

RESOLUTION NO. 14-1029

A RESOLUTION OF THE COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA, PRESCRIBING STANDARDS OF FINANCIAL DISCLOSURE FOR LOCAL PUBLIC OFFICERS; PROVIDING FOR REPEAL OF CONFLICTING RESOLUTIONS; AND PROVIDING FOR SEVERABILITY.

WHEREAS, pursuant to the provisions of Arizona Revised Statutes Section 38-545, as amended, the Town of Chino Valley is required to adopt standards of financial disclosure for local public officers consistent with the provisions of Title 38, Chapter 3.1, Article 1, Arizona Revised Statutes, as amended; and

WHEREAS, the Common Council has determined that the standards of financial disclosure hereinafter adopted are, with respect to the Town of Chino Valley, consistent with such standards of financial disclosure;

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the Town of Chino Valley, Arizona, that the following are hereby adopted as the Standards of Financial Disclosure for the local public officers of the Town of Chino Valley, Arizona:

Section 1: Definitions.

A. "Business" includes any enterprise, organization, trade, occupation or profession, whether or not operated as a legal entity or for profit, including any business trust, corporation, partnership, joint venture or sole proprietorship.

B. "Compensation" means anything of value or advantage, present or prospective, including the forgiveness of debt.

C. "Controlled business" means any business in which the local public officer or any member of his/her household has an ownership or beneficial interest, individually or combined, amounting to more than a fifty percent (50%) interest.

D. "Dependent business" means any business in which the local public officer or any member of his/her household has an ownership or beneficial interest, individually or combined, amounting to more than a ten percent (10%) interest, and during the preceding calendar year the business received from a single source more than ten thousand dollars (\$10,000) and more than fifty percent (50%) of its gross income.

E. "Gift" includes any gratuity, special discount, favor, hospitality, service, economic opportunity, loan or other benefit received without equivalent consideration and not provided to members of the public at large.

F. "Local public officer" means a person holding an elective office in the Town of Chino Valley, Arizona.

G. "Member of household" means a local public officer's spouse and any minor child of whom the local public officer has legal custody.

Section 2: Duty to File Financial Disclosure Statement; Contents; Exceptions

A. In addition to other statements and reports required by law, each local public officer, as a matter of public record, shall file with the Town Clerk on a form prescribed by the Town Clerk, a verified financial disclosure statement covering the preceding calendar year ending December 31. The statement shall disclose:

(1) The name and address of the local public officer and each member of his or her household and all names and addresses under which each does business.

(2) The name and address of each employer and of each other source of compensation other than gifts amounting to more than one thousand dollars (\$1,000) received during the preceding calendar year by the local public officer and members of his household in their own names, or by any other person for the use or benefit of the local public officer or members of his or her household, a description of the services for which the compensation was received and the nature of the employer's business. This paragraph shall not be construed to require the disclosure of individual items of compensation that constituted a portion of the gross income of the business from which the local public officer or members of his or her household derived compensation.

(3) For a controlled business, a description of the goods or services provided by the business, and if any single source of compensation to the business during the preceding calendar year amounts to more than ten thousand dollars (\$10,000) and is more than twenty-five percent (25%) of the gross income of the business, the disclosure shall also include a description of the goods or services provided to the source of compensation. For a dependent business, the statement shall disclose a description of the goods or services provided by the business and a description of the goods or services provided to the source of compensation from which the dependent business derived the amount of gross income described in Section 1, Paragraph 4. If the source of compensation for a controlled or dependent business is a business, the statement shall disclose a description of the business activities engaged in by the source of compensation.

(4) The names and addresses of all businesses and trusts in which the local public officer or members of his or her household, or any other person for the use or benefit of the local public officer or members of his or her household, had an ownership or beneficial interest of over one thousand dollars (\$1,000) at any time during the preceding calendar year, and the names and addresses of all businesses and trusts in which the local public officer or any member of his or her household held any office or had a fiduciary relationship at any time during the preceding calendar year, together with the amount or value of the interest and a description of the interest, office or relationship.

(5) All Arizona real property interests and real property improvements, including specific location and approximate size, in which the local public officer, any member of his or her household or a controlled or dependent business held legal title or a beneficial interest at any time during the preceding calendar year, and the value of any such interest, except that this paragraph does not apply to a real property interest and improvements thereon used as the primary personal residence or for the personal recreational use of the local public officer. If a local public officer, any member of his or her household or a controlled or dependent business

acquired or divested any such interest during the preceding calendar year, he or she shall also disclose that the transaction was made and the date it occurred. If the controlled or dependent business is in the business of dealing in real property interests or improvements, disclosure need not include individual parcels or transactions as long as the aggregate value of all parcels of such property is reported.

(6) The names and addresses of all creditors to whom the local public officer or members of his or her household, in their own names or in the name of any other person, owed a debt of more than one thousand dollars (\$1,000) or to whom a controlled business or a dependent business owed a debt of more than ten thousand dollars (\$10,000) which was also more than thirty percent (30%) of the total business indebtedness at any time during the preceding calendar year, listing each such creditor. This paragraph shall not be construed to require the disclosure of debts owed by the local public officer or any member of his or her household resulting from the ordinary conduct of a business other than a controlled or dependent business. Nor shall disclosure be required of credit card transactions, retail installment contracts, debts on residences or recreational property exempt from disclosure under paragraph (5) of this subsection, debts on motor vehicles not used for commercial purposes, debts secured by cash values on life insurance or debts owed to relatives. It is sufficient disclosure of a creditor if the name and address of a person to whom payments are made is disclosed. If the local public officer, any member of his or her household or a controlled or dependent business incurred or discharged a debt which is reportable under this subsection during the preceding calendar year, the report shall disclose that the transaction was made and the date it occurred.

