

1 **..Title**  
2 **Financial Disclosure for Employees and Appointed Officials** – For the purpose of  
3 requiring certain City of Annapolis employees and appointed officials to file a financial  
4 disclosure statement with the Ethics Commission 15 days after commencing  
5 employment or service pursuant to their appointment; requiring employees or appointed  
6 officials who provide advice or counsel to the City on acquisitions or public policy matters  
7 to file a financial disclosure statement with the Ethics Commission; and making the  
8 changes necessary to the City Code in order to comply with the State of Maryland ethics  
9 requirements.

10 **..Body**

11 **CITY COUNCIL OF THE**  
12 **City of Annapolis**

13  
14 **Ordinance 23-14**

15  
16 **Introduced by: Alderwoman Finlayson, Alderwoman Pindell-Charles, and**  
17 **Alderman Littmann**

18  
19 **Referred to**  
20 **Rules and City Government**

21  
22 **A ORDINANCE** concerning

23 **Financial Disclosure for Employees and Appointed Officials**

24 **FOR** the purpose of requiring certain City of Annapolis employees and appointed  
25 officials to file a financial disclosure statement with the Ethics Commission no  
26 later than 15 days after commencing employment or service pursuant to their  
27 appointment OR WITHIN 15 DAYS OF THE ENACTMENT OF THIS  
28 ORDINANCE; requiring employees or appointed officials who provide advice or  
29 counsel to the City on acquisitions or public policy matters to file a financial  
30 disclosure statement with the Ethics Commission; and making the changes  
31 necessary to the City Code in order to comply with the State of Maryland ethics  
32 requirements.

33 **BY** repealing and re-enacting with amendments the following portions of the Code of  
34 the City of Annapolis, 2012 Edition  
35 Section 2.08.030  
36 Section 2.08.051  
37 Section 2.08.090

38  
39 **SECTION I: BE IT ESTABLISHED AND ORDAINED BY THE ANNAPOLIS**  
40 **CITY COUNCIL** that the Code of the City of Annapolis shall be amended to read as  
41 follows:

1 **Chapter 2.08 PUBLIC ETHICS AND FINANCIAL DISCLOSURE**

2 **2.08.010 Purpose and policy.**

3 A. Purpose. The purpose of this chapter is to set minimum standards for the conduct of  
4 Annapolis government business and to assure the citizens of the City that they may  
5 have the highest trust in their public officials and employees and that the impartiality  
6 and independent judgment of their public officials and employees will be maintained  
7 without improper or even the appearance of improper influence. To guard against  
8 improper influence it is required that all City officials and employees maintain the  
9 highest ethical standards in conducting City business and that select city officials  
10 and employees disclose their financial affairs as provided in Sections 2.08.050,  
11 2.08.051, and 2.08.052

12 B. Policy. It is the policy of the City Council that officials and employees be  
13 independent, impartial, and responsive to the public whom they represent and  
14 serve; that public office or position not be used to advance personal gain; and that  
15 lobbyist actions shall not present a conflict of interest or interfere with the duties of  
16 officials and employees. recognizing these principles, the City Council declares that  
17 it is the policy of the City, in enacting these provisions, that:

- 18 1. Officials and employees shall not engage in any business or transaction or  
19 have a financial interest, direct or indirect, which is incompatible with the proper  
20 discharge of their duties or would appear to impair independence of judgment  
21 or action in the performance of their duties.
- 22 2. Elected and designated officials and employees, and candidates for public  
23 office, shall disclose fully their financial interests in order to ensure that such  
24 interests present no conflict with their duties.
- 25 3. Officials and employees shall not engage in any activity or participate in any  
26 transaction which would create, or appear to create, a conflict of interest in the  
27 exercise of their public or official duties.
- 28 4. Persons who seek to influence officials, agencies or employees in the  
29 performance of their official duties have an obligation to register with the City as  
30 lobbyists and to disclose information as to their lobbying activities to assure  
31 their conduct does not result in a conflict of interest or interfere with the duties  
32 of officials and employees.

33 **2.08.020 Definitions.**

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

- 36 1. "Business entity" means a corporation, limited liability company, general or  
37 limited partnership, sole proprietorship, joint venture, unincorporated  
38 association or firm, institution, trust, foundation, or other organization, whether  
39 or not operated for profit. "Business entity" does not include a governmental  
40 entity.
- 41 2. "Commission" means the City of Annapolis Ethics Commission as established  
42 in Section 2.08.030

