



Takoma Park City Council Meeting – October 19, 2022 Agenda Item 2

Voting Session

Second Reading Ordinance Amending the Ethics Ordinance

Recommended Council Action

Approve the Ordinance at Second Reading.

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. The City Attorney drafted an ordinance which was discussed by the Council at its work session on September 28. First reading of the ordinance was held on October 12.

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

Ordinance

1 Introduced by: Councilmember Kostiuk

First Reading: October 12, 2022

2 Second Reading:

3 Effective Date:

4
5 **CITY OF TAKOMA PARK, MARYLAND**

6
7 **ORDINANCE 2022-43**

8
9 **Ordinance Amending Chapter 3.04 Ethics**

10
11 WHEREAS, adherence to the highest ethical standards by City officials and employees is
12 necessary for the efficient and effective operation of the City government; and

13
14 WHEREAS, Title 5, Part II, of the General Provisions of the Annotated Code of Maryland
15 requires local governments to enact conflict of interest and financial disclosure
16 provisions for public officials and employees that are at least as stringent as the
17 provisions applicable to State government officials; and

18
19 WHEREAS, the General Assembly amended the Maryland Public Ethics Law in 2021 to define
20 quasi-government entity, impose additional prohibitions to receive gifts, address
21 certain disclosure requirements, and protect the privacy of public employees and
22 officials; and

23
24 WHEREAS, the State Ethics Commission updated its local government regulations in COMAR
25 19A.04 to reflect the required changes.

26
27 NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TAKOMA
28 PARK, MARYLAND, THAT:

29
30 SECTION 1 Title 3, Ethics, of the Takoma Park Code is hereby amended as follows:

31
32 **Chapter 3.04**
33 **ETHICS**

34 * * *

35
36 **3.04.040 Definitions.**

37
38 In this chapter, the following words have the meanings indicated:

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40 ***

41
42 “Quasi-governmental entity” means an entity that is created by State statute, that performs a
43 public function, and that is supported in whole or in part by the State but is managed privately.

44
45 ***

1 **3.04.070 Prohibited conduct and interests.**

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3 ***

4
5 F. Solicitation or Acceptance of Gifts.

6
7 ***

8
9 3. Prohibited Gifts. No covered person shall knowingly accept any gift, directly or
10 indirectly, from any person that he or she knows or has reason to know:

11
12 ***

13
14 e. Is an association, or any entity acting on behalf of an association that is
15 engaged only in representing counties or municipal corporations.

16
17 ***

18
19 G. Disclosure of Confidential Information. Other than in the discharge of his or her official
20 duties, a covered person or former covered person may not disclose or use for his or her own
21 economic benefit or that of another party confidential information that he or she has acquired by
22 reason of his or her public position or former public position and that is not available to the public.

23
24 H. Retaliation. It is unlawful for any covered person to take any retaliatory action against any
25 person because that person has filed a request for an advisory opinion, inquiry, or complaint in
26 good faith under this chapter. An official or employee may not retaliate against an individual for
27 reporting or participating in an investigation of a potential violation of the local ethics law or
28 ordinance. Covered persons are subject to disciplinary action up to, and including, termination or
29 removal from office.

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31 ***

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33 **3.04.080 Financial disclosure—elected officials and candidates.**

34
35 ***

36
37 E. Public Record.

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39 ***

40
41 6. The Commission or office designated by the Commission shall not provide public
42 access to information related to consideration received from:

43
44 a. The University of Maryland Medical System;

45
46 b. A governmental entity of the State or local government in the State; or

1
2 c. A quasi-governmental entity of the State or local government.

3
4 F. Retention Requirements. The Commission of the office or designated by the Commission
5 shall retain financial disclosure statements for four years from the date or receipt.
6

7 G. An individual who is required to disclose the name of a business under this section shall
8 disclose any other names that the business is trading as or doing business as.
9

10
11 ~~G.H~~ Contents of Statement.
12

13 ***
14

15 4. Gifts.
16

17 a. A statement filed under this section shall include a schedule for each gift in excess
18 of \$20 in value or a series of gifts totaling \$100 or more received during the
19 reporting period from or on behalf of, directly or indirectly, any one person who
20 does business with the City, or from an association, or any entity acting on behalf
21 of an association that is engaged only in representing counties or municipal
22 corporations.
23

24 ***
25

26 9. Relationship with University of Maryland Medical System, State or Local
27 Government, or Quasi-Governmental Entity
28

29 a. An individual shall disclose the information specified in General Provisions
30 Article § 5-607(j)(1), Annotated Code of Maryland, for any financial or contractual
31 relationship with:
32

33 i. The University of Maryland Medical System;
34

35 ii. A governmental entity of the State or local government in the State;
36 or
37

38 iii. A quasi-governmental entity of the State or local government in the
39 State.
40

41 b. For each financial or contractual relationship reported, the schedule shall
42 include:
43

44 i. A description of the relationship;
45

46 ii. The subject matter of the relationship; and

1
2 iii. The consideration.
3

4 9.10. A statement filed under this section may also include a schedule of additional
5 interests or information that the individual making the statement wishes to disclose.
6

7 H.I. For the purposes of subsection ~~(G)~~(H)(1), (2) and (3) of this section, the following interests
8 are considered to be the interests of the individual making the statement:
9

10 1. An interest held by a member of the individual's immediate family, if the interest was,
11 at anytime during the reporting period, directly or indirectly controlled by the individual.
12

13 2. ~~An interest held by a business entity in which the individual held a 30% or greater~~
14 ~~interest,~~ at any time during the applicable period, by:
15

16 a. A business entity in which the individual held a (10)% or greater interest;
17

18 b. A business entity described in section (a) of this subsection in which the business
19 entity held a 25% or greater interest;
20

21 c. A business entity described in section (b) of this subsection in which the business
22 entity held a 50% or greater interest; and
23

24 d. A business entity in which the individual directly or indirectly, through an
25 interest in one or a combination of other business entities, holds a 10% or greater
26 interest.
27

28 3. An interest held by a trust or an estate in which, at anytime during the reporting period:
29

30 a. The individual held a revisionary interest or was a beneficiary' or
31

32 b. If a revocable trust, the individual was a settlor.
33

34 H.J. The Commission shall review the financial disclosure statements submitted under this
35 section for compliance with the provisions of this section and shall notify an individual submitting
36 the statement of any omissions or deficiencies.
37

38 H.K. The City Ethics Commission may take appropriate enforcement action to ensure
39 compliance with this section.
40

41 SECTION 2 The provisions of this ordinance are severable. If any part of this act is declared
42 invalid or unconstitutional, that declaration shall not affect any part which remains.
43

44 SECTION 3 This Ordinance shall become effective on _____, 2022.
45

46 Adopted this _____ day of _____, 2022, by roll-call vote as follows:

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Aye:
Nay:
Absent:

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