



ETHICS COMMISSION
c/o CITY OF ANNAPOLIS OFFICE OF LAW
160 DUKE OF GLOUCESTER STREET
ANNAPOLIS, MARYLAND 21401

CITY LIAISON:
D. Michael Lyles, City Attorney

Telephone (410) 263-7954
Facsimile (410) 268-3916

November 15, 2022

William J. Colquhoun, General Counsel
State Ethics Commission
45 Calvert Street, 3rd Floor
Annapolis, Maryland 21401
william.colquhoun@maryland.gov

Re: Required Amendments to Local Ethics Laws

Dear Mr. Colquhoun,

In your August 26, 2022, letter you provided changes which must be implemented in the Annapolis City Ethics Code to be compliant with State law. At your request, I am providing the attached draft annotated Annapolis Ethics Code, City Code 2.08, for State Ethics Commission approval. It includes the required State changes as well as other annotations which were needed to update and clarify other sections of our Ethics Code. These changes include editorial changes and changes which increase the value of acceptable gifts to City officials and employees.

Pending State Ethics Commission approval, we are proceeding with the preparation of legislation for City Council approval to implement the proposed changes.

With best regards,

James E. Dolezal
Chairman

w/Enclosure

Cc: Mayor and Members of Annapolis City Council (w/Encl.)

ETHICS/SEC-111522-RequiredChangesToCode.doc

Chapter 2.08 PUBLIC ETHICS AND FINANCIAL DISCLOSURE¹

2.08.010 Purpose and policy.

- A. Purpose. The purpose of this chapter is to set minimum standards for the conduct of Annapolis government business and to assure the citizens of the City that they may have the highest trust in their public officials and employees and that the impartiality and independent judgment of their public officials and employees will be maintained without improper or even the appearance of improper influence. To guard against improper influence it is required that all City officials and employees maintain the highest ethical standards in conducting City business and that select City officials and employees disclose their financial affairs as provided in Sections 2.08.050, 2.08.051, and 2.08.052.
- B. Policy. It is the policy of the City Council that officials and employees be independent, impartial, and responsive to the public whom they represent and serve; that public office or position not be used to advance personal gain; and that lobbyist actions shall not present a conflict of interest or interfere with the duties of officials and employees. recognizing these principles, the City Council declares that it is the policy of the City, in enacting these provisions, that:
1. Officials and employees shall not engage in any business or transaction or have a financial interest, direct or indirect, which is incompatible with the proper discharge of their duties or would appear to impair independence of judgment or action in the performance of their duties.
 2. Elected and designated officials and employees, and candidates for public office, shall disclose fully their financial interests in order to ensure that such interests present no conflict with their duties.
 3. Officials and employees shall not engage in any activity or participate in any transaction which would create, or appear to create, a conflict of interest in the exercise of their public or official duties.
 4. Persons who seek to influence officials, agencies or employees in the performance of their official duties have an obligation to register with the City as lobbyists and to disclose information as to their lobbying activities to assure their conduct does not result in a conflict of interest or interfere with the duties of officials and employees.

(Ord. No. O-41-12 Amended, § I, 6-10-2013, eff. 1-1-2014)

¹Editor's note(s)—Ord. No. O-41-12 Amended § I, adopted June 10, 2013, effective January 1, 2014, repealed the former Ch. 2.08, §§ 2.08.010—2.08.110, and enacted a new Ch. 2.08 as set out herein. The former Ch. 2.08 pertained to similar subject matter. See also the Code Comparative Table and Disposition List.

2.08.020 Definitions.

- A. Definitions. The following words and phrases shall have the meanings ascribed to them as follows:
1. "Business entity" means a corporation, limited liability company, general or limited partnership, sole proprietorship, joint venture, unincorporated association or firm, institution, trust, foundation, or other organization, whether or not operated for profit. "Business entity" does not include a governmental entity.
 2. "Commission" means the City of Annapolis Ethics Commission as established in Section 2.08.030.
 3. "Compensation" means any money or thing of value, regardless of form, received or to be received by any individual covered by this chapter from an employer for service rendered. For the purposes of Section 2.08.070 of this chapter, if lobbying is only a portion of a person's employment, "compensation" means a prorated amount based on the time devoted to lobbying compared to the time devoted to other employment duties.
 4. "Doing business with" means:
 - a. Having or negotiating a contract that involves the commitment (either in a single or combination of transactions) of one thousand dollars or more of City controlled funds; or
 - b. Being regulated by or otherwise under the authority of the City; or
 - c. Being registered as a lobbyist in accordance with Section 2.08.070 of this chapter.
 5. "Elected official" includes the Mayor and members of the City Council.
 6. "Employee" means an individual who is employed by the City of Annapolis. "Employee" does not include an elected official.
 7. "Financial interest" means:
 - a. Ownership of any interest as the result of which the owner has received, within the past three years, or is presently receiving, or in the future is entitled to receive, more than one thousand dollars per year in compensation; or
 - b. Ownership, or the ownership of securities of any kind representing or convertible into ownership, of more than three percent of a business entity by a City official or employee, or the spouse of an official or employee.
 8. "Gift" means the transfer of anything of economic value regardless of the form without adequate and lawful consideration, whether or not it relates to the performance of official duties. However, "gift" does not include the solicitation, acceptance or receipt of any campaign contributions regulated in accordance with any law pertaining to the conduct of elections or the receipt of political campaign contributions.