- 1       3. "Compensation" means any money or thing of value, regardless of form,  
2       received or to be received by any individual covered by this chapter from an  
3       employer for service rendered. For the purposes of Section 2.08.070 of this  
4       chapter, if lobbying is only a portion of a person's employment, "compensation"  
5       means a prorated amount based on the time devoted to lobbying compared to  
6       the time devoted to other employment duties.
- 7       4. "Doing business with" means:
  - 8       a. Having or negotiating a contract that involves the commitment (either in a  
9       single or combination of transactions) of one thousand dollars or more of  
10       City controlled funds; or
  - 11       b. Being regulated by or otherwise under the authority of the City; or
  - 12       c. Being registered as a lobbyist in accordance with Section 2.08.070 of this  
13       chapter.
- 14       5. "Elected official" includes the Mayor and members of the City Council.
- 15       6. "Employee" means an individual who is employed by City of Annapolis.  
16       "Employee" does not include an elected official.
- 17       7. "Financial interest" means:
  - 18       a. Ownership of any interest as the result of which the owner has received,  
19       within the past three years, or is presently receiving, or in the future is  
20       entitled to receive, more than one thousand dollars per year any  
21       compensation; or
  - 22       b. Ownership, or the ownership of securities of any kind representing or  
23       convertible into ownership, of more than three percent of a business entity  
24       by a City official or employee, or the spouse of an official or employee.
- 25       8. "Gift" means the transfer of anything of economic value regardless of the form  
26       without adequate and lawful consideration, whether or not it relates to the  
27       performance of official duties. However, "gift" does not include the solicitation,  
28       acceptance or receipt of any campaign contributions regulated in accordance  
29       with any law pertaining to the conduct of elections or the receipt of political  
30       campaign contributions.
- 31       9. "Interest" means any legal or equitable economic interest, whether or not  
32       subject to an encumbrance or a condition, which was owned or held, in whole  
33       or in part, jointly or severally, directly or indirectly. for purposes of Section  
34       2.08.050 of this chapter, "interest" applies to any interests held at any time  
35       during the calendar year for which a required statement is to be filed. "Interest"  
36       does not include:
  - 37       a. An interest held in the capacity of a personal agent, representative  
38       custodian, fiduciary, or trustee, unless the holder has an equitable interest  
39       therein;
  - 40       b. An interest in a time or demand deposit in a financial institution;
  - 41       c. An interest in an insurance or endowment policy or annuity contract under  
42       which an insurance company promises to pay a fixed number of dollars  
43       either in a lump sum or periodically for life or some other specified period;

- 1           d. A common trust fund or a trust which forms part of a pension or profit  
2           sharing plan which has more than twenty-five participants and which has  
3           been determined by the internal revenue service to be a qualified trust  
4           under §§ 401 and 501 of the Internal Revenue Code of 1954; or
- 5           e. An interest in a City pension plan, City deferred compensation plan or a  
6           college savings plan under the Internal Revenue Code.
- 7           f. An interest in any mutual fund that is publicly traded on a national scale  
8           unless the mutual fund is composed primarily of holdings of stock and  
9           interests in a specific sector or area that is regulated by the City of  
10          Annapolis.
- 11         10. "Lobbyist" or "lobbying" means the person or act of communicating in the  
12          presence of a City official or employee with the intent to influence any official  
13          action of that official or employee; or the person or act of engaging in activities  
14          having the express purpose of soliciting others to communicate with a City  
15          official or employee with the intent to influence that official or employee; and  
16          who expends (exclusive of personal travel and subsistence) in excess of two  
17          hundred fifty dollars per calendar year on food, entertainment or gifts for any  
18          officials or employees of the City.
- 19         11. "Official" means an elected official, an employee of the City directly or by  
20          contract, or a person appointed to or employed by a City agency, board,  
21          commission, or similar entity whether or not paid in whole or in part with City  
22          funds and whether or not compensated.
- 23         12. "Person" includes any natural person, or business entity.
- 24         13. "Relative", "family", and "immediate family" include spouse, siblings, parents,  
25          children, and their spouses.

26         **2.08.030 Ethics Commission.**

- 27         A. Composition and appointment. The City Ethics Commission is composed of five City  
28          resident members who are nominated by the Mayor and confirmed by a majority  
29          vote of the City Council within thirty days of a nomination. Each member of the  
30          Commission shall serve for a term of one to five years from the date of confirmation  
31          so member terms are overlapping. No member of the commission shall be an  
32          elected or appointed official of the City, or any individual who is otherwise subject to  
33          the provisions of this section of the code. Upon occurrence of a vacancy on the  
34          Commission for any reason, the Mayor shall nominate an individual to fill that  
35          position for a term of up to five years. A Commission member may serve until re-  
36          appointed or a successor is appointed. Nothing herein shall preclude the nomination  
37          and confirmation of a member to serve successive terms.
- 38         B. The Commission shall elect a Chairman and Vice Chairman for one year terms from  
39          among its members. They must be elected annually in February and may be  
40          reelected. The Chairman shall provide the Mayor and City Council an annual report  
41          by January 31 for the prior calendar year.
- 42         C. Duties and responsibilities. The Commission shall be assisted in carrying out its  
43          duties and responsibilities by the City Attorney or, in situations where there is a  
44          potential conflict of interest, may use other legal counsel. The Ethics Commission  
45          has the following duties and responsibilities:

- 1 1. To develop all forms required by this Chapter. Completed copies of such forms  
2 shall be reviewed by the Commission for compliance with this chapter and  
3 retained by the City Attorney's office;
- 4 2. To receive and respond to written requests from any person who is subject to or  
5 who may be subject to the provisions of this chapter for an opinion, assistance,  
6 or guidance in interpreting the requirements of this chapter. Advisory opinions  
7 may also be provided in response to questions from any person interested in  
8 maintaining high ethical standards of conduct within the City government. Such  
9 advisory opinions of the Ethics Commission shall be provided in a timely  
10 manner in writing with a copy filed in the City Attorney's office. Extracts from or  
11 summaries of advisory opinions may be made public at the discretion of the  
12 Ethics Commission. The Commission shall redact the opinion by deleting the  
13 name of the person subject to the opinion and, to the fullest extent possible,  
14 any other information that may identify the person who is subject of the opinion  
15 if such information is not material. If an advisory opinion is not made public by  
16 the Ethics Commission, the opinion and the identity of the person subject to the  
17 opinion shall be confidential and may not otherwise be revealed. Any official or  
18 employee who in good faith relies on an advisory opinion of the Commission  
19 shall not be disciplined if the action is found thereafter to be a violation of this  
20 chapter;
- 21 3. To expeditiously process, investigate and make determinations as to  
22 complaints initiated by a majority of the Commission or filed by any person  
23 alleging violation of the provisions of this chapter;
- 24 4. To issue subpoenas, administer oaths and compel the attendance of witnesses  
25 and production of documents at its proceedings;
- 26 5. To take enforcement actions as are authorized by the provisions of Section  
27 2.08.100
- 28 6. To provide the City's Department of Human Resources with information  
29 concerning the purpose and implementation of this chapter so they may ensure  
30 that all City officials and employees are aware of their responsibility for  
31 maintaining high ethical standards in conducting the business of the City; and
- 32 7. The Ethics Commission shall adopt procedures for the conduct of its business  
33 in accordance with this chapter, and such procedures shall be available to the  
34 public.
- 35 8. THE ETHICS COMMISSION SHALL CERTIFY TO THE STATE ETHICS  
36 COMMISSION ON OR BEFORE OCTOBER 1 OF EACH YEAR THAT THE  
37 CITY OF ANNAPOLIS IS IN COMPLIANCE WITH THE REQUIREMENTS OF  
38 THE ANNOTATED CODE OF MARYLAND, STATE GOVERNMENT ARTICLE,  
39 TITLE 15, SUBTITLE 8, FOR ELECTED LOCAL OFFICIALS.

