

**ORDINANCE NO. 2741**

**AN ORDINANCE OF THE CITY OF SALISBURY AMENDING CHAPTER 2.04 OF THE SALISBURY CITY CODE, ENTITLED "ETHICS," FOR THE PURPOSE OF INCORPORATING AMENDMENTS ENACTED BY THE MARYLAND GENERAL ASSEMBLY.**

**WHEREAS**, the ongoing application, administration and enforcement of the City of Salisbury Municipal Code (the "**Salisbury City Code**") demonstrates a need for its periodic review, evaluation and amendment, in order to comply with present community standards and values, and promote the public safety, health and welfare of the citizens of the City of Salisbury (the "**City**");

**WHEREAS**, the Mayor and Council of the City of Salisbury (the "**Mayor and Council**") are authorized by MD Code, Local Government, § 5-202, as amended, to adopt such ordinances, not contrary to the Constitution of Maryland, public general law or public local law, as the Mayor and Council deem necessary to assure the good government of the municipality, to preserve peace and order, to secure persons and property from damage and destruction, and to protect the health, comfort and convenience of the citizens of the City;

**WHEREAS**, the Mayor and Council may amend Title 2 of the Salisbury City Code pursuant to the authority granted in § SC 2-15 of the Salisbury City Charter;

**WHEREAS**, MD Code, General Provisions, § 5-807 requires each municipal corporation to enact provisions, equivalent to the provisions applicable to State officials, to govern the public ethics of local officials relating to conflicts of interest, financial disclosure, and lobbying;

**WHEREAS**, the Mayor and Council find that amendments to Chapter 2.04 of the Salisbury City Code are desirable to update and clarify ethics provisions governing officials and employees of the City and to bring them in accord with the Maryland Public Ethics Law (*see* MD Code, General Provisions, § 5-801, et seq.), as amended;

**WHEREAS**, pursuant to § 2.04.030(e) of the Salisbury City Code, the Mayor and Council may amend Chapter 2.04 subject to review and recommendation of the City Ethics Commission with respect to any such amendment;

**WHEREAS**, on September 13, 2022, the City Ethics Commission, in accordance with the provisions of § 2.04.030(e) of the Salisbury City Code, convened in public session to review the amendments to Chapter 2.04 set forth herein and to hear public comment, if any, with respect to such amendments;

**WHEREAS**, at the conclusion of the September 13, 2022 meeting of the City Ethics Commission, the Ethics Commission, by unanimous vote, recommended the Mayor and Council approve for passage amendments to Chapter 2.04 set forth in this Ordinance;

**WHEREAS**, prior to the September 13, 2022 meeting of the City Ethics Commission, the City, through its City Solicitor, provided a copy of the amendments to Chapter 2.04 set forth in this Ordinance to the Maryland State Ethics Commission for review to ensure compliance with the requirements of the Maryland Public Ethics law, as amended; and

**WHEREAS**, the Mayor and Council have determined that the amendments to Chapter 2.04 of the Salisbury City Code set forth below shall be adopted as set forth herein.

**NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY COUNCIL OF THE CITY OF SALISBURY, MARYLAND**, that Chapter 2.04 of the Salisbury City Code is hereby amended by adding the bolded and underlined language and deleting the strikethrough language as follows:

**Section 1.** Chapter 2.04 of the Salisbury City Code, entitled "ETHICS," is amended by repealing Chapter 2.04 and reenacting Chapter 2.04 as follows:

**Chapter 2.04 ETHICS**

**2.04.010 Short Title**

~~This chapter may be cited as the "City of Salisbury Public Ethics Ordinance."~~

(Ord. No. 2211, 7-23-2012)

**2.04.020 Applicability.**

The provisions of this chapter apply to all city elected officials, employees, and appointees, boards and commissions of the city.