-
9. "Interest" means any legal or equitable economic interest, whether or not subject to an encumbrance or a condition, which was owned or held, in whole or in part, jointly or severally, directly or indirectly. For purposes of Section 2.08.050 of this chapter, "interest" applies to any interests held at any time during the calendar year for which a required statement is to be filed. "Interest" does not include:
- a. An interest held in the capacity of a personal agent, representative custodian, fiduciary, or trustee, unless the holder has an equitable interest therein;
 - b. An interest in a time or demand deposit in a financial institution;
 - c. An interest in an insurance or endowment policy or annuity contract under which an insurance company promises to pay a fixed number of dollars either in a lump sum or periodically for life or some other specified period;
 - d. A common trust fund or a trust which forms part of a pension or profit sharing plan which has more than twenty-five participants and which has been determined by the Internal Revenue Service to be a qualified trust under §§ 401 and 501 of the Internal Revenue Code of 1954;
 - e. An interest in a City pension plan, City deferred compensation plan or a college savings plan under the Internal Revenue Code; or
 - f. An interest in any mutual fund or exchange-traded fund that is publicly traded on a national scale unless the mutual fund or exchange-traded fund is composed primarily of holdings of stock and interests in a specific sector or area that is regulated by the City of Annapolis.
10. "Lobbyist" or "lobbying" means the person or act of communicating in the presence of a City official or employee with the intent to influence any official action of that official or employee; or the person or act of engaging in activities having the express purpose of soliciting others to communicate with a City official or employee with the intent to influence that official or employee; and who expends (exclusive of personal travel and subsistence) in excess of two hundred fifty dollars per calendar year on food, entertainment or gifts for any official or employee of the City.
11. "Official" means an elected official, an employee of the City directly or by contract, or a person appointed to or employed by a City agency, board, commission, or similar entity whether or not paid in whole or in part with City funds and whether or not compensated. Members of the Board of Commissioners of the Housing Authority of the City of Annapolis (HACA), the Executive Director of HACA and the Deputy Director(s) of HACA are part of a separate entity; however, in accordance with State law, and for purposes of the City Ethics law, the individuals in these HACA positions are considered City officials.
12. "Person" includes any natural person, or business entity.
13. "RECUSE" MEANS FOR PURPOSES OF SECTION 2.08.040 (A)(2) TO DISQUALIFY AND REMOVE ONESELF FROM A PROCEEDING.

-
14. "Qualified relative" means spouse, siblings, parents, children, and their spouses.
 15. "QUASI-GOVERNMENTAL ENTITY" MEANS AN ENTITY THAT IS CREATED BY STATE STATUTE, THAT PERFORMS A PUBLIC FUNCTION, AND THAT IS SUPPORTED IN WHOLE OR IN PART BY THE STATE BUT IS MANAGED PRIVATELY.
 16. "Immediate family" means a spouse and dependent children, and anyone else living in an official's residence.

(Ord. No. O-41-12 Amended, § I, 6-10-2013, eff. 1-1-2014; Ord. No. O-1-18, 2-26-2018; Ord. No. O-37-18, § I, 11-19-2018)

2.08.030 Ethics Commission.

- A. Composition and appointment. The City Ethics Commission is composed of five City resident members who are nominated by the Mayor and confirmed by a majority vote of the City Council within thirty days of a nomination. Each member of the Commission shall serve for a term of one to five years from the date of confirmation so member terms are overlapping. No member of the Commission shall be an elected or appointed official of the City, or any individual who is otherwise subject to the provisions of this section of the code. Upon occurrence of a vacancy on the Commission for any reason, the Mayor shall nominate an individual to fill that position for a term of up to five years. A Commission member may serve until re-appointed or a successor is appointed. Nothing herein shall preclude the nomination and confirmation of a member to serve successive terms.
- B. The Commission shall elect a Chairman and Vice Chairman for one year terms from among its members. They must be elected annually in February and may be reelected. The Chairman shall provide the Mayor and City Council an annual report by January 31 for the prior calendar year.
- C. Duties and responsibilities. The Commission shall be assisted in carrying out its duties and responsibilities by the Office of Law or, in situations where there is a potential conflict of interest, other legal counsel. The Ethics Commission has the following duties and responsibilities:
 1. To develop all forms required by this chapter. Completed copies of the forms shall be reviewed by the Commission for compliance with this chapter and retained by the Office of Law;
 2. To receive and respond to written requests from any person who is subject to or who may be subject to the provisions of this chapter for an opinion, assistance, or guidance in interpreting the requirements of this chapter. Advisory opinions may also be provided in response to questions from any person interested in maintaining high ethical standards of conduct within the City Government. Advisory opinions of the Ethics Commission shall be provided in a timely manner in writing with a copy filed in the Office of Law. Extracts from or summaries of advisory opinions may be made

public at the discretion of the Ethics Commission. The Commission shall redact the opinion by deleting the name of the person subject to the opinion and, to the fullest extent possible, any other information that may identify the person who is the subject of the opinion if the information is not material. If an advisory opinion is not made public by the Ethics Commission, the opinion and the identity of the person subject to the opinion shall be confidential and may not be revealed. Any official or employee who in good faith relies on an advisory opinion of the Commission shall not be disciplined if the action is found thereafter to be a violation of this chapter;