#### 40 **2.08.040 Prohibited conduct and interests.**

##### 41 A. Participation prohibitions.

- 42 1. Except as permitted by commission regulation or opinion, an official or  
43 employee may not participate in:

- 1 a. Except in the exercise of an administrative or ministerial duty that does not  
2 affect the disposition or decision of the matter, any matter in which, to the  
3 knowledge of the official or employee, the official or employee or a qualified  
4 relative of the official or employee has an interest.
- 5 b. Except in the exercise of an administrative or ministerial duty that does not  
6 affect the disposition or decision with respect to the matter any matter in  
7 which any of the following is a party:
  - 8 (1) A business entity in which the official or employee has a direct financial  
9 interest of which the official or employee may reasonably be expected  
10 to know;
  - 11 (2) A business entity for which the official, employee, or a qualified relative  
12 of the official or employee is an officer, director, trustee, partner, or  
13 employee;
  - 14 (3) A business entity with which the official or employee or, to the  
15 knowledge of the official or employee, a qualified relative is negotiating  
16 employment or has any arrangement concerning prospective  
17 employment;
  - 18 (4) If the contract reasonably could be expected to result in a conflict  
19 between the private interests of the official or employee and the official  
20 duties of the official or employee, a business entity that is a party to an  
21 existing contract with the official or employee, or which, to the  
22 knowledge of the official or employee, is a party to a contract with a  
23 qualified relative;
  - 24 (5) An entity, doing business with the City in which a direct financial  
25 interest is owned by another entity in which the official or employee  
26 has a direct financial interest, if the official or employee may be  
27 reasonably expected to know of both direct financial interests; or
  - 28 (6) A business entity that:
    - 29 I. The official or employee knows is a creditor or obligee of the  
30 official or employee or a qualified relative of the official or  
31 employee with respect to a thing of economic value; and
    - 32 II. As a creditor or obligee is in a position to directly and substantially  
33 affect the interest of the official or employee or a qualified relative  
34 of the official or employee.
- 35 2. A person who is disqualified from participating under paragraph A.1. of this  
36 subsection shall disclose the nature and circumstances of the conflict and may  
37 participate or act if:
  - 38 a. The disqualification leaves a body with less than a quorum capable of  
39 acting;
  - 40 b. The disqualified official or employee is required by law to act; or
  - 41 c. The disqualified official or employee is the only person authorized to act.
- 42 3. The prohibitions of paragraph 1. of this subsection do not apply if participation  
43 is allowed by regulation or opinion of the commission.
- 44 B. Employment and financial interest restrictions.

- 1 1. Except as permitted by regulation of the Commission when the interest is  
2 disclosed or when the employment does not create a conflict of interest or  
3 appearance of conflict, an official or employee may not:
  - 4 a. Be employed by or have a financial interest in any entity:
    - 5 (1) Subject to the authority of the official or employee or the City agency,  
6 board, or commission with which the official or employee is affiliated;  
7 or
    - 8 (2) That is negotiating or has entered a contract with the agency, board, or  
9 commission with which the official or employee is affiliated; or
  - 10 b. Hold any other employment relationship that would impair the impartiality or  
11 independence of judgment of the official or employee.
- 12 2. The prohibitions of paragraph 1. of the subsection do not apply to:
  - 13 a. An official or employee who is appointed to a regulatory or licensing  
14 authority pursuant to a statutory requirement that persons subject to the  
15 jurisdiction of the authority be represented in appointments to the authority;
  - 16 b. Subject to other provisions of law, a member of a board or commission in  
17 regard to a financial interest or employment held at the time of  
18 appointment, provided the financial interest or employment is publicly  
19 disclosed to the appointing authority and the commission;
  - 20 c. An official or employee whose duties are ministerial, if the private  
21 employment or financial interest does not create a conflict of interest or the  
22 appearance of a conflict of interest, as permitted and in accordance with  
23 regulations adopted by the Commission; or
  - 24 d. Employment or financial interests allowed by regulation of the Commission  
25 if the employment does not create a conflict of interest or the appearance  
26 of a conflict of interest or the financial interest is disclosed.
- 27 C. Post-employment limitations and restrictions.
  - 28 1. A former official or employee may not assist or represent any party other than  
29 the City in a case, contract, or other specific matter involving the City if that  
30 matter is one in which the former official or employee significantly participated  
31 as an official or employee.
  - 32 2. For a period of one year after an elected official leaves office, a former member  
33 of the City Council may not assist or represent another party in a matter that is  
34 the subject of legislative action.
- 35 D. Contingent compensation. Except in a judicial or quasi-judicial proceeding, an  
36 official or employee may not assist or represent a party for contingent compensation  
37 in any matter before or involving the City.
- 38 E. Use of prestige of office.
  - 39 1. An official or employee may not intentionally use the prestige of office or public  
40 position for the private gain of that official or employee or the private gain of  
41 another.
  - 42 2. This subsection does not prohibit the performance of usual and customary  
43 constituent services by an elected official without additional compensation.

