

---

**2007 Wis Eth Bd 03**  
**DISQUALIFICATION**

---

¶1 The Ethics Code is unlikely to be an obstacle to a legislator's participation in the discussion, deliberation, or votes on a bill that would create a tax incentive for individuals who purchase a commodity that can use a product manufactured by a company in which the legislator owns a small number of shares of stock when there is no basis to believe there will be a substantial financial affect on the legislator's interest.

¶2 You own a small number of shares of stock in a manufacturing plant. You ask whether laws the Ethics Board administers are an obstacle to your participation in the discussion, deliberation, or votes on a bill that would create a tax credit for individuals who purchase a commodity that can use the plant's product.

¶3 Wisconsin's Code of Ethics provides that a state public official may not take any official action substantially affecting a matter in which the official has a substantial financial interest. §19.46 (1) (a), *Wisconsin Statutes*. However, in creating the Ethics Code, the Legislature recognized that:

[I]n a representative democracy, the representatives are drawn from society and, therefore, cannot and should not be without all personal and economic interest in the decisions and policies of government; that citizens who serve as state public officials retain their rights as citizens to interests of a personal or economic nature; that standards of ethical conduct for state public officials need to distinguish between those minor and inconsequential conflicts that are unavoidable in a free society, and those conflicts which are substantial and material . . . .

§19.45 (1), *Wisconsin Statutes*.

¶4 If the bill were likely to substantially affect the value of your stock, you should not participate in the bill's consideration. But, because any financial impact that enactment of the bill will have on your stock is remote and speculative, laws the Ethics Board administers are unlikely to be an obstacle to your participating in the consideration of the bill.

¶5 You own a very small interest in the manufacturing plant, less than 1/10%. The bill does not directly affect the plant in any way. It provides an incentive to individuals to purchase a commodity that can use a product the plant manufactures. The extent to which the incentive will lead to the purchase of more of the product is anyone's guess. The Department of Revenue's fiscal estimate does not project an increase. Based on available information, perhaps 1/10 of one percent of the company's production might be attributable to an increase in the sale of commodities that use the plant's product. Your financial interest might be 1/10 of one percent of that.

¶6 The Ethics Board is not a stock analyst, but given the facts as we understand them, it appears unlikely that laws the Ethics Board administers will be an obstacle to your discussion, deliberation, or votes on the bill.

WR 1256