(Ord. No. 2211, 7-23-2012)

**2.04.030 Ethics commission.**

- ~~(a) There is a city ethics commission that consists of five members appointed by the mayor with the advice and consent of the city council.~~
- ~~(b) The commission shall:
  - ~~(1) Devise, receive and maintain all forms required by this chapter;~~
  - ~~(2) Develop procedures and policies for advisory opinion requests and provide published advisory opinions to persons subject to this chapter regarding the applicability of the provisions of this chapter to them;~~
  - ~~(3) Develop procedures and policies for processing of complaints to make appropriate determinations regarding complaints filed by any person alleging violations of this chapter; and~~
  - ~~(4) Conduct a public information program regarding the purposes and application of this chapter.~~~~
- ~~(c) The city attorney shall advise the commission.~~
- ~~(d) The commission shall certify to the state ethics commission on or before October 1 of each year that the City is in compliance with the requirements of State Government Article, Title 15, Subtitle 8, Annotated Code of Maryland for elected local officials.~~
- ~~(e) The commission shall determine if changes to this chapter are required to be in compliance with the requirements of State Government Article, Title 15, Subtitle 8, Annotated Code of Maryland, and shall forward any recommended changes and amendments to the city council for enactment.~~
- ~~(f) The commission may adopt other policies and procedures to assist in the implementation of the commission programs established in this chapter.~~

(Ord. No. 2211, 7-23-2012)

**2.04.040 Conflicts of Interest.**

- ~~(a) In this section, "qualified relative" means a spouse, parent, child or sibling.~~
- ~~(b) All city elected officials, officials appointed to city boards and commissions subject to this chapter and employees are subject to this section.~~
- ~~(c) Participation Prohibitions. Except as permitted by commission regulation or opinion, an official or employee may not participate in:
  - ~~(1) 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, or a qualified relative of the official or employee has an interest.~~
  - ~~(2) 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:~~~~

- ~~(i) 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;~~
- ~~(ii) 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;~~
- ~~(iii) 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;~~
- ~~(iv) 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;~~
- ~~(v) 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 interest; or~~
- ~~(vi) A business entity that:
 
  - ~~(A) 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~~
  - ~~(B) 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.~~~~
- ~~(3) A case, contract or other specific matter for one calendar year after terminating their registration if they previously assisted or represented another party as a lobbyist in the matter. This provision does not apply to uncompensated or minimally compensated board or commission members.~~
- ~~(4) A person who is disqualified from participating under paragraphs 1, 2, or 3 of this subsection shall disclose the nature and circumstances of the conflict and may participate or act if:
 
  - ~~(i) The disqualification leaves a body with less than a quorum capable of acting;~~
  - ~~(ii) The disqualified official or employee is required by law to act; or~~
  - ~~(iii) The disqualified official or employee is the only person authorized to act.~~~~
- ~~(5) The prohibitions of paragraph 1, 2, or 3 of this subsection do not apply if participation is allowed by regulation or opinion of the commission.~~
- ~~(d) 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:
 
    - ~~(i) Be employed by or have a financial interest in any entity:
 
      - ~~(A) Subject to the authority of the official or employee of the city, agency, board, commission with which the official or employee is affiliated; or~~~~~~~~

- ~~(B) That is negotiating or has entered a contract with the agency, board, or commission with which the official or employee is affiliated; or~~
  - ~~(ii) Hold any other employment relationship that would impair the impartiality or independence of judgment of the official or employee.~~
- ~~(2) This prohibition does not apply to:~~
  - ~~(i) 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;~~
  - ~~(ii) 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 publically disclosed to the appointing authority and the commission;~~
  - ~~(iii) 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~~
  - ~~(iv) 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.~~
- ~~(e) Post Employment Limitations and Restrictions:~~
  - ~~(1) A former official or employee may not assist or represent any party other than the city for compensation in a case, contract, or other specific matter involving the city if that matter is one in which the former official or employee significantly participated as an official or employee.~~
  - ~~(2) Until the conclusion of one year after the elected official leaves office, a former member of the city council or a former mayor may not assist or represent another party for compensation in a matter involving the city that is subject to legislative action before the mayor and city council.~~
- ~~(f) 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.~~
- ~~(g) Use of Prestige of Office.~~
  - ~~(1) An official or employee may not intentionally use the prestige of the office or public position for the private gain of that official or employee or the private gain of another. The prohibitions of this section include, but are not limited to:~~
    - ~~(i) The use of influence in the award of a City contract to a specific person or entity;~~
    - ~~(ii) Initiating a solicitation for a person to retain the compensated services of a particular lobbyist or firm;~~
    - ~~(iii) Using public resources or title to solicit a political contribution regulated in accordance with the Election Law Article of the Annotated Code of Maryland.~~
  - ~~(2) This subsection does not prohibit performance of usual and customary constituent services by an elected local official without additional compensation.~~
- ~~(h) 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 the reason to know:
  - ~~(i) 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;~~
  - ~~(ii) 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;~~
  - ~~(iii) Is engaged in an activity regulated or controlled by the official's or employee's governmental unit; or~~
  - ~~(iv) Is a lobbyist with respect to matters within the jurisdiction of the official or employee.~~~~
- ~~(4) Notwithstanding paragraph 3. of this subsection, an official or employee may accept the following:
  - ~~(i) Meals and beverages consumed in the presence of the donor or sponsoring entity;~~
  - ~~(ii) Ceremonial gifts or awards that have insignificant monetary value;~~
  - ~~(iii) Unsolicited gifts of nominal value that do not exceed twenty dollars (\$20.00) in cost or trivial items of informational value;~~
  - ~~(iv) 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;~~
  - ~~(v) Gifts of tickets or free admission extended to an elected local official to attend a charitable, cultural, or political event, if the purpose of this gift or admission is a courtesy or ceremony extended to the elected official's office;~~
  - ~~(vi) 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;~~
  - ~~(vii) 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~~
  - ~~(viii) Honoraria for speaking to or participating in a meeting, provided that the offering of the honorarium is not related in any way to the official's or employee's official position.~~~~
- ~~(5) The exceptions set forth in paragraph (4) shall not apply to a gift:
  - ~~(i) That would tend to impair the impartiality and the independence of judgment of the official or employee receiving the gift;~~
  - ~~(ii) Of significant value that would give the appearance of impairing the impartiality and independence of judgment of the official or employee; or~~~~