3. To expeditiously process, investigate, and make determinations as to complaints initiated by the majority of the Commission or filed by any person alleging violation of the provisions of this chapter;
4. To issue subpoenas, administer oaths, and compel the attendance of witnesses and the production of documents at its proceedings;
5. To take enforcement actions as are authorized by the provisions of Section 2.08.100;
6. To provide the City's Office of Human Resources with information concerning the purpose and implementation of this chapter so they may ensure that all City officials and employees are aware of their responsibility to maintain high ethical standards in conducting the business of the City;
7. The Ethics Commission shall meet at least once per year with the Human Resources Manager for the purpose of reviewing the steps being taken to ensure that all City officials and employees are aware of their responsibility to maintain high ethical standards in conducting the City's business;
8. The Ethics Commission shall adopt procedures for the conduct of its business in accordance with this chapter, and the procedures shall be available to the public; and
9. The Ethics Commission, with assistance from the Office of Law if needed, shall certify to the State Ethics Commission on or before October 1 of each year that the City of Annapolis is in compliance with the requirements of the Annotated Code of Maryland, General Provisions Article, Title 5, Subtitle 1, for elected local officials.

(Ord. No. O-23-14, § I, 7-28-2014; Ord. No. O-41-12 Amended, § I, 6-10-2013, eff. 1-1-2014; Ord. No. O-12-16 Amended, § I, 5-23-2016; Ord. No. O-1-18, 2-26-2018; Ord. No. O-13-19, § I, 6-10-2019)

2.08.040. Prohibited conduct and interests.

A. Participation prohibitions

1. Except as permitted by commission regulation or opinion, an official or employee may not participate in:
 - a. Except in the exercise of an administrative or ministerial duty that does not affect the disposition or decision of the matter, any matter in which, to the knowledge of

the official or employee, the official or employee or a qualified relative of the official or employee has an interest.

- b. Except in the exercise of an administrative or ministerial duty that does not affect the disposition or decision with respect to the matter any matter in which any of the following is a party:
- (1) A business entity in which the official or employee has a direct financial interest of which the official or employee may reasonably be expected to know;
 - (2) A business entity for which the official, employee, or a qualified relative of the official or employee is an officer, director, trustee, partner, or employee;
 - (3) A business entity with which the official or employee or, to the knowledge of the official or employee, a qualified relative is negotiating employment or has any arrangement concerning prospective employment;
 - (4) If the contract reasonably could be expected to result in a conflict between the private interests of the official or employee and the official duties of the official or employee, a business entity that is a party to an existing contract with the official or employee, or which, to the knowledge of the official or employee, is a party to a contract with a qualified relative;
 - (5) An entity, doing business with the City in which a direct financial interest is owned by another entity in which the official or employee has a direct financial interest, if the official or employee may be reasonably expected to know of both direct financial interests; or
 - (6) A business entity that:
 - I. The official or employee knows is a creditor or obligee of the official or employee or a qualified relative of the official or employee with respect to a thing of economic value; and
 - II. As a creditor or obligee is in a position to directly and substantially affect the interest of the official or employee or a qualified relative of the official or employee.

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

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

- a. The disqualification leaves a body with less than a quorum capable of acting;
- b. The disqualified official or employee is required by law to act; or
- c. The disqualified official or employee is the only person authorized to act.

-
- ~~3.4.~~ A regulated lobbyist who serves on a board or commission and is disqualified from participating in a specific matter because of a conflict of interest, shall file a statement of recusal with the board or commission describing the circumstances of the conflict which shall be recorded in the minutes of the meeting.
- ~~4.5.~~ A former regulated lobbyist who becomes a public official or employee may not participate in a case, contract, or other specific matter as a public official or employee for one calendar year after the termination of the registration of the former regulated lobbyist if the former regulated lobbyist previously assisted or represented another party for compensation in the matter. This subparagraph does not apply to an individual who is a public official or a member of a board or commission.
- ~~5.6.~~ The prohibitions of paragraph 1. of this subsection do not apply if participation is allowed by regulation or opinion of the Commission.

B. Employment and financial interest restrictions.

1. Except as permitted by regulation of the Commission when the interest is disclosed or when the employment does not create a conflict of interest or appearance of conflict, an official or employee may not:
 - a. Be employed by or have a financial interest in any entity:
 - (1) Subject to the authority of the official or employee or the City agency, board, or commission with which the official or employee is affiliated; or
 - (2) That is negotiating or has entered a contract with the agency, board, or commission with which the official or employee is affiliated; or
 - b. Hold any other employment relationship that would impair the impartiality or independence of judgment of the official or employee.
2. The prohibitions of paragraph 1. of the subsection do not apply to:
 - a. An official or employee who is appointed to a regulatory or licensing authority pursuant to a statutory requirement that persons subject to the jurisdiction of the authority be represented in appointments to the authority;
 - b. Subject to other provisions of law, a member of a board or commission in regard to a financial interest or employment held at the time of appointment, provided the financial interest or employment is publicly disclosed to the appointing authority and the Commission;
 - c. An official or employee whose duties are ministerial, if the private employment or financial interest does not create a conflict of interest or the appearance of a conflict of interest, as permitted and in accordance with regulations adopted by the Commission; or
 - d. Employment or financial interests allowed by regulation of the Commission if the employment does not create a conflict of interest or the appearance of a conflict of interest or the financial interest is disclosed.