- 1 F. Solicitation and acceptance of gifts.
- 2 1. An official or employee may not solicit any gift.
- 3 2. An official or employee may not directly solicit or facilitate the solicitation of a
- 4 gift, on behalf of another person, from an individual regulated lobbyist.
- 5 3. An official or employee may not knowingly accept a gift, directly or indirectly,
- 6 from a person that the official or employee knows or has reason to know:
  - 7 a. Is doing business with or seeking to do business with the City office,
  - 8 agency, board, or commission with which the official or employee is
  - 9 affiliated;
  - 10 b. Has financial interests that may be substantially and materially affected, in
  - 11 a manner distinguishable from the public generally, by the performance or
  - 12 nonperformance of the official duties of the official or employee;
  - 13 c. Is engaged in an activity regulated or controlled by the official's or
  - 14 employee's governmental unit; or
  - 15 d. Is a lobbyist with respect to matters within the jurisdiction of the official or
  - 16 employee.
- 17 4. Acceptable gifts.
  - 18 a. This paragraph does not apply to a gift:
    - 19 (1) That would tend to impair the impartiality and the independence of
    - 20 judgment of the official or employee receiving the gift;
    - 21 (2) Of significant value that would give the appearance of impairing the
    - 22 impartiality and independence of judgment of the official or employee;
    - 23 or
    - 24 (3) Of significant value that the recipient official or employee believes or
    - 25 has reason to believe is designed to impair the impartiality and
    - 26 independence of judgment of the official or employee.
  - 27 b. Notwithstanding paragraph 3. of this subsection, an official or employee
  - 28 may accept the following:
    - 29 (1) Meals and beverages costing less than thirty-five dollars from any one
    - 30 person in the calendar year if consumed in the presence of the donor
    - 31 or sponsoring entity;
    - 32 (2) Ceremonial gifts or awards that have insignificant monetary value;
    - 33 (3) Unsolicited gifts of nominal value that do not exceed twenty dollars in
    - 34 cost or trivial items of informational value;
    - 35 (4) Reasonable expenses for food, travel, lodging, and scheduled
    - 36 entertainment of the official or the employee at a meeting which is
    - 37 given in return for the participation of the official or employee in a panel
    - 38 or speaking engagement at the meeting;
    - 39 (5) Gifts of tickets or free admission extended to an elected official to
    - 40 attend a charitable, cultural, or political event (acceptance of tickets to
    - 41 professional or intercollegiate sporting events is prohibited unless
    - 42 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  
2 the elected official's office;

3 (6) 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  
5 of the gift or class of gifts would not be detrimental to the impartial  
6 conduct of the business of the City and that the gift is purely personal  
7 and private in nature;

8 (7) 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  
10 the official or employee; or

11 (8) Honoraria for speaking to or participating in a meeting, provided that  
12 the 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,  
15 an official or employee may not disclose or use confidential information, that the  
16 official or employee acquired by reason of the official's or employee's public position  
17 and that is not available to the public, for the economic benefit of the official or  
18 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  
21 or 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  
23 procurement, or assist or represent another person, directly or indirectly, who is  
24 submitting a bid or proposal for the procurement.

25 2. The Commission may establish exemptions from the requirements of this  
26 section for providing descriptive literature, sole source procurements, and  
27 written comments solicited by the procuring agency.

28 **2.08.050 Financial disclosure for elected officials and candidates for elected**  
29 **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  
32 to be an elected official shall file the financial disclosure statement required under  
33 this subsection:

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

37 C. Deadlines for filing statements.

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

40 2. An official who is appointed to fill a vacancy in an office for which a financial  
41 disclosure statement is required and who has not already filed a financial

1 disclosure statement shall file a statement for the preceding calendar year  
2 within thirty days after appointment.

3 3. Officials leaving office.

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

7 b. The statement shall cover:

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

11 (2) The portion of the current calendar year during which the individual  
12 held the office.

13 D. Candidates to be elected officials.

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

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

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

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

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

26 3. A candidate to be an elected official:

27 a. May file the statement required under subsection D.2.a. of this section with  
28 the City Clerk or Board of Election supervisors with the certificate of  
29 candidacy or with the Commission prior to filing the certificate of candidacy;  
30 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  
34 is provided by the City Clerk or Board of Election Supervisors at least twenty  
35 days before the last day for the withdrawal of candidacy, the candidate is  
36 deemed to have withdrawn the candidacy.

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

40 6. Within thirty days of the receipt of a statement required under this section, the  
41 City Clerk or Board of Election Supervisors shall forward the statement to the  
42 Commission.

1 E. Public record.

2 1. The City Attorney's office shall maintain all financial disclosure statements filed  
3 under this section.

4 2. The City Attorney's office shall make financial disclosure statements available  
5 during normal office hours for examination and copying by the public, subject to  
6 reasonable fees and administrative procedures established by the Commission.

7 3. If an individual examines or copies a financial disclosure statement, the City  
8 Attorney's office shall record:

9 a. The name and home address of the individual reviewing or copying the  
10 statement; and

11 b. The name of the person whose financial disclosure statement was  
12 examined or copied.

13 4. Upon request by the individual whose financial disclosure statement was  
14 examined or copied, the City Attorney's office shall provide the official or  
15 employee with a copy of the name and home address of the person who  
16 reviewed the official's or employee's financial disclosure statement.

