

1 **..Title**
 2 **City of Annapolis Public Ethics Law** – For the purpose of compliance with the requirements of
 3 Subtitle 8 Local Government Provisions of the Public Ethics Law or Code of Maryland
 4 Regulations (COMAR) 19A.04; renumbering for current style; and generally relating to ethics
 5 requirements for the City of Annapolis.

6 **..Body**

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**CITY COUNCIL OF THE
 City of Annapolis**

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Ordinance 33-22

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**Introduced by: Mayor Buckley
 Co-sponsored by: Ald. Tierney, Ald. O'Neill, Ald. Pindell Charles, Ald. Finlayson,
 Ald. Schandelmeier, Ald. Gay, Ald. Savidge, and Ald. Arnett**

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**Referred to
 Rules and City Government Committee
 Ethics Commission**

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AN ORDINANCE concerning

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City of Annapolis Public Ethics Law Changes

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FOR the purpose of compliance with the requirements of Subtitle 8 Local Government
 Provisions of the Public Ethics Law or Code of Maryland Regulations (COMAR) 19A.04;
 renumbering for current style; and generally relating to ethics requirements for the City of
 Annapolis.

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BY adding definitions, amending and renumbering the following chapter of the Code of the
 City of Annapolis, 2022 Edition
 2.08

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BY amending and reenacting the following portions of the Code of the City of Annapolis, 2022
 Edition
 2.08.020
 2.08.040
 2.08.050
 2.08.051 (E)(5)
 2.08.052
 2.08.090
 2.08.110

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1 **SECTION I: BE IT ESTABLISHED AND ORDAINED BY THE ANNAPOLIS CITY**
2 **COUNCIL** that the Code of the City of Annapolis shall be amended to read as follows:

3 **Title 2 – ADMINISTRATION**

4 **Chapter 2.08 - Public Ethics and Financial Disclosure**

5
6 **Section 2.08.020 - Definitions**

7 A. Definitions. The following words and phrases shall have the meanings ascribed to them as
8 follows:

- 9 1. "Business entity" means a corporation, limited liability company, general or limited
10 partnership, sole proprietorship, joint venture, unincorporated association or firm,
11 institution, trust, foundation, or other organization, whether or not operated for
12 profit. "Business entity" does not include a governmental entity.
- 13 2. "Commission" means the City of Annapolis Ethics Commission as established in
14 Section 2.08.030.
- 15 3. "Compensation" means any money or thing of value, regardless of form, received
16 or to be received by any individual covered by this chapter from an employer for
17 service rendered. For the purposes of Section 2.08.070 of this chapter, if lobbying
18 is only a portion of a person's employment, "compensation" means a prorated
19 amount based on the time devoted to lobbying compared to the time devoted to
20 other employment duties.
- 21 4. "Doing business with" means:
 - 22 a. Having or negotiating a contract that involves the commitment (either in a
23 single or combination of transactions) of ~~one thousand dollars~~ \$1,000 or more
24 of City controlled funds; or
 - 25 b. Being regulated by or otherwise under the authority of the City; or
 - 26 c. Being registered as a lobbyist in accordance with Section 2.08.070 of this
27 chapter.
- 28 5. "Elected official" includes the Mayor and members of the City Council.
- 29 6. "Employee" means an individual who is employed by the City of Annapolis.
30 "Employee" does not include an elected official.
- 31 7. "Financial interest" means:
 - 32 a. Ownership of any interest as the result of which the owner has received, within
33 the past three years, or is presently receiving, or in the future is entitled to
34 receive, more than ~~one thousand dollars~~ \$1,000 per year in compensation; or
 - 35 b. Ownership, or the ownership of securities of any kind representing or
36 convertible into ownership, of more than ~~three percent~~ 3% of a business entity
37 by a City official or employee, or the spouse of an official or employee.
- 38 8. "Gift" means the transfer of anything of economic value regardless of the form
39 without adequate and lawful consideration, whether or not it relates to the

