

Gift Restrictions, Gift Reporting, and Financial Disclosure Code Amendments

City Attorney's Office

Jenny Lopez Filkins Senior Deputy City Attorney



Council Priority to Review and Update Ethics Code



- City Council the Ethics Review Board
 - consider changes to the City's ethics rules about
 - (1) acceptance of gifts,
 - (2) gift reporting and
 - (3) financial disclosures
- The ERB met in April, May, June and July.
- The draft amendments considered tonight include ERB recommendations.

Topics for Discussion



- A. Gift Restrictions Ordinance No. 157, 2025
- B. Gift Reporting Requirements Ordinance No. 159, 2025
- C. Financial Disclosure Requirements Ordinance No. 158, 2025



Gift Restriction Amendments



Current restrictions and exceptions create confusion and similar, repeated questions for Councilmembers and staff.





- ERB reviewed and considered others' gift acceptance restrictions:
 - the state of Colorado
 - Arvada, Aurora, Boulder, Broomfield, Colorado Springs, Denver, Lafayette, Lakewood, Littleton, Loveland and Westminster.



Common question: Is it okay to accept an unsolicited gift?

Amendments clarify

Based on current dollar amount in state law (\$75)

Adjusts for inflation



Some existing gift restrictions reworded or clarified:

Payment for speeches, debates or public appearances

 Gifts from a donor with matter pending before City Council



Some exceptions reworded or clarified:

- Reported campaign contributions
- Plaque in recognition of public service
- Reasonable costs for attendance at conferences or similar events
- Employment compensation



New exceptions added:

Financial aid, scholarship

 Ticket or admission to charity event attended on behalf of the City and cost of admission less than state law amount (\$75);

 A gift solicitation for a charitable purpose as determined to be appropriate by City or its affiliated entities;



Additional new exceptions added:

A gift to benefit public safety or community;

Awards or prizes given at competitions or drawings;

Reasonable cost and frequency of City sponsored educational events



New exceptions added:

 Perishable or consumable gifts given to the City or a City group;

 Gifts accepted in a person's official capacity that will become City property;



New exceptions added:

 Awards or prizes given at competitions or drawings

Discounts that are widely available

PAUSE FOR COUNCIL CONSIDERATION OF ORD. NO. 157, 2025



PAUSE FOR COUNCIL CONSIDERATION OF ORD. NO. 157, 2025



Sec. 2-576 currently requires every Councilmember who receives gifts or other benefits to file a quarterly gift report.

No other explanation or clarification is provided.



•ERB discussed common questions and issues.

•ERB recommends add specific gift reporting obligations to the City's ethics rules, like other home rule cities.



ERB recommends not requiring Councilmembers to report gifts that are given or paid by:

- -The City
- -An entity affiliated with or formed by the City
- —An organization to which the City has appointed the Councilmember.



ERB supports adding specific gift reporting obligations to the ethics rules:

□ Any unsolicited item or items accepted if valued at more than \$25;

□Costs of conferences, seminars, events or meetings (fees, meals, lodging, registration or admission and transportation);



ERB supports adding specific gift reporting obligations to the ethics rules (continued):

□Cost of City-sponsored educational events if the dollar amount is higher than dollar amount established in state law

□Cost of meals and event tickets given to Councilmembers and their relatives



Gift reporting requirements go into effect for reports due after January 1, 2026.



PAUSE FOR COUNCIL CONSIDERATION OF ORD. NO. 159, 2025



Current financial disclosure obligations require Councilmembers, City Manager and City Attorney to file quarterly reports of their financial interests.



- •ERB reviewed others' financial disclosure requirements
 - Colorado state's rules
 - -Arvada, Aurora, Colorado Springs, Denver, Louisville, and Loveland.



•ERB discussed common questions.

•ERB recommended maintain current list of financial interests to be disclosed.



ERB recommended

 Exclude compensation from the City from the obligation to report sources of income;

•Limit requirements about disclosure of property and business interests to those within the growth management area;



ERB recommended ____

 Increase the dollar threshold regarding investment or business interest and creditors to whom they owe money from \$10K to \$25K;

Automatically adjust amounts for inflation.



ERB recommended

Delete alternative to file a federal income tax return



Changes to the specific disclosure requirements will go into effect January 1, 2026.



Categories:

General restrictions Travel and Events Charities **Financial Gain** To or From the City Non-monetary Value Restriction