C. Post-employment limitations and restrictions.

-
1. A former official or employee may not assist or represent any party other than the City in a case, contract, or other specific matter involving the City, for compensation, if that matter is one in which the former official or employee significantly participated as an official or employee.
 2. For a period of one year after an elected official leaves office, the former official may not assist or represent another party, for compensation, in a matter that is the subject of legislative action.
- D. Contingent compensation. Except in a judicial or quasi-judicial proceeding, an official or employee may not assist or represent a party for contingent compensation in any matter before or involving the City.
- E. Use of prestige of office.
1. An official or employee may not intentionally use the prestige of office or public position:
 - (a) For the private gain of that official or employee or the private gain of another; or
 - (b) To influence, except as part of the official duties of the official or employee as a usual and customary constituent service without additional compensation, the award of a local contract to a specific person.
 2. This subsection does not prohibit the performance of usual and customary constituent services by an elected official without additional compensation.
- F. Solicitation and acceptance of gifts.
1. An official or employee may not solicit any gift.
 2. An official or employee may not directly solicit or facilitate the solicitation of a gift, on behalf of another person, from an individual regulated lobbyist.
 3. An official or employee may not knowingly accept a gift, directly or indirectly, from a person that the official or employee knows or has reason to know:
 - a. Is doing business with or seeking to do business with the City office, agency, board, or commission with which the official or employee is affiliated;
 - b. Has financial interests that may be substantially and materially affected, in a manner distinguishable from the public generally, by the performance or nonperformance of the official duties of the official or employee;
 - c. Is engaged in an activity regulated or controlled by the official's or employee's governmental unit; or
 - d. Is a lobbyist with respect to matters within the jurisdiction of the official or employee.
 - e. IS AN ASSOCIATION, OR ANY ENTITY ACTING ON BEHALF OF AN ASSOCIATION THAT IS ENGAGED ONLY IN REPRESENTING COUNTIES OR MUNICIPAL CORPORATIONS.

4. Acceptable gifts.

- a. This paragraph does not apply to a gift:
- (1) That would tend to impair the impartiality and the independence of judgment of the official or employee receiving the gift;
 - (2) Of significant value that would give the appearance of impairing the impartiality and independence of judgment of the official or employee; or
 - (3) Of significant value that the recipient official or employee believes or has reason to believe is designed to impair the impartiality and independence of judgment of the official or employee.
- b. Notwithstanding paragraph 3. of this subsection, an official or employee may accept the following:
- (1) Meals and beverages costing less than ~~thirty~~ FORTY-five dollars from any one person in the calendar year if consumed in the presence of the donor or sponsoring entity;
 - (2) Ceremonial gifts or awards that have insignificant monetary value;
 - (3) Unsolicited gifts of nominal value that do not exceed twenty-FIVE dollars in cost or trivial items of informational value;
 - (4) Reasonable expenses for food, travel, lodging, and scheduled entertainment of the official or the employee at a meeting which is given in return for the participation of the official or employee in a panel or speaking engagement at the meeting;
 - (5) Gifts of tickets or free admission extended to an elected official to attend a charitable, cultural, or political event (acceptance of tickets to professional or intercollegiate sporting events is prohibited unless provided by a government official, agency, or entity thereof), if the purpose of this gift or admission is a courtesy or ceremony extended to the elected official's office;
 - (6) A specific gift or class of gifts that the commission exempts from the operation of this subsection upon a finding, in writing, that acceptance of the gift or class of gifts would not be detrimental to the impartial conduct of the business of the City and that the gift is purely personal and private in nature;
 - (7) Gifts from a person related to the official or employee by blood or marriage, or any other individual who is a member of the household of the official or employee; or
 - (8) Honoraria for speaking to or participating in a meeting, provided that the offering of the honorarium is in no way related to the official's or employee's official position.

G. Disclosure of confidential information. Other than in the discharge of official duties, an official or employee OR FORMER OFFICIAL OR EMPLOYEE may not disclose or use confidential information, that the official or employee acquired by reason of the official's or

employee's public position OR FORMER PUBLIC POSITION and that is not available to the public, for the economic benefit of the official or employee or that of another person.

H. Participation in procurement.

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

(Ord. No. O-41-12 Amended, § I, 6-10-2013, eff. 1-1-2014; Ord. No. O-1-18, 2-26-2018)

2.08.050 Financial disclosure for elected officials and candidates for elected office.

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

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

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

C. Deadlines for filing statements.

1. An incumbent official shall file a financial disclosure statement annually no later than January 31 of each year for the preceding calendar year.
2. An official who is appointed to fill a vacancy in an office for which a financial disclosure statement is required and who has not already filed a financial disclosure statement shall file a statement for the preceding calendar year within thirty days after appointment.
3. Officials leaving office.
 - a. An individual who, other than by reason of death, leaves an office for which a statement is required shall file a statement within sixty days after leaving the office.
 - b. The statement shall cover:
 - (1) The calendar year immediately preceding the year in which the individual left office, unless a statement covering that year has already been filed by the individual; and
 - (2) The portion of the current calendar year during which the individual held the office.