- 1 performance of official duties. However, "gift" does not include the solicitation,
2 acceptance or receipt of any campaign contributions regulated in accordance with
3 any law pertaining to the conduct of elections or the receipt of political campaign
4 contributions.
- 5 9. "Interest" means any legal or equitable economic interest, whether or not subject to
6 an encumbrance or a condition, which was owned or held, in whole or in part,
7 jointly or severally, directly or indirectly. For purposes of Section 2.08.050 of this
8 chapter, "interest" applies to any interests held at any time during the calendar year
9 for which a required statement is to be filed. "Interest" does not include:
- 10 a. An interest held in the capacity of a personal agent, representative custodian,
11 fiduciary, or trustee, unless the holder has an equitable interest therein;
- 12 b. An interest in a time or demand deposit in a financial institution;
- 13 c. An interest in an insurance or endowment policy or annuity contract under
14 which an insurance company promises to pay a fixed number of dollars either
15 in a lump sum or periodically for life or some other specified period;
- 16 d. A common trust fund or a trust which forms part of a pension or profit sharing
17 plan which has more than twenty-five participants and which has been
18 determined by the Internal Revenue Service to be a qualified trust under §§
19 401 and 501 of the Internal Revenue Code of 1954;
- 20 e. An interest in a City pension plan, City deferred compensation plan or a
21 college savings plan under the Internal Revenue Code; or
- 22 f. An interest in any mutual fund or exchange-traded fund that is publicly traded
23 on a national scale unless the mutual fund or exchange-traded fund is
24 composed primarily of holdings of stock and interests in a specific sector or
25 area that is regulated by the City of Annapolis.
- 26 10. "Lobbyist" or "lobbying" means the person or act of communicating in the presence
27 of a City official or employee with the intent to influence any official action of that
28 official or employee; or the person or act of engaging in activities having the
29 express purpose of soliciting others to communicate with a City official or
30 employee with the intent to influence that official or employee; and who expends
31 (exclusive of personal travel and subsistence) in excess of ~~two hundred fifty~~
32 ~~dollars~~ \$250 per calendar year on food, entertainment or gifts for any official or
33 employee of the City.
- 34 11. "Official" means an elected official, an employee of the City directly or by
35 contract, or a person appointed to or employed by a City agency, board,
36 commission, or similar entity whether or not paid in whole or in part with City
37 funds and whether or not compensated. Members of the Board of Commissioners
38 of the Housing Authority of the City of Annapolis (HACA), the Executive Director
39 of HACA and the Deputy Director(s) of HACA are part of a separate entity;
40 however, in accordance with State law, and for purposes of the City Ethics law, the
41 individuals in these HACA positions are considered City officials.
- 42 12. "Person" includes any natural person, or business entity.

- 1 13. “RECUSE” MEANS FOR PURPOSES OF SECTION 2.08.040 (A)(2) TO
 2 DISQUALIFY AND REMOVE ONESELF FROM A PROCEEDING.
- 3 14. "Qualified relative" means spouse, siblings, parents, children, and their spouses.
- 4 15. “QUASI-GOVERNMENTAL ENTITY” MEANS AN ENTITY THAT IS
 5 CREATED BY STATE STATUTE, THAT PERFORMS A PUBLIC FUNCTION,
 6 AND THAT IS SUPPORTED IN WHOLE OR IN PART BY THE STATE BUT
 7 IS MANAGED PRIVATELY.
- 8 16. "Immediate family" means a spouse and dependent children, and anyone else living
 9 in an official's residence.

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11 **Section 2.08.040 - Prohibited conduct and interests.**

12 A. Participation prohibitions

- 13 1. Except as permitted by commission regulation or opinion, an official or employee
 14 may not participate in:
- 15 a. Except in the exercise of an administrative or ministerial duty that does not
 16 affect the disposition or decision of the matter, any matter in which, to the
 17 knowledge of the official or employee, the official or employee or a qualified
 18 relative of the official or employee has an interest.
- 19 b. Except in the exercise of an administrative or ministerial duty that does not
 20 affect the disposition or decision with respect to the matter any matter in which
 21 any of the following is a party:
- 22 (1)i. A business entity in which the official or employee has a direct financial
 23 interest of which the official or employee may reasonably be expected to
 24 know;
- 25 (2)ii. A business entity for which the official, employee, or a qualified relative
 26 of the official or employee is an officer, director, trustee, partner, or
 27 employee;
- 28 (3)iii. A business entity with which the official or employee or, to the
 29 knowledge of the official or employee, a qualified relative is negotiating
 30 employment or has any arrangement concerning prospective employment;
- 31 (4)iv. If the contract reasonably could be expected to result in a conflict
 32 between the private interests of the official or employee and the official
 33 duties of the official or employee, a business entity that is a party to an
 34 existing contract with the official or employee, or which, to the knowledge
 35 of the official or employee, is a party to a contract with a qualified
 36 relative;
- 37 (5)v. An entity, doing business with the City in which a direct financial interest
 38 is owned by another entity in which the official or employee has a direct
 39 financial interest, if the official or employee may be reasonably expected
 40 to know of both direct financial interests; or

1 ~~(6)~~vi. A business entity that:

2 ~~I.~~(1) The official or employee knows is a creditor or obligee of the
3 official or employee or a qualified relative of the official or
4 employee with respect to a thing of economic value; and

5 ~~II.~~(2) As a creditor or obligee is in a position to directly and
6 substantially affect the interest of the official or employee or a
7 qualified relative of the official or employee.

8 2. EXCEPT AS PERMITTED UNDER 2.08.040 (A) (3), A PERSON WHO IS
9 DISQUALIFIED FROM PARTICIPATING UNDER PARAGRAPH A.1 SHALL
10 RECUSE THEMSELVES.

11 ~~23.~~ A person who is disqualified from participating under paragraph A.1. of this
12 subsection shall disclose the nature and circumstances of the conflict and may
13 participate or act if:

14 a. The disqualification leaves a body with less than a quorum capable of acting;

15 b. The disqualified official or employee is required by law to act; or

16 c. The disqualified official or employee is the only person authorized to act.

17 ~~34.~~ A regulated lobbyist who serves on a board or commission and is disqualified from
18 participating in a specific matter because of a conflict of interest, shall file a
19 statement of recusal with the board or commission describing the circumstances of
20 the conflict which shall be recorded in the minutes of the meeting.