17 F. Retention requirements. The City Attorney's office shall retain financial disclosure  
18 statements for four years from the date of receipt.

19 G. Contents of statement.

20 1. Interests in real property.

21 a. A statement filed under this section shall include a schedule of all interests  
22 in real property wherever located.

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

24 (1) The nature of the property and the location by street address, mailing  
25 address, or legal description of the property;

26 (2) The nature and extent of the interest held, including any conditions and  
27 encumbrances on the interest;

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

30 (4) The nature and amount of the consideration given in exchange for the  
31 interest or, if acquired other than by purchase, the fair market value of  
32 the interest at the time acquired;

33 (5) If any interest was transferred, in whole or in part, at any time during  
34 the reporting period, a description of the interest transferred, the nature  
35 and amount of the consideration received for the interest, and the  
36 identity of the person to whom the interest was transferred; and

37 (6) The identity of any other person with an interest in the property.

38 2. Interests in corporations and partnerships.

39 a. A statement filed under this section shall include a schedule of all interests  
40 in any corporation, partnership, limited liability partnership, or limited  
41 liability corporation, regardless of whether the corporation or partnership  
42 does business with the City.

- 1           b. For each interest reported under this paragraph, the schedule shall include:
  - 2           (1) The name and address of the principal office of the corporation,  
3           partnership, limited liability partnership, or limited liability corporation;
  - 4           (2) The nature and amount of the interest held, including any conditions  
5           and encumbrances on the interest;
  - 6           (3) With respect to any interest transferred, in whole or in part, at any time  
7           during the reporting period, a description of the interest transferred, the  
8           nature and amount of the consideration received for the interest, and, if  
9           known, the identity of the person to whom the interest was transferred;  
10          and
  - 11          (4) With respect to any interest acquired during the reporting period:
    - 12           (I) The date when, the manner in which, and the identity of the  
13           person from whom the interest was acquired; and
    - 14           (II) The nature and the amount of the consideration given in exchange  
15           for the interest or, if acquired other than by purchase, the fair  
16           market value of the interest at the time acquired.
- 17          c. An individual may satisfy the requirement to report the amount of the  
18          interest held under item b.(2) of this paragraph by reporting, instead of a  
19          dollar amount:
  - 20          (1) For an equity interest in a corporation, the number of shares held and,  
21          unless the corporation's stock is publicly traded, the percentage of  
22          equity interest held; or
  - 23          (2) For an equity interest in a partnership, the percentage of equity interest  
24          held.
- 25          3. Interests in business entities doing business with City.
  - 26          a. A statement filed under this section shall include a schedule of all interests  
27          in any business entity that does business with the City, other than interests  
28          reported under paragraph 2. of this subsection.
  - 29          b. For each interest reported under this paragraph, the schedule shall include:
    - 30          (1) The name and address of the principal office of the business entity;
    - 31          (2) The nature and amount of the interest held, including any conditions to  
32          and encumbrances on the interest;
    - 33          (3) With respect to any interest transferred, in whole or in part, at any time  
34          during the reporting period, a description of the interest transferred, the  
35          nature and amount of the consideration received in exchange for the  
36          interest, and, if known, the identity of the person to whom the interest  
37          was transferred; and
    - 38          (4) With respect to any interest acquired during the reporting period:
      - 39           (I) The date when, the manner in which, and the identity of the  
40           person from whom the interest was acquired; and

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

4 4. Gifts.

5 a. A statement filed under this section shall include a schedule of each gift in  
6 excess of twenty dollar in value or a series of gifts totaling one hundred  
7 dollars or more received during the reporting period from or on behalf of,  
8 directly or indirectly, any one person who does business with the City.

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

10 (1) A description of the nature and value of the gift; and

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

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

14 a. A statement filed under this section shall include a schedule of all offices,  
15 directorships, and salaried employment by the individual or member of the  
16 immediate family of the individual held at any time during the reporting  
17 period with entities doing business with the City.

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

20 (1) The name and address of the principal office of the business entity;

21 (2) The title and nature of the office, directorship, or salaried employment  
22 held and the date it commenced; and

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

26 6. Indebtedness to entities doing business with City.

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

30 (1) By the individual; or

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

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

34 (1) The identity of the person to whom the liability was owed and the date  
35 the liability was incurred;

36 (2) The amount of the liability owed as of the end of the reporting period;

37 (3) The terms of payment of the liability and the extent to which the  
38 principal amount of the liability was increased or reduced during the  
39 year; and

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

- 1           7. 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  
3           City in any capacity at any time during the reporting period.
- 4           8. Sources of earned income.
- 5           a. 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 was a  
8           sole or partial owner and from which the individual or member of the  
9           individual's immediate family received earned income, at any time during  
10          the reporting period.
- 11          b. A minor child's employment or business ownership need not be disclosed if  
12          the agency that employs the individual does not regulate, exercise authority  
13          over, or contract with the place of employment or business entity of the  
14          minor child.
- 15          9. A statement filed under this section may also include a schedule of additional  
16          interests or information that the individual making the statement wishes to  
17          disclose.
- 18        H. For the purposes Section 2.08.050 G.1., 2., and 3. of this chapter, the following  
19        interests are considered to be the interests of the individual making the statement:
- 20          1. An interest held by a member of the individual's immediate family, if the interest  
21          was, at any time during the reporting period, directly or indirectly controlled by  
22          the individual.
- 23          2. An interest held by a business entity in which the individual held a 30 percent or  
24          greater interest at any time during the reporting period.
- 25          3. An interest held by a trust or an estate in which, at any time during the reporting  
26          period:
- 27            a. The individual held a reversionary interest or was a beneficiary; or  
28            b. If a revocable trust, the individual was a settlor.
- 29        I. The Commission shall review the financial disclosure statements submitted under  
30        this section for compliance with the provisions of this section and shall notify an  
31        individual submitting the statement of any omissions or deficiencies.
- 32        J. The commission may take appropriate enforcement action to ensure compliance  
33        with this section.