D. Candidates to be elected officials.

1. Except for an official who has filed a financial disclosure statement under another provision of this section for the reporting period, a candidate to be an elected official shall file a financial disclosure statement each year beginning with the year in which the certificate of candidacy is filed through the year of the election.
2. A candidate to be an elected official shall file a statement required under this section:
 - a. In the year the certificate of candidacy is filed, no later than the filing of the certificate of candidacy;
 - b. In the year of the election, on or before the earlier of April 30 or the last day for the withdrawal of candidacy; and
 - c. In all other years for which a statement is required, on or before April 30.
3. A candidate to be an elected official:
 - a. May file the statement required under Subsection D.2.a. of this section with the City Clerk or Board of Election supervisors with the certificate of candidacy or with the Commission prior to filing the certificate of candidacy; and
 - b. Shall file the statements required under Subsection D.2.b. and D.2.c. of this section with the Commission.
4. If a candidate fails to file a statement required by this section after written notice is provided by the City Clerk or Board of Election Supervisors at least twenty days before the last day for the withdrawal of candidacy, the candidate is deemed to have withdrawn the candidacy.
5. The City Clerk or Board of Election Supervisors may not accept any certificate of candidacy unless a statement required under this section has been filed in proper form.
6. Within thirty days after receipt of a statement required under this section, the City Clerk or Board of Election Supervisors shall forward the statement to the Commission.

E. Public record.

1. The Office of Law shall maintain all financial disclosure statements filed under this section.
2. The Office of Law shall make financial disclosure statements available during normal office hours for examination by the public.
3. If an individual examines a financial disclosure statement, the Office of Law shall:
 - a. Redact any portion of a statement, filed after January 1, 2019, that includes the home address of the person whose financial disclosure statement was examined;
 - b. Record the name and address of the individual reviewing the statement;
 - c. Record the name of the person whose financial disclosure statement was examined; and

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

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

a. THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM;

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

c. A QUASI-GOVERNMENTAL ENTITY OF THE STATE OR LOCAL GOVERNMENT IN THE STATE.

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

G. Contents of statement.

1. Interests in real property.

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

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

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

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

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

(4) The nature and 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;

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

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

2. Interests in corporations and partnerships.

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

-
- b. For each interest reported under this paragraph, the schedule shall include:
 - (1) The name and address of the principal office of the corporation, partnership, limited liability partnership, or limited liability corporation;
 - (2) The nature and amount of the interest held, including any conditions and encumbrances on the interest;
 - (3) With respect to any interest transferred, in whole or in part, at any time during the reporting period, a description of the interest transferred, the nature and amount of the consideration received for the interest, and, if known, the identity of the person to whom the interest was transferred; and
 - (4) With respect to any interest acquired during the reporting period:
 - (I) The date when, the manner in which, and the identity of the person from whom the interest was acquired; and
 - (II) 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.
 - c. An individual may satisfy the requirement to report the amount of the interest held under item b.(2) of this paragraph by reporting, instead of a dollar amount:
 - (1) For an equity interest in a corporation, the number of shares held and, unless the corporation's stock is publicly traded, the percentage of equity interest held; or
 - (2) For an equity interest in a partnership, the percentage of equity interest held.
 - 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) The name and address of the principal office of the business entity;
 - (2) The nature and amount of the interest held, including any conditions to and encumbrances on the interest;
 - (3) 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) With respect to any interest acquired during the reporting period:
- (I) The date when, the manner in which, and the identity of the person from whom the interest was acquired; and
 - (II) 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 FIVE dollars in value or a series of gifts totaling one hundred dollars 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) A description of the nature and value of the gift; and
 - (2) 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 immediate family of the individual held at any time during the reporting period with entities doing business with the City.
- b. For each position reported under this paragraph, the schedule shall include:
 - (1) The name and address of the principal office of the business entity;
 - (2) The title and nature of the office, directorship, or salaried employment held and the date it commenced; and
 - (3) The name of each City agency with which the entity is involved as indicated by identifying one or more of the three categories of "doing business," as defined in Section 2.08.020 A.4. of this chapter.

6. Indebtedness to entities doing business with City.

- a. A statement filed under this section shall include a schedule of all liabilities, excluding retail credit accounts, to persons doing business with the City owed at any time during the reporting period:
 - (1) By the individual; or
 - (2) By a member of the immediate family of the individual if the individual was involved in the transaction giving rise to the liability.