21 ~~45.~~ A former regulated lobbyist who becomes a public official or employee may not
22 participate in a case, contract, or other specific matter as a public official or
23 employee for one calendar year after the termination of the registration of the
24 former regulated lobbyist if the former regulated lobbyist previously assisted or
25 represented another party for compensation in the matter. This subparagraph does
26 not apply to an individual who is a public official or a member of a board or
27 commission.

28 ~~56.~~ The prohibitions of paragraph 1. of this subsection do not apply if participation is
29 allowed by regulation or opinion of the Commission.

30 B. Employment and financial interest restrictions.

31 1. Except as permitted by regulation of the Commission when the interest is disclosed
32 or when the employment does not create a conflict of interest or appearance of
33 conflict, an official or employee may not:

34 a. Be employed by or have a financial interest in any entity:

35 ~~(1)~~i. Subject to the authority of the official or employee or the City agency,
36 board, or commission with which the official or employee is affiliated; or

37 ~~(2)~~ii. That is negotiating or has entered a contract with the agency, board, or
38 commission with which the official or employee is affiliated; or

39 b. Hold any other employment relationship that would impair the impartiality or
40 independence of judgment of the official or employee.

41 2. The prohibitions of paragraph 1. of the subsection do not apply to:

- 1 a. An official or employee who is appointed to a regulatory or licensing authority
2 pursuant to a statutory requirement that persons subject to the jurisdiction of
3 the authority be represented in appointments to the authority;
 - 4 b. Subject to other provisions of law, a member of a board or commission in
5 regard to a financial interest or employment held at the time of appointment,
6 provided the financial interest or employment is publicly disclosed to the
7 appointing authority and the Commission;
 - 8 c. An official or employee whose duties are ministerial, if the private
9 employment or financial interest does not create a conflict of interest or the
10 appearance of a conflict of interest, as permitted and in accordance with
11 regulations adopted by the Commission; or
 - 12 d. Employment or financial interests allowed by regulation of the Commission if
13 the employment does not create a conflict of interest or the appearance of a
14 conflict of interest or the financial interest is disclosed.
- 15 C. Post-employment limitations and restrictions.
- 16 1. A former official or employee may not assist or represent any party other than the
17 City in a case, contract, or other specific matter involving the City, for
18 compensation, if that matter is one in which the former official or employee
19 significantly participated as an official or employee.
 - 20 2. For a period of one year after an elected official leaves office, the former official
21 may not assist or represent another party, for compensation, in a matter that is the
22 subject of legislative action.
- 23 D. Contingent compensation. Except in a judicial or quasi-judicial proceeding, an official or
24 employee may not assist or represent a party for contingent compensation in any matter
25 before or involving the City.
- 26 E. Use of prestige of office.
- 27 1. An official or employee may not intentionally use the prestige of office or public
28 position:
 - 29 ~~(a)~~a. For the private gain of that official or employee or the private gain of another;
30 or
 - 31 ~~(b)~~b. To influence, except as part of the official duties of the official or
32 employee as a usual and customary constituent service without additional
33 compensation, the award of a local contract to a specific person.
 - 34 2. This subsection does not prohibit the performance of usual and customary
35 constituent services by an elected official without additional compensation.
- 36 F. Solicitation and acceptance of gifts.
- 37 1. An official or employee may not solicit any gift.
 - 38 2. An official or employee may not directly solicit or facilitate the solicitation of a
39 gift, on behalf of another person, from an individual regulated lobbyist.

- 1 3. An official or employee may not knowingly accept a gift, directly or indirectly,
2 from a person that the official or employee knows or has reason to know:
- 3 a. Is doing business with or seeking to do business with the City office, agency,
4 board, or commission with which the official or employee is affiliated;
- 5 b. Has financial interests that may be substantially and materially affected, in a
6 manner distinguishable from the public generally, by the performance or
7 nonperformance of the official duties of the official or employee;
- 8 c. Is engaged in an activity regulated or controlled by the official's or employee's
9 governmental unit; or
- 10 d. Is a lobbyist with respect to matters within the jurisdiction of the official or
11 employee.
- 12 e. IS AN ASSOCIATION, OR ANY ENTITY ACTING ON BEHALF OF AN
13 ASSOCIATION THAT IS ENGAGED ONLY IN REPRESENTING
14 COUNTIES OR MUNICIPAL CORPORATIONS.
- 15 4. Acceptable gifts.
- 16 a. This paragraph does not apply to a gift:
- 17 ~~(1)~~i. That would tend to impair the impartiality and the independence of
18 judgment of the official or employee receiving the gift;
- 19 ~~(2)~~ii. Of significant value that would give the appearance of impairing the
20 impartiality and independence of judgment of the official or employee; or
- 21 ~~(3)~~iii. Of significant value that the recipient official or employee believes or has
22 reason to believe is designed to impair the impartiality and independence
23 of judgment of the official or employee.
- 24 b. Notwithstanding paragraph 3. of this subsection, an official or employee may
25 accept the following:
- 26 ~~(1)~~i. Meals and beverages costing less than ~~thirty-five dollars~~ \$45 from any one
27 person in the calendar year if consumed in the presence of the donor or
28 sponsoring entity;
- 29 ~~(2)~~ii. Ceremonial gifts or awards that have insignificant monetary value;
- 30 ~~(3)~~iii. Unsolicited gifts of nominal value that do not exceed ~~twenty dollars~~ \$25
31 \$20 in cost or trivial items of informational value;
- 32 ~~(4)~~iv. Reasonable expenses for food, travel, lodging, and scheduled
33 entertainment of the official or the employee at a meeting which is given
34 in return for the participation of the official or employee in a panel or
35 speaking engagement at the meeting;
- 36 ~~(5)~~v. Gifts of tickets or free admission extended to an elected official to attend
37 a charitable, cultural, or political event (acceptance of tickets to
38 professional or intercollegiate sporting events is prohibited unless
39 provided by a government official, agency, or entity thereof), if the

