FORMS

As the annual May 1 deadline for filing Statements of Economic Interest (“SOEI”) forms approaches, public officials and employees are adjusting to significant changes to the disclosure form required by the *Illinois Governmental Ethics Act*. As we noted in our February [Law Alert](#), Public Act 102-0664 created new questions for the SOEI form and technical definitions that are critical to correctly answer those questions. On March 24, the Illinois Secretary of State published new [guidance](#) regarding SOEI forms, but the guidance did not address many substantive issues raised by the new definitions.

This *In Brief* breaks down the statutory definitions applicable to each specific question in the SOEI form to help you navigate the *Act*’s technical language. Nonetheless, due to the lack of further guidance from the Secretary of State’s office and the unique circumstances of each individual’s economic interests, you may need to discuss your individual questions with your public body’s ethics officer or your Robbins Schwartz attorney.

Individuals Who Must File the SOEI Form.

Section 4A-101.5 of the Act requires many local government officials¹ and employees to file statements of economic interest with their county clerk, including:

- Elected officials and candidates for office for a unit of local government (including municipalities, school districts, community colleges, park districts, etc.)
- Persons appointed to a local government office unless they only function as advisory members.
- Employees of a unit of local government whose positions meet any of the following:
 - Are the head of a department, division, bureau, authority, or other administrative unit (or who exercise similar authority);
 - Have direct supervisory authority over, or direct responsibility for the formulation, negotiation, issuance, or execution of contracts in the amount of \$1,000 or greater;
 - Have authority to approve licenses and permits (but not employees who function in a ministerial capacity);

¹ Elected officials and candidates for office of the General Assembly and the Executive Branch, judges, members of various State boards, and certain employees of the State and its various boards and agencies file their SOEI forms with the Illinois Secretary of State pursuant to Section 4A-101 of the Act.

- Adjudicate, arbitrate, or decide any judicial or administrative proceeding, or review the outcome of such proceedings within the local government's authority;
- Have authority to issue or adopt rules and regulations within areas under the local government's authority; or
- Have supervisory responsibility for 20 or more employees of the local government.
- School district employees in positions that require an administrative or a chief school business official endorsement.
- Members of the board of any pension fund established under the Illinois Pension Code.

Completing the SOEI Form.

The *Illinois Governmental Ethics Act* does not require individuals to list the specific dollar amounts on the SOEI form. Rather, individuals required to file the form must only list the existence of the asset, debt, source of income, or other economic interest.

Reasonable, good faith reliance on the Secretary of State's published [guidance](#) will be a defense to the Act's Class A misdemeanor penalty for filing a "willfully false or incomplete statement."

Filers should also be aware of the penalties for filing the SOEI form late. Individuals who file after May 1 but before May 16, must pay a \$15 late filing fee. Late fees increase to a rate of \$100 per day starting on May 16. Failing to file by May 31 may result in action by the Attorney General, the local State's Attorney, or the forfeiting the filer's public office or employment.

SOEI Question #1: Disclosure of Single Assets Exceeding \$10,000.

Filers must list "assets" that they held or constructively controlled that had a value of more than \$10,000 as of December 31, 2021, including assets that they held jointly with the filer's spouse or minor children.

Assets Include:

- Stocks
- Bonds
- Sector Mutual Funds
- Sector Exchange Traded Funds
- Commodity Futures
- Investment Real Estate
- Beneficial Interests in Trusts
- Business Interests

Assets Do Not Include:

- Personal Residences
- Personal Vehicles
- Savings or Checking Accounts
- Government Bonds, Notes, or Securities
- Medicare Benefits
- Inheritances or Bequests (other than Beneficial Interests in Trusts)

- Partnership Interests
- Diversified Funds
- Annuities and Pensions (including Government Pensions)
- Retirement Accounts
- Certain College Tuition Savings Plans or Programs to Save for Disability-Related Expenses
- Tangible Personal Property

SOEI Question #2: Sources of Income Exceeding \$7,500.

