

1 **..Title**

2 **Public Ethics and Financial Disclosure** – For the purpose of updating and amending the  
3 Ethics Code of Annapolis pursuant to the passage of HB 1386, effective October 1, 2017  
4 and HB 879, effective January 1, 2019; clarifying certain definitions; ensuring City  
5 officials and employees are aware of their responsibilities pursuant to the Ethics Code;  
6 extending conflict of interest provisions to include lobbyists; amending the use of  
7 prestige of office restrictions; changing current policy regarding the reviewing and  
8 copying of financial disclosure statements by the public; removing the Alcoholic  
9 Beverage Control Board members from the financial disclosure filing requirements in  
10 accordance with recently enacted state law; making minor editorial changes; and matters  
11 generally relating to updating and amending the Ethics Code.

12 **..Body**

13 **CITY COUNCIL OF THE**

14 *City of Annapolis*

15 **Ordinance 1-18**

16 **Introduced by: Mayor Buckley**

17 **Referred to**

18 Rules and City Government Committee

19 **AN ORDINANCE** concerning

20 **Public Ethics and Financial Disclosure**

21 **FOR** the purpose of updating and amending the Ethics Code of Annapolis pursuant to  
22 the passage of HB 1386, effective October 1, 2017 and HB 879, effective January  
23 1, 2019; clarifying certain definitions; ensuring City officials and employees are  
24 aware of their responsibilities pursuant to the Ethics Code; extending conflict of  
25 interest provisions to include lobbyists; amending the use of prestige of office  
26 restrictions; changing current policy regarding the reviewing and copying of  
27 financial disclosure statements by the public; removing the Alcoholic Beverage  
28 Control Board members from the financial disclosure filing requirements in  
29 accordance with recently enacted state law; making minor editorial changes; and  
30 matters generally relating to updating and amending the Ethics Code.

31 **BY** repealing and re-enacting with amendments the following portions of the Code of  
32 the City of Annapolis, 2018 Edition

33 2.08.020

34 2.08.030

35 2.08.040

36 2.08.050

37 2.08.051

38 2.08.052

39 2.08.060

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

5  
6 **TITLE 2 – ADMINISTRATION**

7 **Chapter 2.08 – PUBLIC ETHICS AND FINANCIAL DISCLOSURE**

8  
9 **Section 2.08.020 - Definitions.**

10  
11 A. Definitions. The following words and phrases shall have the meanings ascribed to  
12 them as follows:

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

1 performance of official duties. However, "gift" does not include the solicitation,  
2 acceptance or receipt of any campaign contributions regulated in accordance  
3 with any law pertaining to the conduct of elections or the receipt of political  
4 campaign contributions.

- 5 9. "Interest" means any legal or equitable economic interest, whether or not subject  
6 to an encumbrance or a condition, which was owned or held, in whole or in part,  
7 jointly or severally, directly or indirectly. ~~For~~ For purposes of Section 2.08.050 of  
8 this chapter, "interest" applies to any interests held at any time during the  
9 calendar year for which a required statement is to be filed. "Interest" does not  
10 include:
- 11 a. An interest held in the capacity of a personal agent, representative  
12 custodian, fiduciary, or trustee, unless the holder has an equitable interest  
13 therein;
  - 14 b. An interest in a time or demand deposit in a financial institution;
  - 15 c. An interest in an insurance or endowment policy or annuity contract under  
16 which an insurance company promises to pay a fixed number of dollars  
17 either in a lump sum or periodically for life or some other specified period;
  - 18 d. A common trust fund or a trust which forms part of a pension or profit  
19 sharing plan which has more than twenty-five participants and which has  
20 been determined by the internal revenue service to be a qualified trust under  
21 §§ 401 and 501 of the Internal Revenue Code of 1954; ~~or~~
  - 22 e. An interest in a City pension plan, City deferred compensation plan or a  
23 college savings plan under the Internal Revenue Code; or
  - 24 f. An interest in any mutual fund or exchange-traded fund that is publicly  
25 traded on a national scale unless the mutual fund or exchange-traded fund is  
26 composed primarily of holdings of stock and interests in a specific sector or  
27 area that is regulated by the City of Annapolis.
- 28 10. "Lobbyist" or "lobbying" means the person or act of communicating in the  
29 presence of a City official or employee with the intent to influence any official  
30 action of that official or employee; or the person or act of engaging in activities  
31 having the express purpose of soliciting others to communicate with a City  
32 official or employee with the intent to influence that official or employee; and  
33 who expends (exclusive of personal travel and subsistence) in excess of two  
34 hundred fifty dollars per calendar year on food, entertainment or gifts for any  
35 officials or employees of the City.
- 36 11. "Official" means an elected official, an employee of the City directly or by  
37 contract, or a person appointed to or employed by a City agency, board,  
38 commission, or similar entity whether or not paid in whole or in part with City  
39 funds and whether or not compensated.
- 40 12. "Person" includes any natural person, or business entity.
- 41 13. ~~"Qualified Relative", "family", and "immediate family" include~~ means spouse,  
42 siblings, parents, children, and their spouses.
- 43 14. "Immediate Family" means a spouse and dependent children, and anyone else  
44 living in an official's residence.