1 purpose of this gift or admission is a courtesy or ceremony extended to the
2 elected official's office;

3 ~~(6)~~vi. A specific gift or class of gifts that the commission exempts from the
4 operation of this subsection upon a finding, in writing, that acceptance of
5 the gift or class of gifts would not be detrimental to the impartial conduct
6 of the business of the City and that the gift is purely personal and private
7 in nature;

8 ~~(7)~~vii. Gifts from a person related to the official or employee by blood or
9 marriage, or any other individual who is a member of the household of the
10 official or employee; or

11 ~~(8)~~viii. Honoraria for speaking to or participating in a meeting, provided that the
12 offering of the honorarium is in no way related to the official's or
13 employee's official position.

14 G. Disclosure of confidential information. Other than in the discharge of official duties, an
15 official or employee OR FORMER OFFICIAL OR EMPLOYEE may not disclose or use
16 confidential information, that the official or employee acquired by reason of the official's or
17 employee's public position OR FORMER PUBLIC POSITION and that is not available to
18 the public, for the economic benefit of the official or employee or that of another person.

19 H. Participation in procurement.

- 20 1. An individual or a person that employs an individual who assists a City agency or
21 unit in the drafting of specifications, an invitation for bids, or a request for
22 proposals for a procurement may not submit a bid or proposal for that procurement,
23 or assist or represent another person, directly or indirectly, who is submitting a bid
24 or proposal for the procurement.
- 25 2. The Commission may establish exemptions from the requirements of this section
26 for providing descriptive literature, sole source procurements, and written
27 comments solicited by the procuring agency.

28
29 **Section 2.08.050 Financial disclosure for elected officials and candidates for elected office.**

30 A. This section applies to all elected officials and candidates for elected office:

31 B. Except as provided in subsection D. of this section, an elected official or a candidate to be
32 an elected official shall file with the Commission the financial disclosure statement required
33 under this subsection:

- 34 1. On a form provided by the Commission; and
- 35 2. Under oath or affirmation.

36 C. Deadlines for filing statements.

- 37 1. An incumbent official shall file a financial disclosure statement annually no later
38 than January 31 of each year for the preceding calendar year.

1 2. An official who is appointed to fill a vacancy in an office for which a financial
2 disclosure statement is required and who has not already filed a financial disclosure
3 statement shall file a statement for the preceding calendar year within thirty days
4 after appointment.

5 3. Officials leaving office.

6 a. An individual who, other than by reason of death, leaves an office for which a
7 statement is required shall file a statement within sixty days after leaving the
8 office.

9 b. The statement shall cover:

10 ~~(1)~~i. The calendar year immediately preceding the year in which the individual
11 left office, unless a statement covering that year has already been filed by
12 the individual; and

13 ~~(2)~~ii. The portion of the current calendar year during which the individual held
14 the office.

15 D. Candidates to be elected officials.

16 1. Except for an official who has filed a financial disclosure statement under another
17 provision of this section for the reporting period, a candidate to be an elected
18 official shall file a financial disclosure statement each year beginning with the year
19 in which the certificate of candidacy is filed through the year of the election.

20 2. A candidate to be an elected official shall file a statement required under this
21 section:

22 a. In the year the certificate of candidacy is filed, no later than the filing of the
23 certificate of candidacy;

24 b. In the year of the election, on or before the earlier of April 30 or the last day
25 for the withdrawal of candidacy; and

26 c. In all other years for which a statement is required, on or before April 30.

27 3. A candidate to be an elected official:

28 a. May file the statement required under Subsection D.2.a. of this section with the
29 City Clerk or Board of Election supervisors with the certificate of candidacy or
30 with the Commission prior to filing the certificate of candidacy; and

31 b. Shall file the statements required under Subsection D.2.b. and D.2.c. of this
32 section with the Commission.

33 4. If a candidate fails to file a statement required by this section after written notice is
34 provided by the City Clerk or Board of Election Supervisors at least twenty days
35 before the last day for the withdrawal of candidacy, the candidate is deemed to
36 have withdrawn the candidacy.

37 5. The City Clerk or Board of Election Supervisors may not accept any certificate of
38 candidacy unless a statement required under this section has been filed in proper
39 form.

- 1 6. Within thirty days after receipt of a statement required under this section, the City
2 Clerk or Board of Election Supervisors shall forward the statement to the
3 Commission.

4 E. Public record.

- 5 1. The Office of Law shall maintain all financial disclosure statements filed under this
6 section.

- 7 2. The Office of Law shall make financial disclosure statements available during
8 normal office hours for examination by the public.

