

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/HB 37 Financial Disclosure for Elected Local Officers

**SPONSOR(S):** Ethics, Elections & Open Government Subcommittee; Roach and others

**TIED BILLS:** **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Ethics, Elections & Open Government Subcommittee	16 Y, 2 N, As CS	Poreda	Toliver
2) Local Administration, Federal Affairs & Special Districts Subcommittee	16 Y, 1 N	Roy	Darden
3) State Affairs Committee			

### SUMMARY ANALYSIS

The Florida Constitution requires all elected constitutional officers, candidates for such offices, and statewide elected officers, to file full and public disclosure of their financial interests, which means the individual's total net worth as well as the disclosure of any and all assets and liabilities in excess of \$1,000. The disclosure is executed through completing and filing a form – designated as CE Form 6 – with the Florida Commission on Ethics (Commission). Current law requires certain other public officers to also file a CE Form 6.

Currently, elected officers in any political subdivision of the state, specified appointive officers, specified state officers and employees, as well as persons seeking to qualify as candidates for state or local office file a less detailed disclosure form, designated as CE Form 1, with the Commission. CE Form 1 does not require the disclosure of total net worth or the exact dollar amounts of any assets or liabilities. The filer is only required to disclose assets or liabilities that exceed specific dollar thresholds.

The bill requires mayors, elected members of the governing body of a municipality, and county or municipal managers to begin filing the CE Form 6 annual disclosure starting January 1, 2024. The bill specifies that those individuals would thereafter not be required to file a CE Form 1 annual disclosure.

The bill will have a negative, but likely insignificant, fiscal impact on state government. See Fiscal Comments.

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### Background

The Florida Constitution requires all elected constitutional officers, candidates for such offices, and statewide elected officers, to file full and public disclosure of their financial interests.<sup>1</sup> Other public officers, candidates, and public employees may be required to file a full and public disclosure of their financial interests as determined by law.<sup>2</sup>

The term “full and public disclosure of financial interests” means the reporting individual must disclose his or her net worth and the value of each asset and liability in excess of \$1,000.<sup>3</sup> The disclosure must be accompanied by either a sworn statement that identifies each separate source and amount of income that exceeds \$1,000.<sup>4</sup> The Commission on Ethics (Commission) has created by rule CE Form 6 (Form 6) to be used to make the required full and public financial disclosure.<sup>5</sup>

Individuals holding the following positions must presently file Form 6:<sup>6</sup>

- Governor;
- Lieutenant Governor;
- Cabinet members;
- Legislators;
- State attorneys;
- Public defenders;
- Clerks of circuit court;
- Sheriffs;
- Tax collectors;
- Property appraisers;
- Supervisors of elections;
- County commissioners;
- Elected Superintendents of schools;
- District school board members;
- Jacksonville City Council members, including the mayor;
- Judges of compensation claims;
- Duval County Superintendent of Schools;
- Florida Housing Finance Corporation Board members;
- Each member of a large-hub commercial service airport; and
- Each member of expressway authority, transportation authority (except the Jacksonville Transportation Authority), bridge authority, or toll authority created pursuant to chapter 348 or 343, F.S., or any other general law.

Reporting individuals must file Form 6 annually with the Commission by July 1. Additionally, candidates for a constitutional office must make a full and public disclosure of their financial interests at the time of qualifying.

Current law requires a less detailed disclosure of financial interests using the Commission’s CE Form 1 (Form 1) for certain local officers, including all officers holding elected positions in political subdivisions

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<sup>1</sup> Article II, s. 8(a), FLA. CONST.

<sup>2</sup> See s. 112.3144(1)(b), F.S.

<sup>3</sup> Article II, s. 8(j)(1), FLA. CONST.

<sup>4</sup> *Id.*; see also s. 112.3144, F.S.

<sup>5</sup> Section 112.3144(8), F.S.

<sup>6</sup> Rule 34-8.003, F.A.C.; see also Commission on Ethics, *Filing Information*, available at [https://www.ethics.state.fl.us/Documents/Forms/Form1.html#form\\_6](https://www.ethics.state.fl.us/Documents/Forms/Form1.html#form_6) (last visited January 18, 2023).

of the state, other than counties, as well as specified appointive officers.<sup>7</sup> Other persons filing Form 1 include specified state officers and employees and persons seeking to qualify as candidates for state or local office.<sup>8</sup>

Form 1 requires those individuals to disclose their primary sources of income, other than their public position, secondary sources of income, real property, intangible personal property, liabilities, and interests in specific businesses.<sup>9</sup>

Although no specific dollar values of incomes, property or liabilities are required to be reported, the filer must report which assets or liabilities exceed certain dollar thresholds.<sup>10</sup> Form 1 filers are required to disclose all sources of income in excess of \$2,500, excluding public salary, all sources of income from a business entity that the filer had a material interest in where their gross income was in excess of \$5,000 and in excess of 10% of the businesses gross income. Form 1 filers must also disclose any property, except for their residence or vacation home, in which the person owns more than 5% of the value of the property, as well as any intangible property in excess of \$10,000 and any liability in excess of \$10,000. <sup>11</sup> Form 1 must be filed annually with the Commission by July 1.<sup>12</sup>

### **Effects of the Bill**

The bill adds specified local officers to the list of those who must file Form 6 annually: mayors, elected members of the governing body of a municipality, as well as county and municipal managers.

The bill provides that local officers now required to file Form 6 under the bill are not required to also file Form 1 by excluding mayors, elected members of the governing body of a municipality, as well as county or municipal managers from the requirement to file a Form 1.

### **B. SECTION DIRECTORY:**

- Section 1: Amends s. 112.3144, F.S., relating to full and public disclosure of financial interests.
- Section 2: Amends s. 112.3145, F.S., relating to disclosure of financial interests and clients represented before agencies.
- Section 3: Provides that the act shall take effect on January 1, 2024.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

### **A. FISCAL IMPACT ON STATE GOVERNMENT:**

- 1. Revenues:  
None.
- 2. Expenditures:  
See Fiscal Comments.

### **B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

- 1. Revenues:

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<sup>7</sup> Section 112.3145, F.S.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> Section 112.3145(3), F.S.

<sup>11</sup> Section 112.3145(3)(b), F.S.

<sup>12</sup> Section 112.3145(2)(b), F.S.

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The bill imposes additional financial disclosures on certain officers of local government that will have a negative but likely insignificant fiscal impact on the Florida Commission on Ethics due to the increased amount of Form 6 filers.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable. This bill does not appear to require counties or municipalities to spend funds or take action requiring the expenditures of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The Commission has sufficient rulemaking authority in s. 112.3144(13), F.S., to effectuate the provisions of the bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

### IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On January 25, 2023, the Ethics, Elections & Open Government Subcommittee adopted a proposed committee substitute (PCS) and reported the bill favorably as a committee substitute. The PCS differed from the bill in that it changed the relating to clause to remove the word "elected" as some of the officers included in the bill are not elected. The PCS also changed references to "villages, towns, and cities" within the bill to the term "municipalities" and exempts the local officers that the bill now requires to file a Form 6 from the specific provisions of statute that requires the filing of a Form 1, instead of altering the definition of the term "Local Officer." Lastly, the PCS changed the effective date of the bill from July 1, 2023, to January 1, 2024.

The analysis is drafted to the committee substitute adopted by the Ethics, Elections & Open Government Subcommittee.