- (iii) ~~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.~~
- (i) ~~Disclosure of Confidential Information. Other than in the discharge of official duties, an 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 and that is not available to the public, for the economic benefit of the official or employee or that of another person.~~
- (j) ~~Participation in Procurement.~~
  - (1) ~~An individual, or a person that employs an individual who assists a city agency 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 for 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. 2211, 7-23-2012; Ord. No. 2504, 9-10-2018)~~

**~~2.04.050 Financial disclosure – Local elected officials and candidates to be local elected officials~~**

- (a) ~~[Application of Section.]~~
  - (1) ~~This section applies to all local elected officials and candidates to be local elected officials.~~
  - (2) ~~Except as provided in subsection (b) of this section, a local elected official or a candidate to be a local elected official shall file the financial disclosure statement required under this section:~~
    - (i) ~~On a form provided by the commission;~~
    - (ii) ~~Under oath or affirmation; and~~
    - (iii) ~~With the commission.~~
  - (3) ~~Deadlines for filing statements:~~
    - (i) ~~An incumbent local elected official shall file a financial disclosure statement annually no later than April 30 of each year for the preceding calendar year.~~
    - (ii) ~~An individual 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 (30) days after appointment.~~
    - (iii) ~~[Statement required.]~~
      - (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 (60) 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.~~

~~(b) Candidates to be Local 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 local 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 local official shall file a statement required under this section:
  - ~~(A) In the year the certificate 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 Section 2.04.050(b)(2)(A) of this chapter 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 Section 2.04.050(b)(2)(B) and (C) 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 (20) 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 has been filed in proper form.~~
- ~~(6) Within thirty (30) days of the receipt of a statement required under this section, the city clerk or board of election supervisors shall forward the statement to the commission or the office designated by the commission.~~

~~[(c) Reserved.]~~

~~[(d) Reserved.]~~

~~(e) Public Record.~~

- ~~(1) The city clerk shall maintain all financial disclosure statements filed under this section.~~
- ~~(2) Financial disclosure statements shall be made available during normal office hours for examination and copying by the public subject to reasonable fees and administrative procedures established by the commission.~~
- ~~(3) If an individual examines or copies a financial disclosure statement, the city clerk shall record:~~

