

**INSTRUCTIONS FOR DISCLOSURE BY SPECIAL MUNICIPAL EMPLOYEE  
UNDER G. L. c. 268A, § 20(c)**

**FINANCIAL INTEREST IN A MUNICIPAL CONTRACT**

**SUMMARY**

You are a special municipal employee, as described below. You wish to have a financial interest, directly or indirectly, in a contract made by a municipal agency other than the one you serve. As a special municipal employee, you do NOT participate in or have official responsibility for the activities of the municipal agency that made the contract. To be eligible for an exemption under § 20(c) of the conflict of interest law, you must fill out a § 20(c) disclosure and file it with the city or town clerk.

**WHO CAN USE A § 20(c) DISCLOSURE**

You are an **elected or non-elected special municipal employee**, as defined by G.L. c. 268A, § 1(n).

- You are a **selectman in a town with a population of fewer than 10,000 people**; OR
- You are **NOT a mayor, alderman or city councilor**, and the **city council or board of aldermen (if there is no city council) or board of selectmen has expressly classified your position as a special municipal employee position** because:
  - You serve in a **municipal position for which no compensation is provided**; OR
  - You receive **compensation for fewer than 800 hours in the preceding 365-day period**; OR
  - By classification by your municipal agency or by the terms of a contract or the conditions of your employment, you are **permitted to have personal or private employment during normal working hours**, and disclosure of such classification or permission has been filed with the city or town clerk.

You also are a **special municipal employee** if:

- A **municipal agency has made a contract with the company or organization where you work**, and
  - o You are a **“key employee”** because the contract names you or makes it clear **the municipal has contracted for your services in particular**; AND
  - o The contract states that you are a **special municipal employee** or indicates that you meet one of the eligibility requirements above.

If you need advice about whether you are a special municipal employee, please contact the State Ethics Commission.

**WHEN TO USE THE § 20(c) DISCLOSURE FORM**

Section 20 of the conflict of interest law prohibits you from having a **financial interest, directly or indirectly, in a contract made by a municipal agency of the same city or town which you serve**. This financial interest may be:

- A **non-elected, compensated municipal position**, or
- A direct financial interest in a **contract between a municipal agency and you**; or
- An indirect financial interest in a municipal contract – in other words, you have a **financial stake in a contract or transaction between a municipal agency and someone else**, such as a company or organization.

You may be able to use an **exemption under § 20(c)**, however, to keep or add such a financial interest in a municipal contract.

You may use a § 20(c) exemption only if it is true that as a special municipal employee, **you do not participate in or have official responsibility for the activities of the municipal agency that made the contract in which you have a financial interest.** Otherwise, you may be able to use a § 20(d) exemption or 930 CMR 6.13.

## **FINANCIAL INTEREST IN A MUNICIPAL CONTRACT**

A financial interest may be **direct or indirect, large or small, positive or negative** – a gain or a loss, a benefit or an obligation. Section 20 does not prohibit you from having a financial interest in a municipal contract by owning less than 1% of the stock of a corporation.

**Examples** of financial interests in a municipal contract are:

- You have a **non-elected, compensated municipal employee position** -- this is a **personal services contract** if you work directly for a municipal agency.
- **A municipal agency has a contract with you.**
- **You have a financial stake in a contract or transaction between a municipal agency and another person or an entity**, such as a company or organization.
- You work for a company or organization that has a contract with a municipal agency other than the one you serve as a municipal employee, and the contract identifies you by name or otherwise makes it clear that the municipal has contracted for your services in particular – you are a **“key employee.”**

## **KEEPING OR ADDING A FINANCIAL INTEREST IN A MUNICIPAL CONTRACT**

Depending on the circumstances, you may use a **§ 20(c) disclosure** to report the following facts:

- You **ALREADY HAD** a financial interest in a municipal contract **BEFORE** you became a municipal employee, and you will continue to **KEEP** it, **OR**
- You already are a municipal employee, and you will **ADD** a **NEW** financial interest in a municipal contract.

The disclosure form indicates when **ELECTED** and **NON-ELECTED** municipal employees can use a **§ 20(c) exemption to KEEP** or **ADD** a financial interest in a municipal contract of the types listed above.

## **WHO SHOULD NOT USE A § 20(c) DISCLOSURE**

If you are **ADDING** an elected or appointed **uncompensated** special municipal employee position, use an **exemption under 930 CMR 6.02** instead of § 20(c).

## **FILING A § 20(c) DISCLOSURE**

In the disclosure, enter information about your **special municipal employee position** at the top of the form.

Enter information about the **financial interest in a municipal contract** in the next parts of the form.

- Answer questions in **BOX # 1** if you are an **ELECTED special municipal employee.**
- Answer questions in **BOX # 2** if you are a **NON-ELECTED special municipal employee.**

Complete and sign the disclosure form and **file it with the city or town clerk.**

**If you need advice about completing the disclosure, please call the Attorney of the Day at (617) 371-9500 or e-mail the State Ethics Commission at [requestadvice@massmail.state.ma.us](mailto:requestadvice@massmail.state.ma.us).**