- 9 3. If an individual examines a financial disclosure statement, the Office of Law shall:

10 a. Redact any portion of a statement, filed after January 1, 2019, that includes the
11 home address of the person whose financial disclosure statement was
12 examined;

13 b. Record the name and address of the individual reviewing the statement;

14 c. Record the name of the person whose financial disclosure statement was
15 examined; and

16 d. Notify the person whose financial disclosure statement was examined of the
17 information recorded in paragraph 3.b. above.

- 18 4. THE COMMISSION OR OFFICE DESIGNATED BY THE COMMISSION
19 SHALL NOT PROVIDE PUBLIC ACCESS TO INFORMATION RELATED TO
20 CONSIDERATION RECEIVED FROM:

21 a. THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM;

22 b. A GOVERNMENTAL ENTITY OF THE STATE OR A LOCAL
23 GOVERNMENT IN THE STATE; OR

24 c. A QUASI-GOVERNMENTAL ENTITY OF THE STATE OR
25 LOCALGOVERNMENT IN THE STATE.

- 26
27 F. Retention requirements. The Office of Law shall retain financial disclosure statements for
28 four years after the date of receipt.

29 G. Contents of statement.

- 30 1. Interests in real property.

31 a. A statement filed under this section shall include a schedule of all interests in
32 real property, wherever located.

33 b. For each interest in real property, the schedule shall include:

34 ~~(1)~~i. The nature of the property and the location by street address, mailing
35 address, or legal description of the property;

36 ~~(2)~~ii. The nature and extent of the interest held, including any conditions and
37 encumbrances on the interest;

~~d. AN INDIVIDUAL WHO IS REQUIRED TO DISCLOSE THE NAME OF A BUSINESS UNDER THIS SECTION SHALL DISCLOSE ANY OTHER NAMES THAT THE BUSINESS IS TRADING AS OR DOING BUSINESS AS.~~

3. Interests in business entities doing business with the City.

a. A statement filed under this section shall include a schedule of all interests in any business entity that does business with the City, other than interests reported under paragraph 2. of this subsection.

b. For each interest reported under this paragraph, the schedule shall include:

~~(1)~~i. The name and address of the principal office of the business entity;

~~(2)~~ii. The nature and amount of the interest held, including any conditions to and encumbrances on the interest;

~~(3)~~iii. With respect to any interest transferred, in whole or in part and at any time during the reporting period, a description of the interest transferred, the nature and amount of the consideration received in exchange for the interest, and, if known, the identity of the person to whom the interest was transferred; and

~~(4)~~iv. With respect to any interest acquired during the reporting period:

~~(1)~~The date when, the manner in which, and the identity of the person from whom the interest was acquired; and

~~(2)~~The nature and the amount of the consideration given in exchange for the interest or, if acquired other than by purchase, the fair market value of the interest at the time acquired.

4. Gifts.

a. A statement filed under this section shall include a schedule of each gift in excess of ~~twenty dollars~~ ~~\$25~~ ~~\$20~~ in value or a series of gifts totaling ~~one hundred dollars~~ ~~\$100~~ or more received during the reporting period from or on behalf of, directly or indirectly, any person who does business with the City OR FROM AN ASSOCIATION, OR ANY ENTITY ACTING ON BEHALF OF AN ASSOCIATION THAT IS ENGAGED ONLY IN REPRESENTING COUNTIES OR MUNICIPAL CORPORATIONS.

b. For each gift reported, the schedule shall include:

~~(1)~~i. A description of the nature and value of the gift; and

~~(2)~~ii. The identity of the person from whom, or on behalf of whom, directly or indirectly, the gift was received.

5. Employment with or interests in entities doing business with City.

a. A statement filed under this section shall include a schedule of all offices, directorships, and salaried employment by the individual or member of the

1 immediate family of the individual held at any time during the reporting period
2 with entities doing business with the City.

3 b. For each position reported under this paragraph, the schedule shall include:

4 ~~(1)~~i. The name and address of the principal office of the business entity;

5 ~~(2)~~ii. The title and nature of the office, directorship, or salaried employment
6 held and the date it commenced; and

7 ~~(3)~~iii. The name of each City agency with which the entity is involved as
8 indicated by identifying one or more of the three categories of "doing
9 business," as defined in Section 2.08.020 A.4. of this chapter.

10 6. Indebtedness to entities doing business with City.

11 a. A statement filed under this section shall include a schedule of all liabilities,
12 excluding retail credit accounts, to persons doing business with the City owed
13 at any time during the reporting period:

14 ~~(1)~~i. By the individual; or

15 ~~(2)~~ii. By a member of the immediate family of the individual if the individual
16 was involved in the transaction giving rise to the liability.

17 b. For each liability reported under this paragraph, the schedule shall include:

18 ~~(1)~~i. The identity of the person to whom the liability was owed and the date the
19 liability was incurred;

20 ~~(2)~~ii. The amount of the liability owed as of the end of the reporting period;

21 ~~(3)~~iii. The terms of payment of the liability and the extent to which the
22 principal amount of the liability was increased or reduced during the year;
23 and

24 ~~(4)~~iv. The security given, if any, for the liability.

25 7. Employment with the City. A statement filed under this section shall include a
26 schedule of the immediate family members of the elected official or candidate for
27 elected office in any capacity at any time during the reporting period.