- ~~(i) The name and home address of the individual reviewing or copying the statement; and~~
- ~~(ii) The name of the person whose financial disclosure statement was examined or copied.~~
- ~~(4) Upon request by the official or employee whose financial disclosure statement was examined or copied, the commission or the office designated by the city clerk shall provide the official with a copy of the name and address of the person who reviewed the official's financial disclosure statement.~~
- ~~(f) Retention Requirements. The commission or the office designated by the city clerk shall retain financial disclosure statements for four years from the date of receipt.~~
- ~~(g) Contents of Statement.~~
  - ~~(1) Interests in Real Property.~~
    - ~~(i) A statement filed under this section shall include a schedule of all interests in real property wherever located.~~
    - ~~(ii) For each interest in real property, the schedule shall include:~~
      - ~~(A) The nature of the property and the location by street address, mailing address, or legal description of the property;~~
      - ~~(B) The nature and extent of the interest held, including any conditions and encumbrances on interest;~~
      - ~~(C) The date when, the manner in which, and the identity of the person from whom the interest was acquired;~~
      - ~~(D) 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;~~
      - ~~(E) 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~~
      - ~~(F) The identity of any other person with an interest in the property.~~
  - ~~(2) Interests in Corporations and Partnerships.~~
    - ~~(i) 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.~~
    - ~~(ii) For each interest reported under this paragraph, the schedule shall include:~~
      - ~~(A) The name and address of the principal office of the corporation, partnership, limited liability partnership or limited liability corporation.~~
      - ~~(B) The nature and amount of the interest held, including any conditions and encumbrances on the interest;~~
      - ~~(C) 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~~

~~(D) With respect to any interest acquired during the reporting period:~~

- ~~1. The date when, the manner in which, and the identity of the person or legal entity from whom the interest was acquired; and~~
- ~~2. 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.~~

~~(iii) An individual may satisfy the requirement to report the amount of the interest held under item (B)(ii) [sic] of this paragraph by reporting, instead of a dollar amount:~~

~~(A) 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~~

~~(B) For an equity interest in a partnership, the percentage of equity interest held.~~

~~(3) Interests in Business Entities Doing Business with City.~~

~~(i) 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.~~

~~(ii) For each interest reported under this paragraph, the schedule shall include:~~

~~(A) The name and address of the principal office of the business entity;~~

~~(B) The nature and amount of the interest held, including any conditions to and encumbrances in the interest;~~

~~(C) 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 in exchange for the interest and, if known, the identity of the person to whom the interest was transferred; and~~

~~(D) With respect to any interest acquired during the reporting period:~~

- ~~1. The date when, the manner in which, and the identity of the person from whom the interest was acquired; and~~
- ~~2. 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.~~

~~(i) A statement filed under this section shall include a schedule of each gift in excess of twenty dollars (\$20.00) in value or a series of gifts totaling one hundred dollars (\$100.00) or more received during the reporting period from or on behalf of, directly or indirectly, any one person or legal entity who does business with or is regulated by the city.~~

~~(ii) For each gift reported, the schedule shall include:~~

~~(A) A description of the nature and value of the gift; and~~

~~(B) The identity of the person or legal entity 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.~~

~~(i) A statement filed under this section shall include a schedule of all offices, directorships, and compensated 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. All statements filed under this section shall disclose whether the individual or the individual's spouse is a lobbyist required to register, and, if so, they shall identify the entities that engage the lobbyist.~~

~~(ii) For each position reported under this paragraph, the schedule shall include:~~

~~(A) The name and address of the principal office of the business entity;~~

~~(B) The title and nature of the office, directorship, or compensated employment held and the date it commenced; and~~

~~(C) The name of each city agency with which the entity is involved.~~

~~(6) Indebtedness to Entities Doing Business With City.~~

~~(i) A statement filed under this section shall include a schedule of all liabilities, excluding retail credit accounts, to persons or legal entities doing business with the city owed at any time during the reporting period;~~

~~(A) By the individual; or~~

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

~~(ii) For each liability reported under this paragraph, the schedule shall include:~~

~~(A) The identity of the person or legal entity to whom the liability was owed and the date the liability was incurred;~~

~~(B) The amount of the liability owed as of the end of the reporting period;~~

~~(C) 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~~

~~(D) The security given, if any, for the liability.~~

~~(7) 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.~~

~~(8) Sources of Earned Income.~~

~~(i) 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 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.~~

~~(ii) 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.~~
- ~~(h) For the purposes of Section 2.04.050(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 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 (30) 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:
 
    - ~~(i) The individual held a reversionary interest or was a beneficiary, or~~
    - ~~(ii) If a revocable trust, the individual was a settler.~~~~
- ~~(i) [Compliance with Provisions.]~~
- ~~(1) 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.~~
  - ~~(2) The city ethics commission may take appropriate enforcement action to ensure compliance with this section.~~
- ~~(Ord. No. 2211, 7-23-2012; Ord. No. 2504, 9-10-2018)~~