(7) The identification and amount of each debt exceeding one thousand dollars (\$1,000) owed at any time during the preceding calendar year to the local public officer and members of his or her household in their own names, or to any other person for the use or benefit of the local public officer or any member of his or her household. The disclosure shall include the identification and amount of each debt exceeding ten thousand dollars (\$10,000) to a controlled business or dependent business which was also more than thirty percent (30%) of the total indebtedness to the business at any time during the preceding calendar year. This paragraph shall not be construed to require the disclosure of debts from the ordinary conduct of a business other than a controlled or dependent business. If the local public officer, any member of his or her household or a controlled or dependent business incurred or discharged a debt which is reportable under this subsection during the preceding year, the report shall disclose that the transaction was made and the date it occurred.

(8) The name of each source of any gift, or accumulated gifts from a single source, of more than five hundred dollars (\$500) received by the local public officer and members of his or her household in their own names during the preceding calendar year, or by any other person for the use or benefit of the local public officer or any member of his or her household except gifts received by will or by virtue of intestate succession, or received by way of distribution from any intervivos or testamentary trust established by a spouse or by an ancestor, or gifts received from any other member of the household or relatives to the second degree of consanguinity. Political campaign contributions shall not be construed as gifts if otherwise publicly reported as political campaign contributions as required by law.

(9) A list of all business licenses issued to, held by or in which the local public officer or any member of his or her household had an interest at any time during the

preceding calendar year, including the name in which the license was issued, the type of business and its location.

(10) A list of all bonds, together with their value, issued by this state or any political subdivision of this state held at any time during the preceding calendar year by the local public officer or any member of his or her household, which bonds issued by a single entity had a value in excess of one thousand dollars (\$1,000). If the local public officer or any member of his or her household acquired or divested any bonds during the preceding calendar year which are reportable under this paragraph, the fact that the transaction occurred and the date shall also be shown.

B. If an amount or value is required to be reported pursuant to this Section, it is sufficient to report whether the amount or value of the equity interest falls within:

(1) Category 1, one thousand dollars (\$1,000) to twenty-five thousand dollars (\$25,000).

(2) Category 2, more than twenty-five thousand dollars (\$25,000) to one hundred thousand dollars (\$100,000).

(3) Category 3, more than one hundred thousand dollars (\$100,000).

C. This Resolution does not require the disclosure of any information that is privileged by law.

D. The statement required to be filed pursuant to subsection A shall be filed by all persons who qualified as local public officers at any time during the preceding calendar year on or before January 31 of each year, with the following exceptions:

(1) A local public officer appointed to fill a vacancy shall, within sixty days following his taking of such office, file a financial disclosure statement covering as his annual period the twelve month period ending with the last full month prior to the date of his taking office; and

(2) A local public officer whose final term expires less than thirty-one days into the immediately following calendar year, may file his final financial disclosure at the same time as the disclosure for the last immediately preceding year.

E. The Town Clerk shall prepare written guidelines, forms and samples for completing the financial disclosure statement required by this Resolution. A copy of the guidelines, forms and samples shall be distributed to each local public officer and shall be made available to each candidate required to file a financial disclosure statement pursuant to Section 3 of this Resolution.

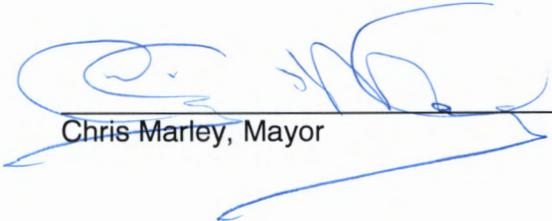
Section 3: Duty to File Financial Disclosure Statement by Candidates for Local Public Office in the Town of Chino Valley.

At the time of filing of nomination papers, a candidate for local public office shall file a financial disclosure statement on a form prescribed by the Town Clerk, covering the preceding twelve month period and containing the information described in Section 2 hereof.

BE IT FURTHER RESOLVED that Resolution 94 and all other resolutions or parts of resolutions in conflict with the provisions of this resolution are hereby repealed.

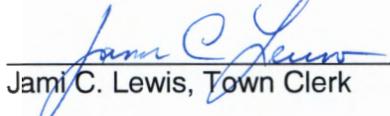
BE IT FURTHER RESOLVED that if any section, subsection, sentence, clause, phrase or portion of this Resolution is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

PASSED AND ADOPTED BY THE COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA THIS 22nd DAY OF April, 2014.



Chris Marley, Mayor

ATTEST:



Jami C. Lewis, Town Clerk

APPROVED AS TO FORM:



Curtis, Goodwin, Sullivan, Udall & Schwab, PLC
Town Attorneys
By: Phyllis L.N. Smiley

I hereby certify the above foregoing Resolution No. 14-1029 was duly passed by the Council of the Town of Chino Valley, Arizona, at a regular meeting held on April 22, 2014, and that quorum was present thereat and that the vote thereon was 7 ayes and 0 nays and 0 abstentions. 0 Council members were absent or excused.



Jami C. Lewis, Town Clerk