28 8. Sources of earned income.

29 a. A statement filed under this section shall include a schedule of the name and
30 address of each place of employment and of each business entity of which the
31 individual or a member of the individual's immediate family was a sole or
32 partial owner and from which the individual or member of the individual's
33 immediate family received earned income, at any time during the reporting
34 period.

35 b. A minor child's employment or business ownership need not be disclosed if the
36 agency that employs the individual does not regulate, exercise authority over,
37 or contract with the place of employment or business entity of the minor child.

1 9. A statement filed under this section may also include a schedule of additional
2 interests or information that the individual making the statement wishes to disclose.

3 10. RELATIONSHIP WITH THE UNIVERSITY OF MARYLAND MEDICAL
4 SYSTEM, STATE OR LOCAL GOVERNMENT, OR QUASI-
5 GOVERNMENTAL ENTITY.

6 a. AN INDIVIDUAL SHALL DISCLOSE THE INFORMATION SPECIFIED IN
7 GENERAL PROVISIONS ARTICLE §5- 607(J)(1), ANNOTATED CODE OF
8 MARYLAND, FOR ANY FINANCIAL OR CONTRACTUAL
9 RELATIONSHIP WITH:

10 i. THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM;

11 ii. A GOVERNMENTAL ENTITY OF THE STATE OR A LOCAL
12 GOVERNMENT IN THE STATE; OR

13 iii. A QUASI-GOVERNMENTAL ENTITY OF THE STATE OR LOCAL
14 GOVERNMENT IN THE STATE.

15 b. FOR EACH FINANCIAL OR CONTRACTUAL RELATIONSHIP REPORTED,
16 THE SCHEDULE SHALL INCLUDE:

17 i. A DESCRIPTION OF THE RELATIONSHIP;

18 ii. THE SUBJECT MATTER OF THE RELATIONSHIP; AND

19 iii. THE CONSIDERATION.

20 11. AN INDIVIDUAL WHO IS REQUIRED TO DISCLOSE THE NAME OF A
21 BUSINESS UNDER THIS SECTION SHALL DISCLOSE ANY OTHER
22 NAMES THAT THE BUSINESS IS TRADING AS OR DOING BUSINESS AS.

23
24 H. For purposes of Section 2.08.050 G.1., 2., and 3. of this chapter, the following interests are
25 considered to be the interests of the individual making the statement:

26 1. An interest held by a member of the individual's immediate family if the interest, at
27 any time during the reporting period, was directly or indirectly controlled by the
28 individual.

29 2. ~~An interest held by a business entity in which the individual held a thirty percent or~~
30 ~~greater interest at any time during the reporting period.~~

31 AN INTEREST HELD, AT ANY TIME DURING THE APPLICABLE PERIOD,
32 BY:

33 a. A BUSINESS ENTITY IN WHICH THE INDIVIDUAL HELD A (10)% OR
34 GREATER INTEREST;

35 b. A BUSINESS ENTITY DESCRIBED IN SECTION (a.) OF THIS
36 SUBSECTION IN WHICH THE BUSINESS ENTITY HELD A 25% OR
37 GREATER INTEREST;

1 c. A BUSINESS ENTITY DESCRIBED IN SECTION (b.) OF THIS
2 SUBSECTION IN WHICH THE BUSINESS ENTITY HELD A 50% OR
3 GREATER INTEREST; AND

4 d. A BUSINESS ENTITY IN WHICH THE INDIVIDUAL DIRECTLY OR
5 INDIRECTLY, THROUGH AN INTEREST IN ONE OR A
6 COMBINATION OF OTHER BUSINESS ENTITIES, HOLDS A 10% OR
7 GREATER INTEREST.

8 3. AN INTEREST HELD BY A TRUST OR AN ESTATE IN WHICH, AT ANY
9 TIME DURING THE REPORTING PERIOD:

10 a. THE INDIVIDUAL HELD A REVERSIONARY INTEREST OR WAS A
11 BENEFICIARY; OR

12 b. IF A REVOCABLE TRUST, THE INDIVIDUAL WAS A SETTLOR.

13 I. The Commission shall review the financial disclosure statements submitted under this
14 section for compliance with the provisions of this section and shall notify an individual
15 submitting the statement of any omissions or deficiencies.

16 J. The Commission may take appropriate enforcement action to ensure compliance with this
17 section.

18
19 **Section 2.08.051 - Financial disclosure for employees and appointed officials.**

20 A. This section applies to the following employees and appointed officials:

- 21 1. The City Manager, the City Attorney, all department directors and deputies, and all
22 members of the exempt service,
- 23 2. Members of the Board of Commissioners of the Housing Authority of the City of
24 Annapolis (HACA), the Executive Director of HACA, and the Deputy Director(s)
25 of HACA,
- 26 3. Inspectors and investigators who enforce the City Code, City Procurement Officers
27 and their purchasing staff, and members of the following quasi-judicial boards and
28 commissions: the Board of Appeals, the Civil Service Board, the Building Board of
29 Appeals, the Historic Preservation Commission, the Planning Commission, the
30 Board of Supervisors of Elections, the Ethics Commission, Port Wardens, and the
31 Police and Fire Retirement Plan Commission,
- 32 4. All other City officials, employees, contract employees, or temporary employees
33 over pay grade 15, F15 (Fire Department), and P15 (Police Department), or who
34 have authority to award or recommend the award of contracts or grants, or who
35 provide advice or counsel to the City on matters pertaining to public policy or
36 acquisition, and
- 37 5. Members and employees of the quasi-judicial Alcoholic Beverage Control Board
38 are exempt from this section but shall file financial disclosure statements with the
39 State Ethics Commission in accordance with Maryland Public Ethics Law.