**2.04.060 Financial disclosure – Employees and appointed officials.**

- ~~A. This section only applies to the following appointed officials and employees:~~
- ~~City Administrator — Deputy City Administrators~~
  - ~~City Clerk — Assistant City Clerk~~
  - ~~City Solicitor — Assistant City Solicitor~~
  - ~~Department Directors — Assistant Department Directors~~
  - ~~Members of Quasi-Judicial Boards and Commissions including, but not limited to:
 
    - ~~Members of Board of Zoning Appeals~~
    - ~~Members of Housing Board of Adjustment and Appeals~~
    - ~~Members of Building Board of Adjustment and Appeals~~
    - ~~Members of the Planning and Zoning Commission appointed by the City~~
    - ~~Members of the Ethics Commission~~
    - ~~Members of the Historic District Commission~~~~
- ~~B. A statement filed under this section shall be filed with the commission under oath or affirmation.~~
- ~~C. On or before April 30 of each year during which an official or employee holds office, an official or employee shall file a statement disclosing gifts received during the preceding calendar year from any person that contracts or is regulated by the city including the name of the donor of the gift and the approximate retail value at the time of receipt.~~

~~D.—An official or employee shall disclose employment and interests that raise conflicts of interest or potential conflicts of interest in connection with a specific proposed action by the employee or official sufficiently in advance of the action to provide adequate disclosure to the public. Officials and employees shall disclose, in all statements filed hereunder, whether they or their spouse is a lobbyist required to register and, if so, they shall identify the entities that engage the lobbyist.~~

~~E.—The commission shall maintain all disclosure statements filed under this section as public records available for public inspection and copying as provided in Section 2.04.050(e) and (f) of this chapter.~~

~~(Ord. No. 2211, 7-23-2012; Ord. No. 2440, 10-9-2017; Ord. No. 2504, 9-10-2018)~~

#### **2.04.070 Lobbying.**

~~(a)—A person shall file a lobbying registration statement with the commission if the person:~~

~~(1)—Personally appears before the city official or employee with the intent to influence that person in performance of the official duties of the official or employee; and~~

~~(2)—In connection with the intent to influence expends or reasonably expects to expend in a given calendar year excess of one hundred dollars (\$100.00) on food, entertainment or other gifts for officials or employees of city.~~

~~(b)—A person shall file registration statement required under this section on or before the latter of January 15 of the calendar year or within five days after first performing an act that requires registration in the calendar year.~~

~~(c)—[Registration statement.]~~

~~(1)—The registration statement shall identify:~~

~~(i)—The registrant;~~

~~(ii)—Any other person on whose behalf the registrant acts; and~~

~~(iii)—The subject matter on which the registrant purposes to make appearances specified in subsection (a) of this section.~~

~~(2)—The registration statement shall cover a defined registration period not to exceed one calendar year.~~

~~(d)—Within thirty (30) days after the end of any calendar year during which a person was registered under this section, the person shall file a report with the commission disclosing:~~

~~(1)—The value, date, and nature of any food, entertainment or other gift provided to a city official or employee; and~~

~~(2)—If a gift or series of gifts to a single official or employee exceeds one hundred dollars (\$100.00) in value, the identity of the official or employee.~~

~~(e)—The commission shall maintain the registrations and reports filed under this section as public records available for public inspection and copying for four years after receipt by the commission.~~

~~(Ord. No. 2211, 7-23-2012)~~

#### **2.04.080 Exemptions and modifications.**

The commission may grant exemptions and modifications to the provisions of Sections 2.04.040 and 2.04.060 of this chapter to employees and to appointed members of the city boards and commissions, 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. 2211, 7-23-2012)

#### **2.04.090 Enforcement.**

(a) ~~The Commission may:~~

- (1) ~~Assess a late fee of twenty dollars (\$20.00) per day for five days and ten dollars (\$10.00) for each subsequent day up to a maximum of two hundred fifty dollars (\$250.00) for failure to timely file a financial disclosure statement required under Sections 2.04.060 and 2.04.070 of this chapter;~~
- (2) ~~Assess a late fee of twenty dollars (\$20.00) per day for five days and ten dollars (\$10.00) for each subsequent day up to a maximum of two hundred fifty dollars (\$250.00) for failure to file a timely lobbyist registration or lobbyist report required under Section 2.04.080 of this chapter; and~~
- (3) ~~Issue a cease and desist order against any person found to be in violation of this chapter.~~