45  
46 **Section 2.08.030 - Ethics Commission.**

- 1 A. Composition and appointment. The City Ethics Commission is composed of five  
2 City resident members who are nominated by the Mayor and confirmed by a  
3 majority vote of the City Council within thirty days of a nomination. Each member  
4 of the Commission shall serve for a term of one to five years from the date of  
5 confirmation so member terms are overlapping. No member of the commission shall  
6 be an elected or appointed official of the City, or any individual who is otherwise  
7 subject to the provisions of this section of the code. Upon occurrence of a vacancy  
8 on the Commission for any reason, the Mayor shall nominate an individual to fill that  
9 position for a term of up to five years. A Commission member may serve until re-  
10 appointed or a successor is appointed. Nothing herein shall preclude the nomination  
11 and confirmation of a member to serve successive terms.
- 12 B. The Commission shall elect a Chairman and Vice Chairman for one year terms from  
13 among its members. They must be elected annually in February and may be  
14 reelected. The Chairman shall provide the Mayor and City Council an annual report  
15 by January 31 for the prior calendar year.
- 16 C. Duties and responsibilities. The Commission shall be assisted in carrying out its  
17 duties and responsibilities by the City Attorney or, in situations where there is a  
18 potential conflict of interest, may use other legal counsel. The Ethics Commission  
19 has the following duties and responsibilities:
- 20 1. To develop all forms required by this Chapter. Completed copies of such forms  
21 shall be reviewed by the Commission for compliance with this chapter and  
22 retained by the City Attorney's office;
  - 23 2. To receive and respond to written requests from any person who is subject to or  
24 who may be subject to the provisions of this chapter for an opinion, assistance,  
25 or guidance in interpreting the requirements of this chapter. Advisory opinions  
26 may also be provided in response to questions from any person interested in  
27 maintaining high ethical standards of conduct within the City government. Such  
28 advisory opinions of the Ethics Commission shall be provided in a timely  
29 manner in writing with a copy filed in the City Attorney's office. Extracts from  
30 or summaries of advisory opinions may be made public at the discretion of the  
31 Ethics Commission. The Commission shall redact the opinion by deleting the  
32 name of the person subject to the opinion and, to the fullest extent possible, any  
33 other information that may identify the person who is the subject of the opinion  
34 if such information is not material. If an advisory opinion is not made public by  
35 the Ethics Commission, the opinion and the identity of the person subject to the  
36 opinion shall be confidential and may not otherwise be revealed. Any official or  
37 employee who in good faith relies on an advisory opinion of the Commission  
38 shall not be disciplined if the action is found thereafter to be a violation of this  
39 chapter;
  - 40 3. To expeditiously process, investigate and make determinations as to complaints  
41 initiated by athe majority of the Commission or filed by any person alleging  
42 violation of the provisions of this chapter;
  - 43 4. To issue subpoenas, administer oaths and compel the attendance of witnesses  
44 and production of documents at its proceedings;
  - 45 5. To take enforcement actions as are authorized by the provisions of Section  
46 2.08.100;

- 1           6. To provide the City's Office of Human Resources with information concerning  
2           the purpose and implementation of this chapter so they may ensure that all City  
3           officials and employees are aware of their responsibility for maintaining high  
4           ethical standards in conducting the business of the City; ~~and~~
- 5           7. The Ethics Commission shall meet at least once per year with the director of  
6           Human Resources Manager for the purpose of reviewing the steps being taken to  
7           ensure that all city officials and employees are aware of their responsibility for  
8           maintaining high ethical standards in conducting the city's business;
- 9           78. The Ethics Commission shall adopt procedures for the conduct of its business in  
10          accordance with this chapter, and such procedures shall be available to the  
11          public; and
- 12          89. The Ethics Commission, or City Attorney, shall certify to the State Ethics  
13          Commission on or before October 1 of each year that the City of Annapolis is in  
14          compliance with the requirements of the Annotated Code of Maryland, ~~State~~  
15          Government General Provisions Article, Title ~~45,~~ Subtitle ~~81,~~ for elected local  
16          officials.

17  
18       **Section 2.08.040. - Prohibited conduct and interests.**

19  
20       A. Participation prohibitions.

