



## Takoma Park City Council Meeting – September 28, 2022 Agenda Item 6

### **Work Session**

State mandated changes to the City's Ethics Code.

### **Recommended Council Action**

Enact the required amendments.

### **Context with Key Issues**

The General Assembly amended the Maryland Public Ethics Law in 2021 to define quasi-government entity, impose additional prohibitions to receive gifts, address certain disclosure requirements, and protect the privacy of public employees and officials. The State Ethics Commission updated its local government regulations in COMAR 19A.04 to reflect the required changes. On August 26, 2022, the Chair of the State Ethics Commission notified the City that the State regulations are in place and that it is time for implementation at the local government level to occur. These changes apply to all local governments in the State unless specifically exempted by the State Ethics Commission.

The changes are mandatory and must be reviewed by the State Commission for compliance.

### **Council Priority**

Engaged, responsive, and service-oriented government.

### **Environmental Considerations**

N/A

### **Fiscal Considerations**

N/A

### **Racial Equity Considerations**

These amendments are not expected to affect any particular group.

### **Attachments and Links**

Draft Ordinance

**CITY OF TAKOMA PARK, MARYLAND**

**ORDINANCE 2022-\_\_\_\_\_**

**Ordinance Amending Chapter 3.04 Ethics.**

WHEREAS, adherence to the highest ethical standards by City officials and employees is necessary for the efficient and effective operation of the City government; and

WHEREAS, Title 5, Part II, of the General Provisions of the Annotated Code of Maryland requires local governments to enact conflict of interest and financial disclosure provisions for public officials and employees that are at least as stringent as the provisions applicable to State government officials; and

WHEREAS, the General Assembly amended the Maryland Public Ethics Law in 2021 to define quasi-government entity, impose additional prohibitions to receive gifts, address certain disclosure requirements, and protect the privacy of public employees and officials; and

WHEREAS, the State Ethics Commission updated its local government regulations in COMAR 19A.04 to reflect the required changes.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND, THAT:

SECTION 1 Title 3, Ethics, of the Takoma Park Code is hereby amended as follows:

**Chapter 3.04  
ETHICS**

\* \* \*

**3.04.040 Definitions.**

In this chapter, the following words have the meanings indicated:

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“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.

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**3.04.070 Prohibited conduct and interests.**

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Ethics Chapter Amendment – Applying Required Amendments to Local Ethics Laws  
Draft

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2 F. Solicitation or Acceptance of Gifts.

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4 3. Prohibited Gifts. No covered person shall knowingly accept any gift, directly or  
5 indirectly, from any person that he or she knows or has reason to know:

6 \*\*\*

7 e. Is an association, or any entity acting on behalf of an association that is  
8 engaged only in representing counties or municipal corporations.

9 \*\*\*

10 G. Disclosure of Confidential Information. Other than in the discharge of his or her official  
11 duties, a covered person or former covered person may not disclose or use for his or her own  
12 economic benefit or that of another party confidential information that he or she has acquired by  
13 reason of his or her public position or former public position and that is not available to the public.

14 H. Retaliation. It is unlawful for any covered person to take any retaliatory action against any  
15 person because that person has filed a request for an advisory opinion, inquiry, or complaint in  
16 good faith under this chapter. An official or employee may not retaliate against an individual for  
17 reporting or participating in an investigation of a potential violation of the local ethics law or  
18 ordinance. Covered persons are subject to disciplinary action up to, and including, termination or  
19 removal from office.

20 \*\*\*

21 **3.04.080 Financial disclosure—elected officials and candidates.**

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23 E. Public Record.

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25 6. The Commission or office designated by the Commission shall not provide public  
26 access to information related to consideration received from:

27 a. The University of Maryland Medical System;

28 b. A governmental entity of the State or local government in the State; or

29 c. A quasi-governmental entity of the State or local government.

30 F. Retention Requirements. The Commission of the office or designated by the Commission  
31 shall retain financial disclosure statements for four years from the date or receipt.

32 G. An individual who is required to disclose the name of a business under this section shall  
33 disclose any other names that the business is trading as or doing business as.

Ethics Chapter Amendment – Applying Required Amendments to Local Ethics Laws  
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~~G.H~~ Contents of Statement.

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4. Gifts.

a. A statement filed under this section shall include a schedule for each gift in excess of \$20 in value or a series of gifts totaling \$100 or more received during the reporting period from or on behalf of, directly or indirectly, any one 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.

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9. Relationship with 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:

- i. The University of Maryland Medical System;
- ii. A governmental entity of the State or local government in the State;
- or
- iii. 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:

- i. A description of the relationship;
- ii. The subject matter of the relationship; and
- iii. The consideration.

~~9.10.~~ 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.

~~H.I.~~ For the purposes of subsection ~~(G)(H)~~(1), (2) and (3) of this section, 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 anytime during the reporting period, directly or indirectly controlled by the individual.

Ethics Chapter Amendment – Applying Required Amendments to Local Ethics Laws  
Draft

1 ~~2. An interest held by a business entity in which the individual held a 30% or greater~~  
2 ~~interest, at any time during the applicable period, by:~~

3 a. A business entity in which the individual held a (10)% or greater interest;

4 b. A business entity described in section (a) of this subsection in which the business  
5 entity held a 25% or greater interest;

6 c. A business entity described in section (b) of this subsection in which the business  
7 entity held a 50% or greater interest; and

8 d. A business entity in which the individual directly or indirectly, through an  
9 interest in one or a combination of other business entities, holds a 10% or greater  
10 interest.

11 3. An interest held by a trust or an estate in which, at anytime during the reporting period:

12 a. The individual held a revisionary interest or was a beneficiary' or

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

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

17 ~~J.K.~~ The City Ethics Commission may take appropriate enforcement action to ensure  
18 compliance with this section.

19 SECTION 2 The provisions of this ordinance are severable. If any part of this act is declared  
20 invalid or unconstitutional, that declaration shall not affect any part which remains.

21 SECTION 3 This Ordinance shall become effective on \_\_\_\_\_, 2022.

22  
23 Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2022, by roll-call vote as follows:

24  
25 Aye:

26 Nay:

27 Absent:

28  
29 Explanatory Note: New text is indicated with underlining and deleted text is indicated with  
30 strikethrough.