- 1 B. Financial disclosure statements filed under this section shall be filed with the Commission
2 under oath or affirmation.
- 3 C. Employees and appointed officials included in paragraph A. above shall file a financial
4 disclosure statement annually no later than January 31 of each year for the preceding
5 calendar year. For new employees and appointed officials included in paragraph A. that
6 have not already filed a financial disclosure statement, the employees and appointed
7 officials shall file a financial disclosure statement no later than fifteen days after
8 commencing employment or service pursuant to their appointment or within fifteen days of
9 the enactment of this ordinance.
- 10 D. The Office of Law shall:
- 11 1. Maintain all disclosure statements filed under this section as public records
12 available for public inspection and copying as provided in Section 2.08.050 E. of
13 this chapter.
- 14 2. Retain financial disclosure statements filed under this section as provided in
15 Section 2.08.050 F. of this chapter.
- 16 E. Contents of statement.
- 17 1. Interests in real property.
- 18 a. A statement filed under this section shall include a schedule of all interests in
19 real property located in the State of Maryland.
- 20 b. For each interest in real property, the schedule shall include:
- 21 ~~(1)~~i. The nature of the property and the location by street address and a
22 description of the property;
- 23 ~~(2)~~ii. The nature and extent of the interest held, including any conditions and
24 encumbrances on the interest;
- 25 ~~(3)~~iii. The date when, the manner in which, and the identity of the person from
26 whom the interest was acquired;
- 27 ~~(4)~~iv. The identity of any other person with an interest in the property.
- 28 2. Interests in corporations and partnerships.
- 29 a. A statement filed under this section shall include a schedule of all interests in
30 any corporation, partnership, limited liability partnership, or limited liability
31 corporation, regardless of whether the corporation or partnership does business
32 with the City. Interests in mutual funds are not reportable.
- 33 b. For each interest reported under this paragraph, the schedule shall include the
34 name of the corporation, partnership, limited liability partnership, or limited
35 liability corporation.
- 36 3. Gifts.
- 37 a. A statement filed under this section shall include a schedule of each gift in
38 excess of ~~twenty dollars~~\$25~~\$20~~ in value or a series of gifts totaling ~~one~~
39 ~~hundred dollars~~\$100 or more received during the reporting period from or on

1 behalf of, directly or indirectly, any one person who does business with the
2 City.

3 b. For each gift reported, the schedule shall include:

4 (1)i. A description of the nature and value of the gift; and

5 (2)ii. The identity of the person from whom, or on behalf of whom, directly or
6 indirectly, the gift was received.

7 4. Employment with or interests in entities doing business with the City.

8 ~~a. —(1)i. A statement filed under this section shall include a schedule of all offices,~~
9 ~~directorships, and salaried employment by the individual or member of the~~
10 ~~immediate family of the individual held at any time during the reporting~~
11 ~~period with entities doing business with the City; and~~

12 ~~(2)ii. For a statement filed on or after January 1, 2019, if the individual's spouse~~
13 ~~is a regulated lobbyist, shall include a schedule of all entities that engaged~~
14 ~~the spouse for lobbying purposes.~~

15 b. For each position reported under this paragraph, the schedule shall include:

16 (1)i. The name and address of the principal office of the business entity;

17 (2)ii. The title and nature of the office, directorship, or salaried employment
18 held and the date it commenced; and

19 (3)iii. The name of each City agency with which the entity is involved as
20 indicated by identifying one or more of the three categories of "doing
21 business", as defined in Section 2.08.020 A.4. of this chapter.

22 5. ~~?~~Indebtedness to entities doing business with City.

23 a. A statement filed under this section shall include a schedule of all liabilities,
24 excluding retail credit accounts, to persons doing business with the City owed
25 at any time during the reporting period:

26 (1)i. By the individual; or

27 (2)ii. By a member of the immediate family of the individual if the individual
28 was involved in the transaction giving rise to the liability.

29 b. For each liability reported under this paragraph, the schedule shall include:

30 (1)i. The identity of the person to whom the liability was owed and the date the
31 liability was incurred;

32 (2)ii. The amount of the liability owed as of the end of the reporting period;

33 (3)iii. The terms of payment of the liability and the extent to which the
34 principal amount of the liability was increased or reduced during the year;
35 and

36 (4)iv. The security given, if any, for the liability.

1 6. Employment with City. A statement filed under this section shall include a
2 schedule of the immediate family members of the individual employed by the City
3 in any capacity at any time during the reporting period.

4 7. Sources of earned income.

