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## Illinois Ethics Legislation

Illinois ethics is not an oxymoron in spite of past political stories about shoeboxes and envelopes. A House ethics bill was adopted in the fall of 2003. It was vetoed, and then over-ridden to become Public Act 93-0615. Not to be outdone, a Senate ethics bill was passed and signed into law as Public Act 93-0617. Both should be understood as two chapters of the same book. The Acts affect state and local government employees and officers. While local counsel will advise you in detail, we would raise some topic specific points for your consideration.

1) **Referenda** are more and more necessary in a tax capped environment. Voter authorization is needed for the G.O. Bonds for funding of many capital projects and for tax rate increases for operations and for capital purposes. Referenda are political campaigns and political activity is prohibited for officers and employees on compensated time. See the Acts for details, **but prohibited political activity** includes preparing for, organizing or participating in any political meeting, rally, demonstration or event; soliciting contributions; polling for or against any referenda question; soliciting votes for or against any referendum question; preparing or distributing literature, signs or other campaign material; managing or working on a campaign. Watch what you do and when. 2) A **Gift Ban** is in place. It, among other things, prohibits gifts of food or refreshments exceeding \$75 per person per day. Watch the golf outing tabs.

Ethics in the sale of debt has been a longstanding issue, not only in Illinois but nationwide. Increasing scrutiny on how bond purchasers are selected for negotiated sales of debt has been partly addressed nationally by disclosing lobbyist relationships and compensation. This issue can best be addressed in selecting an independent financial advisor to serve as a market intermediary and then by selecting a competitive sale of securities wherever and whenever possible. Nothing like multiple bidders to demonstrate transparency and integrity to elected officials and to voters.

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