- 21  
22          1. Except as permitted by commission regulation or opinion, an official or  
23          employee may not participate in:
- 24  
25               a. Except in the exercise of an administrative or ministerial duty that does not  
26               affect the disposition or decision of the matter, any matter in which, to the  
27               knowledge of the official or employee, the official or employee or a  
28               qualified relative of the official or employee has an interest.
- 29               b. Except in the exercise of an administrative or ministerial duty that does not  
30               affect the disposition or decision with respect to the matter any matter in  
31               which any of the following is a party:
- 32  
33                       (1) A business entity in which the official or employee has a direct  
34                       financial interest of which the official or employee may reasonably be  
35                       expected to know;
- 36                       (2) A business entity for which the official, employee, or a qualified  
37                       relative of the official or employee is an officer, director, trustee,  
38                       partner, or employee;
- 39                       (3) A business entity with which the official or employee or, to the  
40                       knowledge of the official or employee, a qualified relative is  
41                       negotiating employment or has any arrangement concerning  
42                       prospective employment;
- 43                       (4) If the contract reasonably could be expected to result in a conflict  
44                       between the private interests of the official or employee and the official  
45                       duties of the official or employee, a business entity that is a party to an  
46                       existing contract with the official or employee, or which, to the

1 knowledge of the official or employee, is a party to a contract with a  
2 qualified relative;

3 (5) An entity, doing business with the City in which a direct financial  
4 interest is owned by another entity in which the official or employee  
5 has a direct financial interest, if the official or employee may be  
6 reasonably expected to know of both direct financial interests; or

7 (6) A business entity that:

8

9 I. The official or employee knows is a creditor or obligee of the  
10 official or employee or a qualified relative of the official or  
11 employee with respect to a thing of economic value; and

12 II. As a creditor or obligee is in a position to directly and substantially  
13 affect the interest of the official or employee or a qualified relative  
14 of the official or employee.

15

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

19

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

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

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

24

25 3. A regulated lobbyist who serves on a board or commission and is disqualified  
26 from participating in a specific matter because of a conflict of interest, shall file  
27 a statement of recusal with the board or commission describing the  
28 circumstances of the conflict which shall be recorded in the minutes of the  
29 meeting.

30

31 ~~3~~4. The prohibitions of paragraph 1. of this subsection do not apply if participation  
32 is allowed by regulation or opinion of the commission.

33

34 B. Employment and financial interest restrictions.

35

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

39

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

41

42 (1) Subject to the authority of the official or employee or the City agency,  
43 board, or commission with which the official or employee is affiliated;  
44 or

45 (2) That is negotiating or has entered a contract with the agency, board, or  
46 commission with which the official or employee is affiliated; or

47

- 1           b. Hold any other employment relationship that would impair the impartiality  
2           or independence of judgment of the official or employee.  
3
- 4           2. The prohibitions of paragraph 1. of the subsection do not apply to:  
5
- 6           a. An official or employee who is appointed to a regulatory or licensing  
7           authority pursuant to a statutory requirement that persons subject to the  
8           jurisdiction of the authority be represented in appointments to the authority;  
9           b. Subject to other provisions of law, a member of a board or commission in  
10          regard to a financial interest or employment held at the time of appointment,  
11          provided the financial interest or employment is publicly disclosed to the  
12          appointing authority and the commission;  
13          c. An official or employee whose duties are ministerial, if the private  
14          employment or financial interest does not create a conflict of interest or the  
15          appearance of a conflict of interest, as permitted and in accordance with  
16          regulations adopted by the Commission; or  
17          d. Employment or financial interests allowed by regulation of the Commission  
18          if the employment does not create a conflict of interest or the appearance of  
19          a conflict of interest or the financial interest is disclosed.  
20
- 21        C. Post-employment limitations and restrictions.  
22
- 23           1. A former official or employee may not assist or represent any party other than  
24           the City in a case, contract, or other specific matter involving the City if that  
25           matter is one in which the former official or employee significantly participated  
26           as an official or employee.  
27           2. For a period of one year after an elected official leaves office, a former member  
28           of the City Council may not assist or represent another party in a matter that is  
29           the subject of legislative action.  
30           3. A former regulated lobbyist who becomes a public official or employee may not  
31           participate in a case, contract, or other specific matter as a public official or  
32           employee for one calendar year after the termination of the registration of the  
33           former regulated lobbyist if the former regulated lobbyist previously assisted or  
34           represented another party for compensation in the matter. This subparagraph  
35           does not apply to an individual who is a public official only a member of a board  
36           or commission.  
37
- 38        D. Contingent compensation. Except in a judicial or quasi-judicial proceeding, an  
39        official or employee may not assist or represent a party for contingent compensation  
40        in any matter before or involving the City.  
41
- 42        E. Use of prestige of office.  
43
- 44           1. An official or employee may not intentionally use the prestige of office or public  
45           position;  
46           (a) for the private gain of that official or employee or the private gain of another; or

1 (b) to influence, except as part of the official duties of the official or employee as a  
2 usual and customary constituent service without additional compensation, the  
3 award of a local contract to a specific person.