-
- b. For each liability reported under this paragraph, the schedule shall include:
- (1) The identity of the person to whom the liability was owed and the date the liability was incurred;
 - (2) The amount of the liability owed as of the end of the reporting period;
 - (3) The terms of payment of the liability and the extent to which the principal amount of the liability was increased or reduced during the year; and
 - (4) The security given, if any, for the liability.
7. Employment with the City. A statement filed under this section shall include a schedule of the immediate family members of the elected official or candidate for elected office in any capacity at any time during the reporting period.
8. Sources of earned income.
- a. A statement filed under this section shall include a schedule of the name and address of each place of employment and of each business entity of which the individual or a member of the individual's immediate family was a sole or partial owner and from which the individual or member of the individual's immediate family received earned income, at any time during the reporting period.
 - b. A minor child's employment or business ownership need not be disclosed if the agency that employs the individual does not regulate, exercise authority over, or contract with the place of employment or business entity of the minor child.
9. A statement filed under this section may also include a schedule of additional interests or information that the individual making the statement wishes to disclose.
10. RELATIONSHIP WITH THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM, STATE OR LOCAL GOVERNMENT, OR QUASI-GOVERNMENTAL ENTITY.
- a. AN INDIVIDUAL SHALL DISCLOSE THE INFORMATION SPECIFIED IN GENERAL PROVISIONS ARTICLE §5- 607(J)(1), ANNOTATED CODE OF MARYLAND, FOR ANY FINANCIAL OR CONTRACTUAL RELATIONSHIP WITH:
 - (1) THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM;
 - (2) A GOVERNMENTAL ENTITY OF THE STATE OR A LOCAL GOVERNMENT IN THE STATE; OR
 - (3) A QUASI-GOVERNMENTAL ENTITY OF THE STATE OR LOCAL GOVERNMENT IN THE STATE.
 - b. FOR EACH FINANCIAL OR CONTRACTUAL RELATIONSHIP REPORTED, THE SCHEDULE SHALL INCLUDE:
 - (1) A DESCRIPTION OF THE RELATIONSHIP;
 - (2) THE SUBJECT MATTER OF THE RELATIONSHIP; AND

(3) THE CONSIDERATION.

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

1. An interest held by a member of the individual's immediate family if the interest, at any time during the reporting period, was directly or indirectly controlled by the individual.
2. ~~An interest held by a business entity in which the individual held a thirty percent or greater interest at any time during the reporting period.~~

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

- a. A BUSINESS ENTITY IN WHICH THE INDIVIDUAL HELD A (10)% OR GREATER INTEREST;
 - b. A BUSINESS ENTITY DESCRIBED IN SECTION (a.) OF THIS SUBSECTION IN WHICH THE BUSINESS ENTITY HELD A 25% OR GREATER INTEREST;
 - c. A BUSINESS ENTITY DESCRIBED IN SECTION (b.) OF THIS SUBSECTION IN WHICH THE BUSINESS ENTITY HELD A 50% OR GREATER INTEREST; AND
 - d. A BUSINESS ENTITY IN WHICH THE INDIVIDUAL DIRECTLY OR INDIRECTLY, THROUGH AN INTEREST IN ONE OR A COMBINATION OF OTHER BUSINESS ENTITIES, HOLDS A 10% OR GREATER INTEREST.
3. AN INTEREST HELD BY A TRUST OR AN ESTATE IN WHICH, AT ANY TIME DURING THE REPORTING PERIOD:
 - a. THE INDIVIDUAL HELD A REVERSIONARY INTEREST OR WAS A BENEFICIARY; OR
 - b. IF A REVOCABLE TRUST, THE INDIVIDUAL WAS A SETTLOR.

- I. The Commission shall review the financial disclosure statements submitted under this section for compliance with the provisions of this section and shall notify an individual submitting the statement of any omissions or deficiencies.
- J. The Commission may take appropriate enforcement action to ensure compliance with this section.

(Ord. No. O-41-12 Amended, § I, 6-10-2013, eff. 1-1-2014; Ord. No. O-1-18, 2-26-2018; Ord. No. O-37-18, § I, 11-19-2018; Ord. No. O-13-19, § I, 6-10-2019)

2.08.051 Financial disclosure for employees and appointed officials.

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

-
1. The City Manager, the City Attorney, all department directors and deputies, and all members of the exempt service,
 2. Members of the Board of Commissioners of the Housing Authority of the City of Annapolis (HACA), the Executive Director of HACA, and the Deputy Director(s) of HACA,
 3. Inspectors and investigators who enforce the City Code, City Procurement Officers and their purchasing staff, and members of the following quasi-judicial boards and commissions: the Board of Appeals, the Civil Service Board, the Building Board of Appeals, the Historic Preservation Commission, the Planning Commission, the Board of Supervisors of Elections, the Ethics Commission, Port Wardens, and the Police and Fire Retirement Plan Commission,
 4. All other City officials, employees, contract employees, or temporary employees over pay grade 15, F15 (Fire Department), and P15 (Police Department), or who have authority to award or recommend the award of contracts or grants, or who provide advice or counsel to the City on matters pertaining to public policy or acquisition, and
 5. Members and employees of the quasi-judicial Alcoholic Beverage Control Board are exempt from this section but shall file financial disclosure statements with the State Ethics Commission in accordance with Maryland Public Ethics Law.
- B. Financial disclosure statements filed under this section shall be filed with the Commission under oath or affirmation.
- C. Employees and appointed officials included in paragraph A. above shall file a financial disclosure statement annually no later than January 31 of each year for the preceding calendar year. For new employees and appointed officials included in paragraph A. that have not already filed a financial disclosure statement, the employees and appointed officials shall file a financial disclosure statement no later than fifteen days after commencing employment or service pursuant to their appointment or within fifteen days of the enactment of this ordinance.
- D. The Office of Law shall:
1. Maintain all disclosure statements filed under this section as public records available for public inspection and copying as provided in Section 2.08.050 E. of this chapter.
 2. Retain financial disclosure statements filed under this section as provided in Section 2.08.050 F. of this chapter.
- E. Contents of statement.
1. Interests in real property.
 - a. A statement filed under this section shall include a schedule of all interests in real property located in the State of Maryland.
 - b. For each interest in real property, the schedule shall include:
 - (1) The nature of the property and the location by street address and a description of the property;