List all sources of “income” exceeding \$7,500 that were required to be reported during the previous calendar year (*i.e.* 2021). “Income,” as defined by the *Act*, includes income from whatever sources required to be reported on any Internal Revenue Service forms for the filer, including but not limited to Forms W-2, 1099, or K-1. The filer only needs to list the source of income or name of the asset sold resulting in a capital gain exceeding \$7,500, including the date sold.

Income Includes:

- Compensation for Services Rendered or to be Rendered as Required to be Reported to the IRS
- Pension Income
- 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
- Earnings from Annuities or Trusts (other than Testamentary Trusts)

Income Does Not Include:

- Income from the Sale of a Personal Residence or Personal Vehicle
- Investments or Interest Returns on Items Excluded from the Definition of “Assets”
- Income Earned for Service in the Position that Necessitates the Filing of the SOEI

SOEI Question #3: Disclosure of Debts Exceeding \$10,000.

List each applicable creditors of a “debt” owed by the filer at any time during the preceding calendar year that exceeded \$10,000. This also includes debts owed jointly by the filer and filer’s (1) spouse, or (2) minor child(ren). As with “assets” and “income,” filers do not need to list the amount of any applicable “debt,” only the creditor. For many loans which are excluded from the definition of “debt,” such exclusion only applies if the loans are made on terms available to the general public and do not exceed the purchase price of the items securing the loans.

Debts Include:

- Any Money or Monetary Obligation Owed to an Individual, Company, or Other Organization (and Not Otherwise Exempt)
- Personal Loans from Friends or Business Associates
- Business Loans Made Outside the Lender's Regular Course of Business
- Loans Made at or Below Market Rates

Debts Do Not Include:

- Loans from Financial Institutions, Government Agencies, or Business Entities that are Granted on Terms Available to the General Public
- Mortgages
- Student Loans
- Credit Card Debt
- Loans Secured by Automobiles, Household Furniture, or Appliances
- Debts to a Political Action Committee Registered with the State Board of Elections, Political Committees, Principal Campaign Committees, or Other Authorized Committees Registered with the Federal Election Commission
- Loans from a Family Member if the Family Member is Not a Registered Lobbyist or Filer is Unaware of Such Registration

SOEI Question #4: Disclosure of Units of Government that Filer or Filer's Spouse were Employees, Contractors, or Office Holders.

Filers must list the name of each unit of government that the filer and/or filer's spouse were an employee, contractor, or office holder during the previous calendar year. The disclosure in Question #4 is not limited to units of local government, and thus if a filer is employed by, or is a contractor or office holder of, a unit of state or federal government, those positions must be listed. The filer must also list filer and/or spouse's title or the nature of services. The filer does not need to list the unit of government for which this SOEI is being filed. For example, if the filer is a board member at a school district, thus triggering the duty to file a SOEI, the filer would not need to list that school district.

SOEI Question #5: Disclosure of Registered Lobbyists that are Family Members or Who Filer has an Economic Relationship

List the names of lobbyists registered with the State of Illinois that are: (1) "family" members of the filer or (2) that maintain an "economic relationship" with filer. The SOEI form also requires the filer to list the nature of the relationship.

"Family" is defined the *Act* as the 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.

“Economic Relationship” is defined by the *Act* to mean 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, of the total distributable income, or
 - (ii) an amount in excess of 2 times the salary of the Governor.

As you go about completing this question, please note that Public Act 102-0664 amended the Illinois Lobbyist Registration Act and now requires individuals and entities that lobby local government officials to register as a lobbyist.

SOEI Question #6: Gifts or Honoraria Valued Singly or in the Aggregate in Excess of \$500.

Filers must list gifts or honoraria valued alone or in the aggregate in excess of \$500 and also must list the source of such gifts. Filers do not need to include gifts from family members so long as the family member is not a registered lobbyist in Illinois, or the filer is unaware that the family member is a registered lobbyist.

SOEI Question #7: Disclosure of Family Members Employed by Public Utilities.

List any family members that are employed by “public utility,” as defined by Section 3-105 of the Public Utilities Act, and the name of the public utility that employs that family member.

If you have any questions about the *Illinois Governmental Ethics Act* or the Statement of Economic Interest Form, please contact your Robbins Schwartz attorney.