4 2. This subsection does not prohibit the performance of usual and customary  
5 constituent services by an elected official without additional compensation.

6  
7 F. Solicitation and acceptance of gifts.

8  
9 1. An official or employee may not solicit any gift.  
10 2. An official or employee may not directly solicit or facilitate the solicitation of a  
11 gift, on behalf of another person, from an individual regulated lobbyist.  
12 3. An official or employee may not knowingly accept a gift, directly or indirectly,  
13 from a person that the official or employee knows or has reason to know:

- 14  
15 a. Is doing business with or seeking to do business with the City office,  
16 agency, board, or commission with which the official or employee is  
17 affiliated;  
18 b. Has financial interests that may be substantially and materially affected, in a  
19 manner distinguishable from the public generally, by the performance or  
20 nonperformance of the official duties of the official or employee;  
21 c. Is engaged in an activity regulated or controlled by the official's or  
22 employee's governmental unit; or  
23 d. Is a lobbyist with respect to matters within the jurisdiction of the official or  
24 employee.

25  
26 4. Acceptable gifts.

- 27  
28 a. This paragraph does not apply to a gift:  
29  
30 (1) That would tend to impair the impartiality and the independence of  
31 judgment of the official or employee receiving the gift;  
32 (2) Of significant value that would give the appearance of impairing the  
33 impartiality and independence of judgment of the official or employee;  
34 or  
35 (3) Of significant value that the recipient official or employee believes or  
36 has reason to believe is designed to impair the impartiality and  
37 independence of judgment of the official or employee.

38  
39 b. Notwithstanding paragraph 3. of this subsection, an official or employee  
40 may accept the following:

- 41  
42 (1) Meals and beverages costing less than thirty-five dollars from any one  
43 person in the calendar year if consumed in the presence of the donor or  
44 sponsoring entity;  
45 (2) Ceremonial gifts or awards that have insignificant monetary value;  
46 (3) Unsolicited gifts of nominal value that do not exceed twenty dollars in  
47 cost or trivial items of informational value;

- 1 (4) Reasonable expenses for food, travel, lodging, and scheduled  
2 entertainment of the official or the employee at a meeting which is  
3 given in return for the participation of the official or employee in a  
4 panel or speaking engagement at the meeting;
- 5 (5) Gifts of tickets or free admission extended to an elected official to  
6 attend a charitable, cultural, or political event (acceptance of tickets to  
7 professional or intercollegiate sporting events is prohibited unless  
8 provided by a government official, agency, or entity thereof), if the  
9 purpose of this gift or admission is a courtesy or ceremony extended to  
10 the elected official's office;
- 11 (6) A specific gift or class of gifts that the commission exempts from the  
12 operation of this subsection upon a finding, in writing, that acceptance  
13 of the gift or class of gifts would not be detrimental to the impartial  
14 conduct of the business of the City and that the gift is purely personal  
15 and private in nature;
- 16 (7) Gifts from a person related to the official or employee by blood or  
17 marriage, or any other individual who is a member of the household of  
18 the official or employee; or
- 19 (8) Honoraria for speaking to or participating in a meeting, provided that  
20 the offering of the honorarium is in no way related to the official's or  
21 employee's official position.  
22

23 G. Disclosure of confidential information. Other than in the discharge of official duties,  
24 an official or employee may not disclose or use confidential information, that the  
25 official or employee acquired by reason of the official's or employee's public position  
26 and that is not available to the public, for the economic benefit of the official or  
27 employee or that of another person.  
28

29 H. Participation in procurement.  
30

- 31 1. An individual or a person that employs an individual who assists a City agency  
32 or unit in the drafting of specifications, an invitation for bids, or a request for  
33 proposals for a procurement may not submit a bid or proposal for that  
34 procurement, or assist or represent another person, directly or indirectly, who is  
35 submitting a bid or proposal for the procurement.
- 36 2. The Commission may establish exemptions from the requirements of this  
37 section for providing descriptive literature, sole source procurements, and  
38 written comments solicited by the procuring agency.  
39

40 **Section 2.08.050 - Financial disclosure for elected officials and candidates for elected**  
41 **office.**  
42

43 A. This section applies to all elected officials and candidates for elected office:  
44

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

- 4 1. On a form provided by the Commission;
- 5 2. Under oath or affirmation; and
- 6 3. With the Commission.

7  
8 C. Deadlines for filing statements.