-
- (2) The nature and extent of the interest held, including any conditions and encumbrances on the interest;
 - (3) The date when, the manner in which, and the identity of the person from whom the interest was acquired;
 - (4) The identity of any other person with an interest in the property.
2. Interests in corporations and partnerships.
 - a. A statement filed under this section shall include a schedule of all interests in any corporation, partnership, limited liability partnership, or limited liability corporation, regardless of whether the corporation or partnership does business with the City. Interests in mutual funds are not reportable.
 - b. For each interest reported under this paragraph, the schedule shall include the name of the corporation, partnership, limited liability partnership, or limited liability corporation.
 3. Gifts.
 - a. A statement filed under this section shall include a schedule of each gift in excess of twenty-FIVE dollars in value or a series of gifts totaling one hundred dollars or more received during the reporting period from or on behalf of, directly or indirectly, any one person who does business with the City.
 - b. For each gift reported, the schedule shall include:
 - (1) A description of the nature and value of the gift; and
 - (2) The identity of the person from whom, or on behalf of whom, directly or indirectly, the gift was received.
 4. Employment with or interests in entities doing business with the City.
 - a. (1) A statement filed under this section shall include a schedule of all offices, directorships, and salaried employment by the individual or member of the immediate family of the individual held at any time during the reporting period with entities doing business with the City; and
 - (2) For a statement filed on or after January 1, 2019, if the individual's spouse is a regulated lobbyist, shall include a schedule of all entities that engaged the spouse for lobbying purposes.
 - b. For each position reported under this paragraph, the schedule shall include:
 - (1) The name and address of the principal office of the business entity;
 - (2) The title and nature of the office, directorship, or salaried employment held and the date it commenced; and
 - (3) The name of each City agency with which the entity is involved as indicated by identifying one or more of the three categories of "doing business", as defined in Section 2.08.020 A.4. of this chapter.

-
5. ~~Indebtedness to entities doing business with City.~~
 - a. A statement filed under this section shall include a schedule of all liabilities, excluding retail credit accounts, to persons doing business with the City owed at any time during the reporting period:
 - (1) By the individual; or
 - (2) By a member of the immediate family of the individual if the individual was involved in the transaction giving rise to the liability.
 - b. For each liability reported under this paragraph, the schedule shall include:
 - (1) The identity of the person to whom the liability was owed and the date the liability was incurred;
 - (2) The amount of the liability owed as of the end of the reporting period;
 - (3) The terms of payment of the liability and the extent to which the principal amount of the liability was increased or reduced during the year; and
 - (4) The security given, if any, for the liability.
 6. Employment with City. A statement filed under this section shall include a schedule of the immediate family members of the individual employed by the City in any capacity at any time during the reporting period.
 7. Sources of earned income.
 - a. (1) A statement filed under this section shall include a schedule of the name and address of each place of employment and of each business entity of which the individual or a member of the individual's immediate family was a sole or partial owner and from which the individual or member of the individual's immediate family received earned income, at any time during the reporting period; and
 - (2) For a statement filed on or after January 1, 2019, if the individual's spouse is a regulated lobbyist, shall include a schedule of all entities that engaged the spouse for lobbying purposes.
 - b. A minor child's employment or business ownership need not be disclosed if the agency that employs the individual does not regulate, exercise authority over, or contract with the place of employment or business entity of the minor child.
 8. A statement filed under this section may also include a schedule of additional interests or information that the individual making the statement wishes to disclose.
- F. For the purposes Section 2.08.051 E.1. and 2. of this chapter, the following interests are considered to be the interests of the individual making the statement:
1. An interest held by a member of the individual's immediate family if the interest was, at any time during the reporting period, directly or indirectly controlled by the individual.

-
2. An interest held by a business entity in which the individual held a thirty-percent or greater interest at any time during the reporting period.
 3. An interest held by a trust or an estate in which, at any time during the reporting period:
 - a. The individual held a reversionary interest or was a beneficiary; or
 - b. If a revocable trust, the individual was a settlor.
- G. The Commission shall review the financial disclosure statements submitted under this section for compliance with the provisions of this section and shall notify an individual submitting the statement of any omissions or deficiencies.
- H. The Commission may take appropriate enforcement action to ensure compliance with this section.

(Ord. No. O-23-14, § I, 7-28-2014; Ord. No. O-41-12 Amended, § I, 6-10-2013, eff. 1-1-2014; Ord. No. O-1-18, 2-26-2018; Ord. No. O-37-18, § I, 11-19-2018; Ord. No. O-13-19, § I, 6-10-2019)

2.08.052 Reserved RETALIATION.

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

Editor's note(s)—Ord. No. O-37-18, § I, adopted Nov. 19, 2018, repealed former § 2.08.052, which pertained to financial disclosure for the Housing Authority of the City of Annapolis, and derived from Ord. No. O-41-12 Amended, § 1, adopted June 10, 2013, eff. Jan. 1, 2014; and Ord. No. O-1-18, adopted Feb. 26, 2018.