5 a. ~~(1)~~i. A statement filed under this section shall include a schedule of the name
6 and address of each place of employment and of each business entity of
7 which the individual or a member of the individual's immediate family
8 was a sole or partial owner and from which the individual or member of
9 the individual's immediate family received earned income, at any time
10 during the reporting period; and

11 ~~(2)~~ii. For a statement filed on or after January 1, 2019, if the individual's spouse
12 is a regulated lobbyist, shall include a schedule of all entities that engaged
13 the spouse for lobbying purposes.

14 b. A minor child's employment or business ownership need not be disclosed if the
15 agency that employs the individual does not regulate, exercise authority over,
16 or contract with the place of employment or business entity of the minor child.

17 8. A statement filed under this section may also include a schedule of additional
18 interests or information that the individual making the statement wishes to disclose.

19 F. For the purposes Section 2.08.051 E.1. and 2. of this chapter, the following interests are
20 considered to be the interests of the individual making the statement:

21 1. An interest held by a member of the individual's immediate family if the interest
22 was, at any time during the reporting period, directly or indirectly controlled by the
23 individual.

24 2. An interest held by a business entity in which the individual held a ~~thirty-~~
25 ~~percent~~30% or greater interest at any time during the reporting period.

26 3. An interest held by a trust or an estate in which, at any time during the reporting
27 period:

28 a. The individual held a reversionary interest or was a beneficiary; or

29 b. If a revocable trust, the individual was a settlor.

30 G. The Commission shall review the financial disclosure statements submitted under this
31 section for compliance with the provisions of this section and shall notify an individual
32 submitting the statement of any omissions or deficiencies.

33 H. The Commission may take appropriate enforcement action to ensure compliance with this
34 section.

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36 **Section 2.08.052 - Reserved RETALIATION.**

37 AN OFFICIAL OR EMPLOYEE MAY NOT RETALIATE AGAINST AN
38 INDIVIDUAL FOR REPORTING OR PARTICIPATING IN AN INVESTIGATION OF
39 A POTENTIAL VIOLATION OF THE LOCAL ETHICS LAW OR ORDINANCE.

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Section 2.08.090 - Exemptions and modifications.

The Commission may grant exemptions and modifications to the provisions of Sections 2.08.040, Prohibited Conduct and Interests; 2.08.051, Financial Disclosure for Employees and Appointed Officials; and 2.08.052, Financial Disclosure for the Housing Authority of the City of Annapolis, of this chapter when the Commission finds that an exemption or modification would not be contrary to the purposes of this chapter, and the application of this chapter would:

- A1. Constitute an unreasonable invasion of privacy; and
- B2. Significantly reduce the availability of qualified persons for public service.

Section 2.08.110 - Complaint procedure.

~~Complaints shall be filed within six months of the alleged violation or the discovery of the alleged violation. Complaints to the Commission shall be written and may be referred by the Commission to the City Attorney or other legal counsel, if appropriate, for investigation. All complaints shall be signed under oath in the form of general knowledge: "I solemnly affirm under the penalties of perjury that the contents of the foregoing complaint are true to the best of my knowledge, information, and belief." If after conducting an investigation or receiving an investigative report, the Commission determines that there are insufficient facts upon which to base a determination of a violation, it may dismiss the complaint. If there is a reasonable basis for believing a violation has occurred then the parties to the complaint shall be afforded an opportunity for a hearing before the commission. Any final determination resulting from the hearing shall include findings of fact and conclusions of law. Upon finding of a violation, the Commission may take any enforcement action provided for in accordance with Section 2.08.100 of this chapter. After a complaint is filed and until a final determination is made by the Commission, all actions regarding a complaint shall be treated confidentially. If a finding of violation is made, the final determination will be made public and posted on the City's web site.~~

- A. Complaints shall be filed within six months of the alleged violation or the discovery of the alleged violation.
- B. Complaints to the Commission shall be written and may be referred by the Commission to the City Attorney or other legal counsel, if appropriate, for investigation.
- C. All complaints shall be signed under oath in the form of general knowledge: "I solemnly affirm under the penalties of perjury that the contents of the foregoing complaint are true to the best of my knowledge, information, and belief."
- D. If after conducting an investigation or receiving an investigative report, the Commission determines that there are insufficient facts upon which to base a determination of a violation, it may dismiss the complaint.
- E. If there is a reasonable basis for believing a violation has occurred then the ~~parties to the complaint~~ RESPONDENT shall be afforded an opportunity for a hearing before the ~~commission~~.

- 1 F. Any final determination ~~resulting from the hearing~~ shall include findings of fact and
2 conclusions of law.
- 3 G. Upon finding of a violation, the Commission may take any enforcement action provided
4 for in accordance with Section 2.08.100 of this chapter.
- 5 H. After a complaint is filed and until a final determination is made by the Commission, all
6 actions regarding a complaint shall be treated confidentially.
- 7 I. If a finding of violation is made, the final determination will be made public and posted on
8 the City's web site.

9

10 **SECTION II: AND BE IT FURTHER ESTABLISHED AND ORDAINED BY THE**
11 **ANNAPOLIS CITY COUNCIL** that this ordinance shall take effect from the date of its
12 passage.

13 **Explanation:**

14 UPPERCASE indicates matter added to existing law.
15 ~~Strikethrough~~ indicates matter stricken from existing law.
16 Underlining indicates code changes
17 Underlining & red indicates amendment to bill
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