- 9  
10 1. An incumbent official shall file a financial disclosure statement annually no later  
11 than January 31 of each year for the preceding calendar year.
- 12 2. An official who is appointed to fill a vacancy in an office for which a financial  
13 disclosure statement is required and who has not already filed a financial  
14 disclosure statement shall file a statement for the preceding calendar year within  
15 thirty days after appointment.
- 16 3. Officials leaving office.
  - 17 a. An individual who, other than by reason of death, leaves an office for which  
18 a statement is required shall file a statement within sixty days after leaving  
19 the office.
  - 20 b. The statement shall cover:
    - 21 (1) The calendar year immediately preceding the year in which the  
22 individual left office, unless a statement covering that year has already  
23 been filed by the individual; and
    - 24 (2) The portion of the current calendar year during which the individual  
25 held the office.

26  
27 D. Candidates to be elected officials.

- 28  
29 1. Except for an official who has filed a financial disclosure statement under  
30 another provision of this section for the reporting period, a candidate to be an  
31 elected official shall file a financial disclosure statement each year beginning  
32 with the year in which the certificate of candidacy is filed through the year of  
33 the election.
- 34 2. A candidate to be an elected official shall file a statement required under this  
35 section:
  - 36 a. In the year the certificate of candidacy is filed, no later than the filing of the  
37 certificate of candidacy;
  - 38 b. In the year of the election, on or before the earlier of April 30 or the last day  
39 for the withdrawal of candidacy; and
  - 40 c. In all other years for which a statement is required, on or before April 30.
- 41 3. A candidate to be an elected official:
  - 42 a. May file the statement required under subsection D.2.a. of this section with  
43 the City Clerk or Board of Election supervisors with the certificate of  
44 candidacy or with the Commission prior to filing the certificate of  
45 candidacy; and

- 1           b. Shall file the statements required under subsection D.2.b. and D.2.c. of this  
2           section with the Commission.
- 3       4. If a candidate fails to file a statement required by this section after written notice  
4       is provided by the City Clerk or Board of Election Supervisors at least twenty  
5       days before the last day for the withdrawal of candidacy, the candidate is  
6       deemed to have withdrawn the candidacy.
- 7       5. The City Clerk or Board of Election Supervisors may not accept any certificate  
8       of candidacy unless a statement required under this section has been filed in  
9       proper form.
- 10      6. Within thirty days of the receipt of a statement required under this section, the  
11      City Clerk or Board of Election Supervisors shall forward the statement to the  
12      Commission.

13  
14   E. Public record.

- 15       1. The City Attorney's office shall maintain all financial disclosure statements filed  
16       under this section.
- 17       2. The City Attorney's office shall make financial disclosure statements available  
18       during normal office hours for examination ~~and copying~~ by the public, ~~subject to~~  
19       ~~reasonable fees and administrative procedures established by the Commission.~~
- 20       3. If an individual examines ~~or copies~~ a financial disclosure statement, the City  
21       Attorney's office shall ~~record~~:
  - 22           a. Redact any portion of a statement, filed after January 1, 2019, that includes  
23           the home address of the person whose financial disclosure statement was  
24           examined;
  - 25           ab. Record ~~T~~the name, employer, and home and office ~~and home~~ addresses of  
26           the individual reviewing ~~or copying~~ the statement; and
  - 27           bc. Record ~~T~~the name of the person whose financial disclosure statement was  
28           examined ~~or copied~~; and
  - 29           d. Notify the person whose financial disclosure statement was examined of the  
30           information recorded in paragraph 3b above.
- 31       4. ~~Upon request by the individual whose financial disclosure statement was~~  
32       ~~examined or copied, the City Attorney's office shall provide the official or~~  
33       ~~employee with a copy of the name and home address of the person who~~  
34       ~~reviewed the official's or employee's financial disclosure statement.~~

35  
36  
37   F. Retention requirements. The City Attorney's office shall retain financial disclosure  
38   statements for four years from the date of receipt.

39  
40   G. Contents of statement.

- 41       1. Interests in real property.
  - 42           a. A statement filed under this section shall include a schedule of all interests  
43           in real property wherever located.
  - 44           b. For each interest in real property, the schedule shall include:  
45