2.08.060 Statement of compliance. (Repealed)

(Ord. No. O-41-12 Amended, § I, 6-10-2013, eff. 1-1-2014; Ord. No. O-1-18, 2-26-2018; repealed by Ord. No. O-21-21, § I, eff. 9-13-2021)

2.08.070 Lobbying disclosure and registration.

- A. General requirements. Any person who appears before any official or employee of the City, with the intent to influence that person in the performance of that person's official duties and who, in connection with any such activities expends or reasonably expects to expend in any calendar year in excess of two hundred fifty dollars, on food, entertainment, or gifts for any officials or employees of the City, shall file a registration statement with the Commission no later than January 31st of the calendar year for which the statement is filed, or within fifteen days after the commencement of any activities regulated by this section.
- B. Registration statement. The registration statement shall include complete identification of the registrant and of any other person on whose behalf the registrant acts or will be acting. It

shall also identify the subject matter on which the registrant proposes to make these appearances, and shall cover a period not to exceed one calendar year.

- C. Report of activities. Registrants under this section shall file a report, not later than January 31st of each year, covering activities for which they were registered for the preceding year, disclosing the value, date and nature of any food, entertainment or gifts provided to any City official or employee. When a gift or series of gifts to a single official or employee exceeds ~~thirty~~FORTY-five dollars in value, the official or employee shall also be identified.
- D. No contingency fees. No person may engage in lobbying activities on behalf of another person for compensation that is contingent upon the passage or defeat of any action by the City Council.
- E. Availability to public. The registrations and reports filed pursuant to this section shall be maintained by the Office of Law and shall be made available, during normal office hours, for examination and copying by the public. All registrations and reports shall be retained as public records for at least four years from the date of their receipt by the Commission.
- F. Forms. The Commission shall provide forms for use in the filing of the registration statements and reports required by this section to the persons required to file the statements and reports.

(Ord. No. O-41-12 Amended, § I, 6-10-2013, eff. 1-1-2014; Ord. No. O-13-19, § I, 6-10-2019)

2.08.080 Responsibilities of City Attorney.

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

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

(Ord. No. O-41-12 Amended, § I, 6-10-2013, eff. 1-1-2014)

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:

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

(Ord. No. O-23-14, § I, 7-28-2014; Ord. No. O-41-12 Amended, § I, 6-10-2013, eff. 1-1-2014)

2.08.100 Enforcement.

A. Enforcement authority of Commission.

1. Upon a finding of a violation of any provision of this chapter, the Commission may:
 - a. Issue an order of compliance directing the respondent to cease and desist from the violation;
 - b. Issue a reprimand; or
 - c. Recommend to the appropriate City authority:
 - (I) Discipline of the respondent, including censure, suspension, demotion in position, or removal if that discipline is authorized by law, and/or
 - (II) Suspension from receiving payment or salary or other compensation pending full compliance with the terms of an order of the Commission, City Council, or Court.
2. After receipt of a recommendation provided for in paragraph 1.c. above, the Mayor, City Manager, Supervisor, or the Human Resources Office, as appropriate, will report to the Commission within fourteen days after any action is taken in response to the Commission's recommendations, but no later than sixty days after recommendations are issued by the Commission.
3. If the Commission finds that a respondent has violated Section 2.08.070, lobbying disclosure, of this chapter, the Commission may:
 - a. Require a respondent who is a registered lobbyist to file any additional reports or information that reasonably related to the information that is required under Section 2.08.070 of this chapter;
 - b. Impose a fine not exceeding five thousand dollars for each violation; and
 - c. Suspend the registration of an individual registered lobbyist if the Commission finds that the lobbyist has knowingly and willfully violated Section 2.08.070 of this chapter or has been convicted of a criminal offense arising from lobbying activities.

B. Injunctive relief.

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

-
- a. The court may:
 - (1) Issue an order to cease and desist from the violation;
 - (2) Except as provided in subparagraph B. of this paragraph, void an official action taken by an official or employee with a conflict of interest prohibited by this chapter when the action arises from or concerns the subject matter of the conflict and if the legal action is brought within ninety days of the occurrence of the official action, if the court deems voiding the action to be in the best interest of the public;
 - (3) Impose a fine of up to five thousand dollars for any violation of the provisions of this chapter, with each day upon which the violation occurs constituting a separate offense.
 - b. A court may not void any official action appropriating public funds, levying taxes, or providing for the issuance of bonds, notes, or other evidences of public obligations.

C. Maintenance of records.

1. A person who is subject to the provisions of this chapter shall obtain and preserve all accounts, bills, receipts, books, papers, and documents necessary to complete and substantiate a report, statement, or record required under this chapter for three years from the date of filing the report, statement, or record.
2. These papers and documents shall be available for inspection within fifteen days of a written request by the Commission.

(Ord. No. O-41-12 Amended, § I, 6-10-2013, eff. 1-1-2014; Ord. No. O-12-16 Amended, § I, 5-23-2016)

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 **RESPONDENT** 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. After a complaint is filed and until a final determination is made by the Commission, all actions regarding a complaint shall be treated confidentially.
- E. 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.
- F. If there is a reasonable basis for believing a violation has occurred then the RESPONDENT SHALL be afforded an opportunity for a hearing before the Commission.
- G. Any final determination resulting from the hearing shall include findings of fact and conclusions of law.
- H. Upon finding of a violation, the Commission may take any enforcement action provided for in accordance with Section 2.08.100 of this chapter.
- I. If a finding of violation is made, the final determination will be made public and posted on the City's web site.

2.08.120 Severability.

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

(Ord. No. O-41-12 Amended, § I, 6-10-2013, eff. 1-1-2014)