

MEMORANDUM OF LAW

DATE: November 1, 1995

TO: Councilmember Judy McCarty

FROM: City Attorney

SUBJECT: Whether Amendment to Annual Statement of Economic Interest
is Required for Interest Acquired in Current Calendar
Year/Your Reference M95/10-15

QUESTION PRESENTED

Your memorandum of October 17, 1995, to City Attorney John W. Witt has been referred to me for response. You ask whether you are required to amend your Statement of Economic Interest ("SEI") that you filed March 31, 1995, because of an inheritance your husband received which has just been transferred to a joint family trust in San Diego.

SHORT ANSWER

No, you should merely list the newly acquired economic interest on the annual SEI that you file in 1996. That annual statement will cover financial interests that you acquire or hold in calendar year 1995.

BACKGROUND

In addition to the information provided in your memorandum, by telephone on October 24th, your Chief of Staff Jim Madaffer provided information we needed to complete this memorandum. Your husband inherited a brokerage in the State of Indiana during 1995. The account has recently been transferred from Indiana into a joint family trust in San Diego, California.

ANALYSIS

The California Political Reform Act ("Act"), codified at California Government Code sections 81000 - 91015, among other things, requires local elected officials to file annual SEI's that disclose financial interests that they acquired, held or disposed of in the prior calendar year. Cal. Gov't Code Section 87203; 2 Cal. Code Regs. Section 18723(b). City Councilmembers are required to file their annual statements on or before April 1st of each year. 2 Cal. Code Regs. Section 18723(b)(2). The Act contains no duty to continually update an annual statement for newly acquired interests, since an annual statement covers financial interests for the prior year.

In the present instance your husband inherited a brokerage in the current calendar year. Your husband's interest was recently transferred to California where it was placed in a joint family trust, in which you

have an interest. Since you acquired this new financial interest only in the current calendar year, you have no duty to amend your SEI currently on file with the City Clerk. Rather, you are required to disclose the interest when you file your next annual SEI on or about April 1, 1996.

JOHN W. WITT, City Attorney

By

Cristie C. McGuire

Deputy City Attorney

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