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

- 1 a. A statement filed under this section shall include a schedule of all interests  
2 in any business entity that does business with the City, other than interests  
3 reported under paragraph 2. of this subsection.
- 4 b. For each interest reported under this paragraph, the schedule shall include:  
5 (1) The name and address of the principal office of the business entity;  
6 (2) The nature and amount of the interest held, including any conditions to  
7 and encumbrances on the interest;  
8 (3) With respect to any interest transferred, in whole or in part, at any time  
9 during the reporting period, a description of the interest transferred, the  
10 nature and amount of the consideration received in exchange for the  
11 interest, and, if known, the identity of the person to whom the interest  
12 was transferred; and  
13 (4) With respect to any interest acquired during the reporting period:  
14 (I) The date when, the manner in which, and the identity of the person  
15 from whom the interest was acquired; and  
16 (II) The nature and the amount of the consideration given in exchange  
17 for the interest or, if acquired other than by purchase, the fair  
18 market value of the interest at the time acquired.
- 19 4. Gifts.  
20 a. A statement filed under this section shall include a schedule of each gift in  
21 excess of twenty dollars in value or a series of gifts totaling one hundred  
22 dollars or more received during the reporting period from or on behalf of,  
23 directly or indirectly, any one person who does business with the City.  
24 b. For each gift reported, the schedule shall include:  
25 (1) A description of the nature and value of the gift; and  
26 (2) The identity of the person from whom, or on behalf of whom, directly  
27 or indirectly, the gift was received.
- 28 5. Employment with or interests in entities doing business with City.  
29 a. A statement filed under this section shall include a schedule of all offices,  
30 directorships, and salaried employment by the individual or member of the  
31 immediate family of the individual held at any time during the reporting  
32 period with entities doing business with the City.  
33 b. For each position reported under this paragraph, the schedule shall include:  
34 (1) The name and address of the principal office of the business entity;  
35 (2) The title and nature of the office, directorship, or salaried employment  
36 held and the date it commenced; and  
37 (3) The name of each City agency with which the entity is involved as  
38 indicated by identifying one or more of the three categories of "doing  
39 business", as defined in Section 2.08.020 A.4. of this chapter.
- 40 6. Indebtedness to entities doing business with City.  
41 a. A statement filed under this section shall include a schedule of all liabilities,  
42 excluding retail credit accounts, to persons doing business with the City  
43 owed at any time during the reporting period:  
44 (1) By the individual; or  
45 (2) By a member of the immediate family of the individual if the individual  
46 was involved in the transaction giving rise to the liability.

- 1           b. For each liability reported under this paragraph, the schedule shall include:
  - 2           (1) The identity of the person to whom the liability was owed and the date
  - 3           the liability was incurred;
  - 4           (2) The amount of the liability owed as of the end of the reporting period;
  - 5           (3) The terms of payment of the liability and the extent to which the
  - 6           principal amount of the liability was increased or reduced during the
  - 7           year; and
  - 8           (4) The security given, if any, for the liability.
- 9       7. Employment with City. A statement filed under this section shall include a
- 10       schedule of the immediate family members of the ~~individual employed by the~~
- 11       City elected official or candidate for elected office in any capacity at any time
- 12       during the reporting period.
- 13       8. Sources of earned income.
  - 14       a. A statement filed under this section shall include a schedule of the name
  - 15       and address of each place of employment and of each business entity of
  - 16       which the individual or a member of the individual's immediate family was
  - 17       a sole or partial owner and from which the individual or member of the
  - 18       individual's immediate family received earned income, at any time during
  - 19       the reporting period.
  - 20       b. A minor child's employment or business ownership need not be disclosed if
  - 21       the agency that employs the individual does not regulate, exercise authority
  - 22       over, or contract with the place of employment or business entity of the
  - 23       minor child.
- 24       9. A statement filed under this section may also include a schedule of additional
- 25       interests or information that the individual making the statement wishes to
- 26       disclose.
- 27
- 28       H. For the purposes Section 2.08.050 G.1., 2., and 3. of this chapter, the following
- 29       interests are considered to be the interests of the individual making the statement:
  - 30
  - 31       1. An interest held by a member of the individual's immediate family, if the interest
  - 32       was, at any time during the reporting period, directly or indirectly controlled by
  - 33       the individual.
  - 34       2. An interest held by a business entity in which the individual held a thirty percent
  - 35       or greater interest at any time during the reporting period.
  - 36       3. An interest held by a trust or an estate in which, at any time during the reporting
  - 37       period:
    - 38       a. The individual held a reversionary interest or was a beneficiary; or
    - 39       b. If a revocable trust, the individual was a settlor.
  - 40
- 41       I. The Commission shall review the financial disclosure statements submitted under
- 42       this section for compliance with the provisions of this section and shall notify an
- 43       individual submitting the statement of any omissions or deficiencies.
- 44
- 45       J. The eCommission may take appropriate enforcement action to ensure compliance
- 46       with this section.