34        **2.08.051 Financial disclosure for employees and appointed officials.**

- 35        A. This section applies to the following employees and appointed officials:
- 36          1. The City Manager, City Attorney, all department directors and deputies, and all  
37          members of the exempt service, and
- 38          2. Inspectors and investigators who enforce City Codes, City Procurement  
39          Officers and their purchasing staff, and members of the following quasi-judicial  
40          boards and commissions: Alcohol Beverage Control Board, the Board of  
41          Appeals, the Civil Service Board, the Building Board of Appeals, the Historic  
42          Preservation Commission, the Planning Commission, the Board of Supervisors

- 1 of Elections, the Ethics Commission, Port Wardens, and the Police and Fire  
2 Retirement Plan Commission, and
- 3 3. All other City officials, employees, contract employees or temporary employees  
4 over pay grade 15, F15 (Fire Department), and P15 (Police Department), or  
5 who have authority to award or recommend the award of contracts or grants,  
6 OR WHO PROVIDE ADVICE OR COUNSEL TO THE CITY ON MATTERS  
7 PERTAINING TO PUBLIC POLICY OR ACQUISITION.
- 8 B. Financial disclosure statements filed under this section shall be filed with the  
9 Commission under oath or affirmation.
- 10 C. Employees and appointed officials included paragraph A. above shall file a financial  
11 disclosure statement annually no later than January 31 of each year for the  
12 preceding calendar year. FOR NEW EMPLOYEES AND APPOINTED OFFICIALS  
13 INCLUDED IN PARAGRAPH A. THAT HAVE NOT ALREADY FILED A FINANCIAL  
14 DISCLOSURE STATEMENT, SUCH EMPLOYEES AND APPOINTED OFFICIALS  
15 SHALL FILE A FINANCIAL DISCLOSURE STATEMENT NO LATER THAN  
16 FIFTEEN DAYS AFTER COMMENCING EMPLOYMENT OR SERVICE  
17 PURSUANT TO THEIR APPOINTMENT OR WITHIN 15 DAYS OF THE  
18 ENACTMENT OF THIS ORDINANCE.
- 19 D. The City Attorney's office shall:
- 20 1. Maintain all disclosure statements filed under this section as public records  
21 available for public inspection and copying as provided in Section 2.08.050 E.  
22 of this chapter.
- 23 2. Retain financial disclosure statements filed under this section as provided in  
24 Section 2.08.050 F. of this chapter.
- 25 E. Contents of statement.
- 26 1. Interests in real property.
- 27 a. A statement filed under this section shall include a schedule of all interests  
28 in real property located in the STATE OF Maryland.
- 29 b. For each interest in real property, the schedule shall include:
- 30 (1) The nature of the property and the location by street address and a  
31 description of the property;
- 32 (2) The nature and extent of the interest held, including any conditions and  
33 encumbrances on the interest;
- 34 (3) The date when, the manner in which, and the identity of the person  
35 from whom the interest was acquired;
- 36 (4) The identity of any other person with an interest in the property.
- 37 2. Interests in corporations and partnerships.
- 38 a. A statement filed under this section shall include a schedule of all interests  
39 in any corporation, partnership, limited liability partnership, or limited  
40 liability corporation, regardless of whether the corporation or partnership  
41 does business with the City. Interests in mutual funds are not reportable.

1           b. For each interest reported under this paragraph, the schedule shall include  
2           the name of the corporation, partnership, limited liability partnership, or  
3           limited liability corporation.

4           3. Gifts.

5           a. A statement filed under this section shall include a schedule of each gift in  
6           excess of twenty dollars in value or a series of gifts totaling one hundred  
7           dollars or more received during the reporting period from or on behalf of,  
8           directly or indirectly, any one person who does business with the City.

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

10           (1) A description of the nature and value of the gift; and

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

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

14           a. A statement filed under this section shall include a schedule of all offices,  
15           directorships, and salaried employment by the individual or member of the  
16           immediate family of the individual held at any time during the reporting  
17           period with entities doing business with the City.

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

20           (1) The name and address of the principal office of the business entity;

21           (2) The title and nature of the office, directorship, or salaried employment  
22           held and the date it commenced; and

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

26           5. Indebtedness to entities doing business with City.

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

30           (1) By the individual; or

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

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

34           (1) The identity of the person to whom the liability was owed and the date  
35           the liability was incurred;

36           (2) The amount of the liability owed as of the end of the reporting period;

37           (3) The terms of payment of the liability and the extent to which the  
38           principal amount of the liability was increased or reduced during the  
39           year; and

40           (4) 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  
3           City in any capacity at any time during the reporting period.
- 4           7. Sources of earned income.
- 5           a. 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 was a  
8           sole or partial owner and from which the individual or member of the  
9           individual's immediate family received earned income, at any time during  
10          the reporting period.
- 11          b. A minor child's employment or business ownership need not be disclosed if  
12          the agency that employs the individual does not regulate, exercise authority  
13          over, or contract with the place of employment or business entity of the  
14          minor child.
- 15          8. A statement filed under this section may also include a schedule of additional  
16          interests or information that the individual making the statement wishes to  
17          disclose.
- 18    F. For the purposes Section 2.08.051 E.1. and 2. of this chapter, the following interests  
19    are considered to be the interests of the individual making the statement:
- 20          1. An interest held by a member of the individual's immediate family, if the interest  
21          was, at any time during the reporting period, directly or indirectly controlled by  
22          the individual.
- 23          2. An interest held by a business entity in which the individual held a 30% or  
24          greater interest at any time during the reporting period.
- 25          3. An interest held by a trust or an estate in which, at any time during the reporting  
26          period:
- 27                a. The individual held a reversionary interest or was a beneficiary; or  
28                b. If a revocable trust, the individual was a settlor.
- 29    G. The Commission shall review the financial disclosure statements submitted under  
30    this section for compliance with the provisions of this section and shall notify an  
31    individual submitting the statement of any omissions or deficiencies.
- 32    H. The Commission may take appropriate enforcement action to ensure compliance  
33    with this section.