1  
2 **Section 2.08.051 - Financial disclosure for employees and appointed officials.**

3  
4 A. This section applies to the following employees and appointed officials:

- 5  
6 1. The City Manager, City Attorney, all department directors and deputies, and all  
7 members of the exempt service, and  
8 2. Inspectors and investigators who enforce City Codes, City Procurement Officers  
9 and their purchasing staff, and members of the following quasi-judicial boards  
10 and commissions: ~~Alcohol Beverage Control Board~~, the Board of Appeals, the  
11 Civil Service Board, the Building Board of Appeals, the Historic Preservation  
12 Commission, the Planning Commission, the Board of Supervisors of Elections,  
13 the Ethics Commission, Port Wardens, and the Police and Fire Retirement Plan  
14 Commission, and  
15 3. All other City officials, employees, contract employees or temporary employees  
16 over pay grade 15, F15 (Fire Department), and P15 (Police Department), or who  
17 have authority to award or recommend the award of contracts or grants, or who  
18 provide advice or counsel to the City on matters pertaining to public policy or  
19 acquisition.  
20 4. Members and employees of the quasi-judicial Alcoholic Beverage Control  
21 Board are exempt from this section but shall file financial disclosure statements  
22 with the State Ethics Commission in accordance with Maryland Public Ethics  
23 Law.

24  
25 B. Financial disclosure statements filed under this section shall be filed with the  
26 Commission under oath or affirmation.

27  
28 C. Employees and appointed officials included in paragraph A. above shall file a  
29 financial disclosure statement annually no later than January 31 of each year for the  
30 preceding calendar year. For new employees and appointed officials included in  
31 paragraph A. ~~That~~ that have not already filed a financial disclosure statement, such  
32 employees and appointed officials shall file a financial disclosure statement no later  
33 than fifteen days after commencing employment or service pursuant to their  
34 appointment or within ~~15~~fifteen days of the enactment of this ordinance.

35  
36 D. The City Attorney's office shall:

- 37  
38 1. Maintain all disclosure statements filed under this section as public records  
39 available for public inspection and copying as provided in Section 2.08.050 E.  
40 of this chapter.  
41 2. Retain financial disclosure statements filed under this section as provided in  
42 Section 2.08.050 F. of this chapter.

43  
44 E. Contents of statement.

- 45  
46 1. Interests in real property.

- 1 a. A statement filed under this section shall include a schedule of all interests  
2 in real property located in the State of Maryland.
- 3 b. For each interest in real property, the schedule shall include:
  - 4 (1) The nature of the property and the location by street address and a  
5 description of the property;
  - 6 (2) The nature and extent of the interest held, including any conditions and  
7 encumbrances on the interest;
  - 8 (3) The date when, the manner in which, and the identity of the person  
9 from whom the interest was acquired;
  - 10 (4) The identity of any other person with an interest in the property.
- 11 2. Interests in corporations and partnerships.
  - 12 a. A statement filed under this section shall include a schedule of all interests  
13 in any corporation, partnership, limited liability partnership, or limited  
14 liability corporation, regardless of whether the corporation or partnership  
15 does business with the City. Interests in mutual funds are not reportable.
  - 16 b. For each interest reported under this paragraph, the schedule shall include  
17 the name of the corporation, partnership, limited liability partnership, or  
18 limited liability corporation.
- 19 3. Gifts.
  - 20 a. A statement filed under this section shall include a schedule of each gift in  
21 excess of twenty dollars in value or a series of gifts totaling one hundred  
22 dollars or more received during the reporting period from or on behalf of,  
23 directly or indirectly, any one person who does business with the City.
  - 24 b. For each gift reported, the schedule shall include:
    - 25 (1) A description of the nature and value of the gift; and
    - 26 (2) The identity of the person from whom, or on behalf of whom, directly  
27 or indirectly, the gift was received.
- 28 4. Employment with or interests in entities doing business with the City.
  - 29 a. (1) A statement filed under this section shall include a schedule of all  
30 offices, directorships, and salaried employment by the individual or  
31 member of the immediate family of the individual held at any time during  
32 the reporting period with entities doing business with the City; and  
33 (2) For a statement filed on or after January 1, 2019, if the individual's  
34 spouse is a regulated lobbyist, shall include a schedule of all entities that  
35 engaged the spouse for lobbying purposes.
  - 36 b. For each position reported under this paragraph, the schedule shall include:
    - 37 (1) The name and address of the principal office of the business entity;
    - 38 (2) The title and nature of the office, directorship, or salaried employment  
39 held and the date it commenced; and
    - 40 (3) The name of each City agency with which the entity is involved as  
41 indicated by identifying one or more of the three categories of "doing  
42 business", as defined in Section 2.08.020 A.4. of this chapter.
- 43 5. Indebtedness to entities doing business with City.
  - 44 a. A statement filed under this section shall include a schedule of all liabilities,  
45 excluding retail credit accounts, to persons doing business with the City  
46 owed at any time during the reporting period:

- 1 (1) By the individual; or
- 2 (2) By a member of the immediate family of the individual if the individual
- 3 was involved in the transaction giving rise to the liability.
- 4 b. For each liability reported under this paragraph, the schedule shall include:
- 5 (1) The identity of the person to whom the liability was owed and the date
- 6 the liability was incurred;
- 7 (2) The amount of the liability owed as of the end of the reporting period;
- 8 (3) The terms of payment of the liability and the extent to which the
- 9 principal amount of the liability was increased or reduced during the
- 10 year; and
- 11 (4) The security given, if any, for the liability.
- 12 6. Employment with City. A statement filed under this section shall include a
- 13 schedule of the immediate family members of the individual employed by the
- 14 City in any capacity at any time during the reporting period.
- 15 7. Sources of earned income.
- 16 a. (1) A statement filed under this section shall include a schedule of the
- 17 name and address of each place of employment and of each business entity
- 18 of which the individual or a member of the individual's immediate family
- 19 was a sole or partial owner and from which the individual or member of the
- 20 individual's immediate family received earned income, at any time during
- 21 the reporting period; and
- 22 (2) For a statement filed on or after January 1, 2019, if the individual's
- 23 spouse is a regulated lobbyist, shall include a schedule of all entities that
- 24 engaged the spouse for lobbying purposes.
- 25 b. A minor child's employment or business ownership need not be disclosed if
- 26 the agency that employs the individual does not regulate, exercise authority
- 27 over, or contract with the place of employment or business entity of the
- 28 minor child.
- 29 8. A statement filed under this section may also include a schedule of additional
- 30 interests or information that the individual making the statement wishes to
- 31 disclose.
- 32 F. For the purposes Section 2.08.051 E.1. and 2. of this chapter, the following interests
- 33 are considered to be the interests of the individual making the statement:
- 34 1. An interest held by a member of the individual's immediate family, if the interest
- 35 was, at any time during the reporting period, directly or indirectly controlled by
- 36 the individual.
- 37 2. An interest held by a business entity in which the individual held a thirty percent
- 38 or greater interest at any time during the reporting period.
- 39 3. An interest held by a trust or an estate in which, at any time during the reporting
- 40 period:
- 41 a. The individual held a reversionary interest or was a beneficiary; or
- 42 b. If a revocable trust, the individual was a settlor.
- 43
- 44 G. The Commission shall review the financial disclosure statements submitted under
- 45 this section for compliance with the provisions of this section and shall notify an
- 46 individual submitting the statement of any omissions or deficiencies.

1  
2 H. The Commission may take appropriate enforcement action to ensure compliance  
3 with this section.  
4

5 **Section 2.08.052 - Financial disclosure for the ~~h~~Housing ~~a~~Authority of the City of**  
6 **Annapolis.**  
7

8 Members of the Board of Commissioners of the Housing Authority of the City of  
9 Annapolis (HACA), the Executive Director of HACA and the Deputy Director(s) of  
10 HACA shall file within fifteen days of their appointment if they have not already filed a  
11 financial disclosure statement and annually, not later than January 31st of each calendar  
12 year during which they are subject to the prohibitions set forth in the ~~h~~Housing and  
13 ~~e~~Community ~~d~~Development ~~a~~Article, Section 13-105(a) of the Annotated Code of  
14 Maryland, or other applicable portions of state law, a statement of financial interests with  
15 the Ethics Commission of the City. The form of the statement of financial interests  
16 required by this section shall be prepared and approved by the Ethics Commission. The  
17 contents of the statement shall be as provided in Section 2.08.051 E. of this chapter.  
18

19 **Section 2.08.060 - Statement of compliance.**  
20

21 To ensure that members of City boards, commissions, teams, and committees,  
22 both permanent and ad hoc, understand their ethical responsibilities, they shall provide a  
23 signed statement ~~swearing and affirming under penalty of perjury~~ affirming that they are  
24 aware of and understand the provisions of City Code Chapter 2.08, Public Ethics and  
25 Financial Disclosure, including but not limited to Section 2.08.040, prohibited conduct  
26 and interests, of the Annapolis City Code. Also, in accepting their position that they will  
27 maintain high ethical standards in the exercise of their public or official duties and will  
28 not engage in any business or transaction or have a financial interest, direct or indirect,  
29 which is incompatible with the proper discharge of their designated duties and that they  
30 will not engage in any activity which would create, or appear to create, a conflict of  
31 interest in the exercise of their public or official duties. This requirement does not apply  
32 to the members of boards and commissions specified in Section 2.08.051 A.2 who are  
33 required to provide financial disclosure statements.  
34  
35

36 **SECTION II: AND BE IT FURTHER ESTABLISHED AND ORDAINED BY**  
37 **THE ANNAPOLIS CITY COUNCIL** that this ordinance shall take effect from the date  
38 of its passage.  
39  
40  
41

42 **EXPLANATION**

43 Underlining indicates matter added to existing law.  
44 ~~Strikethrough~~ indicates matter stricken from existing law.  
45