34    **2.08.052 Financial disclosure for the housing authority of the City of Annapolis.**

35          Members of the Board of Commissioners of the Housing Authority of the City of  
36    Annapolis (HACA), the Executive Director of HACA and the Deputy Director(s) of HACA  
37    shall file annually, not later than January 31st of each calendar year during which they  
38    are subject to the prohibitions set forth in the housing and community development  
39    article, Section 13-105(a) of the Annotated Code of Maryland, or other applicable  
40    portions of state law, a statement of financial interests with the Ethics Commission of the  
41    city. The form of the statement of financial interests required by this section shall be  
42    prepared and approved by the Ethics Commission. The contents of the statement shall  
43    be as provided in Section 2.08.051 E. of this chapter.

1 **2.08.060 Statement of compliance.**

2 To ensure that members of City boards, commissions, teams, and committees, both  
3 permanent and ad hoc, understand their ethical responsibilities, they shall provide a  
4 signed statement swearing and affirming under penalty of perjury that they are aware of  
5 and understand the provisions of City Code Chapter 2.08, Public Ethics and Financial  
6 Disclosure, including but not limited to Section 2.08.040, prohibited conduct and  
7 interests, of the Annapolis City Code. Also, in accepting their position that they will  
8 maintain high ethical standards in the exercise of their public or official duties and will not  
9 engage in any business or transaction or have a financial interest, direct or indirect,  
10 which is incompatible with the proper discharge of their designated duties and that they  
11 will not engage in any activity which would create, or appear to create, a conflict of  
12 interest in the exercise of their public or official duties. This requirement does not apply  
13 to the members of boards and commissions specified in Section 2.08.051 A.2. who are  
14 required to provide financial disclosure statements.

15 **2.08.070 Lobbying disclosure and registration.**

- 16 A. General requirements. Any person who appears before any official or employee of  
17 the City, with the intent to influence that person in the performance of that person's  
18 official duties and who, in connection with any such activities expends or reasonably  
19 expects to expend in any calendar year in excess of two hundred fifty dollars, on  
20 food, entertainment or gifts for any officials or employees of the City, shall file a  
21 registration statement with the commission not later than January 31st of the  
22 calendar year for which the statement is filed, or within fifteen days after the  
23 commencement of any activities regulated by this section.
- 24 B. Registration statement. The registration statement shall include complete  
25 identification of the registrant and of any other person on whose behalf the registrant  
26 acts or will be acting. It shall also identify the subject matter on which the registrant  
27 proposes to make these appearances, and shall cover a period not to exceed one  
28 calendar year.
- 29 C. Report of activities. Registrants under this section shall file a report, not later than  
30 January 31st of each year, covering activities for which they were registered for the  
31 preceding year, disclosing the value, date and nature of any food, entertainment or  
32 gifts provided to any City official or employee. When a gift or series of gifts to a  
33 single official or employee exceeds thirty-five dollars in value, the official or  
34 employee shall also be identified.
- 35 D. No contingency fees. No person may engage in lobbying activities on behalf of  
36 another person for compensation of the payment of which is contingent upon the  
37 passage or defeat of any action by the City Council.
- 38 E. Availability to public. The registrations and reports filed pursuant to this section shall  
39 be maintained by the City Attorney's office, and shall be made available, during  
40 normal office hours, for examination and copying by the public. All such registrations  
41 and reports shall be retained as public records for at least four years from the date  
42 of their receipt by the Commission.
- 43 F. Forms. The Commission shall provide forms for use in the filing of the registration  
44 statements and reports required by this section to the persons required to file such  
45 statements and reports.

1 **2.08.080 Responsibilities of City Attorney.**

2 In addition to any other duties and responsibilities set forth in this chapter or any  
3 other provision of this Code or other City ordinance, it is the function of the City Attorney:

- 4 A. To adopt procedures as may be necessary to carry out the City Attorney's  
5 functions in accordance with the provisions of this chapter,
- 6 B. To provide, upon the request of persons required to file statements by this  
7 chapter, any assistance needed in complying with the provisions of this chapter,  
8 and
- 9 C. When requested by the Commission, provide advice with respect to its duties  
10 and responsibilities under this chapter, and furnish legal guidance and  
11 assistance in the preparation of forms, advisory opinions, investigations and  
12 determinations of complaints alleging violations of this chapter.

13 **2.08.090 Exemptions and modifications.**

14 The Commission may grant exemptions and modifications to the provisions of  
15 Sections 2.08.040, Prohibited Conduct and Interests; ~~2.08.050, Financial Disclosure for~~  
16 ~~Elected Officials and Candidates for Elected Office;~~ 2.08.051, Financial Disclosure for  
17 Employees and Appointed Officials; and 2.08.052, Financial Disclosure for the Housing  
18 Authority of the City of Annapolis, of this chapter when the Commission finds that an  
19 exemption or modification would not be contrary to the purposes of this chapter, and the  
20 application of this chapter would:

- 21 A. Constitute an unreasonable invasion of privacy; ~~or~~ AND
- 22 B. Significantly reduce the availability of qualified persons for public service.

23 **2.08.100 Enforcement.**

24 A. Enforcement authority of Commission.

- 25 1. Upon a finding of a violation of any provision of this chapter, the Commission  
26 may:
- 27 a. Issue an order of compliance directing the respondent to cease and desist  
28 from the violation;
- 29 b. Issue a reprimand; or
- 30 c. Recommend to the appropriate City authority:
- 31 (I) Discipline of the respondent, including censure, suspension, demotion  
32 in position, or removal if that discipline is authorized by law, and/or
- 33 (II) Suspension from receiving payment or salary or other compensation  
34 pending full compliance with the terms of an order of the Commission,  
35 City Council, or Court.
- 36 2. After receipt of a recommendation provided for in paragraph 1.c. above, the  
37 Mayor, City Manager, Supervisor, or the Human Resources Department, as  
38 appropriate, will report to the Commission within 14 days after any action is

1 taken in response to the Commission's recommendations, but no later than 60  
2 days after recommendations are issued by the Commission.

3 3. If the Commission finds that a respondent has violated Section 2.08.070,  
4 lobbying disclosure, of this chapter, the Commission may:

5 a. Require a respondent who is a registered lobbyist to file any additional  
6 reports or information that reasonably related to the information that is  
7 required under Section 2.08.070 of this chapter;

8 b. Impose a fine not exceeding five thousand dollars for each violation; and

9 c. Suspend the registration of an individual registered lobbyist if the  
10 Commission finds that the lobbyist has knowingly and willfully violated  
11 Section 2.08.070 of this chapter or has been convicted of a criminal offense  
12 arising from lobbying activities.

13 B. Injunctive relief.

14 1. Upon request of the Commission, the City Attorney may file a petition for  
15 injunctive or other relief in the Circuit Court of Anne Arundel County, or in any  
16 other court having proper venue for the purpose of requiring compliance with  
17 the provisions of this chapter.

18 2. Court authority.

19 a. The court may:

20 (1) Issue an order to cease and desist from the violation;

21 (2) Except as provided in subparagraph B. of this paragraph, void an  
22 official action taken by an official or employee with a conflict of interest  
23 prohibited by this chapter when the action arises from or concerns the  
24 subject matter of the conflict and if the legal action is brought within  
25 ninety days of the occurrence of the official action, if the court deems  
26 voiding the action to be in the best interest of the public;

27 (3) Impose a fine of up to five thousand dollars for any violation of the  
28 provisions of this chapter, with each day upon which the violation  
29 occurs constituting a separate offense.

30 b. A court may not void any official action appropriating public funds, levying  
31 taxes, or providing for the issuance of bonds, notes, or other evidences of  
32 public obligations.

33 C. Maintenance of records.

34 1. A person who is subject to the provisions of this chapter shall obtain and  
35 preserve all accounts, bills, receipts, books, papers, and documents necessary  
36 to complete and substantiate a report, statement, or record required under this  
37 chapter for three years from the date of filing the report, statement, or record.

38 2. These papers and documents shall be available for inspection within fifteen  
39 days of a written request by the Commission.

1 **2.08.110 Complaint procedure.**

2 Complaints shall be filed within six months of the alleged violation or the discovery  
3 of the alleged violation. Complaints to the Commission shall be written and may be  
4 referred by the Commission to the City Attorney or other legal counsel, if appropriate, for  
5 investigation. All complaints shall be signed under oath in the form of general  
6 knowledge: "I solemnly affirm under the penalties of perjury that the contents of the  
7 foregoing complaint are true to the best of my knowledge, information, and belief." If  
8 after conducting an investigation or receiving an investigative report, the Commission  
9 determines that there are insufficient facts upon which to base a determination of a  
10 violation, it may dismiss the complaint. If there is a reasonable basis for believing a  
11 violation has occurred then the parties to the complaint shall be afforded an opportunity  
12 for a hearing before the commission. Any final determination resulting from the hearing  
13 shall include findings of fact and conclusions of law. Upon finding of a violation, the  
14 Commission may take any enforcement action provided for in accordance with Section  
15 2.08.100 of this chapter. After a complaint is filed and until a final determination is made  
16 by the Commission, all actions regarding a complaint shall be treated confidentially. If a  
17 finding of violation is made, the final determination will be made public and posted on the  
18 City's web site.

19 **2.08.120 Severability.**

20 If any section, sentence, clause, or phrase of this chapter is held invalid or  
21 unconstitutional by any court of competent jurisdiction, the ruling shall not affect the  
22 validity of the remaining portions of this chapter.

23

24 **SECTION II: AND BE IT FURTHER ESTABLISHED AND ORDAINED BY THE**  
25 **ANNAPOLIS CITY COUNCIL** that this Ordinance shall take effect from the date of its  
26 passage.

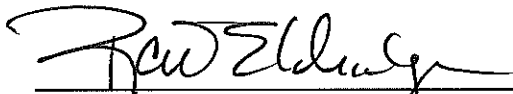
27

28 **ADOPTED** this 28<sup>th</sup> day of July, 2014.

29

ATTEST:

THE ANNAPOLIS CITY COUNCIL



Regina C. Watkins-Eldridge, MMC, City Clerk

BY



Mike Pantelides, Mayor

30

31

32

**EXPLANATION**

33

CAPITAL LETTERS indicate matter added to existing law.

34

Strikethrough indicates matter stricken from existing law.

35

Underlining indicates amendments.