(b) ~~[Violation of provisions.]~~

(1) ~~Upon a finding of a violation of any provision of this chapter, the commission may:~~

- (i) ~~Issue an order of compliance directing the respondent to cease and desist from the violation;~~
- (ii) ~~Issue a reprimand; or~~
- (iii) ~~Recommend to the appropriate authority other appropriate discipline of the respondent, including censure or removal if that discipline is authorized by law.~~

(2) ~~If the commission finds that a respondent has violated Section 2.04.070 of this chapter, the commission may:~~

- (i) ~~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 2.04.070 of this chapter.~~
- (ii) ~~Impose a fine not exceeding five hundred dollars (\$500.00) for each violation; and~~
- (iii) ~~Suspend the registration of an individual registered lobbyist if the commission finds that the lobbyist knowingly and willfully violated Section 2.04.070 of this chapter or has been convicted of a criminal offense arising from lobbying activities.~~

(c) ~~[Requiring compliance.]~~

(1) ~~Upon request of the commission, the city attorney may file a petition for injunctive or other relief in the Circuit Court for Wicomico County, or in any other court having proper venue for the purpose of requiring compliance with the provisions of this chapter.~~

(2) (i) ~~The court may:~~

- ~~(A) Issue an order to cease and desist from the violation;~~
  - ~~(B) Except as provided in subparagraph (ii) 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 (90) days of the occurrence of the official action, if the court deems voiding the action to be in the best interest of the public; or~~
  - ~~(C) Impose a fine of up to five hundred dollars (\$500.00) for any violation of the provisions of this chapter, with each day upon which the violation occurs constituting a separate offense;~~
  - ~~(ii) A court may not void any official action appropriating public funds, levying taxes, or providing for issuance of bonds, notes, or other evidences of public obligations.~~
  - ~~(d) In addition to any other enforcement provisions in this chapter, a person who the commission or a court finds has violated this chapter:
 
    - ~~(1) Is subject to termination or other disciplinary action; and~~
    - ~~(2) May be suspended from receiving payment of salary or other compensation pending full compliance with the terms of an order of the commission or a court.~~~~
  - ~~(e) A city official or employee found to have violated this chapter is subject to disciplinary or other appropriate personnel action, including removal from office, disciplinary action, suspension of salary, or sanction.~~
  - ~~(f) Violations of Section 2.04.070 of this chapter shall be a misdemeanor subject to a fine of up to five hundred dollars (\$500.00) or imprisonment of up to one year.~~
  - ~~(g) A finding of a violation of this chapter by the commission is public information.~~
- ~~(Ord. No. 2211, 7-23-2012)~~

**2.04.010 - Short title.**

**This chapter may be cited as the “City of Salisbury Public Ethics Ordinance.”**

**2.04.020 - Statement of purpose and policy.**

**(a) The City, recognizing that our system of representative government is dependent in part upon the people maintaining the highest trust in their public officials and employees, finds and declares that the people have a right to be assured that the impartiality and independent judgment of public officials and employees will be maintained.**

**(b) It is evident that this confidence and trust is eroded when the conduct of the City's business is subject to improper influence and even the appearance of improper influence.**

**(c) For the purpose of guarding against improper influence, the City Council enacts this Public Ethics Ordinance to require City elected officials, officials, and certain employees and individuals appointed to boards and commissions to disclose their financial affairs and to set minimum standards for the conduct of local government business.**

**(d) It is the intention of the City Council that this chapter, except its provisions for criminal sanctions, be liberally construed to accomplish this purpose.**

**2.04.030 - Definitions.**

**In this chapter, the following terms have the meanings indicated.**

- (a) **(1) "Business entity" means a corporation, general or limited partnership, sole proprietorship, joint venture, unincorporated association or firm, institution, trust, foundation, or other organization, whether or not operated for profit.**  
**(2) Business entity does not include a governmental entity.**
- (b) **"Commission" means the City Ethics Commission established under §4(a) of this chapter.**
- (c) **(1) "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.**  
**(2) For the purposes of §8 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.**
- (d) **"Designated second home" means:**  
**(1) If an individual owns one second home, the individual's second home; or**  
**(2) If an individual owns more than one second home, any one second home the individual identifies to the Commission as the individual's designated second home.**
- (e) **"Doing business with" means:**  
**(1) Having or negotiating a contract that involves the commitment, either in a single or combination of transactions, of \$5,000 or more of the City's controlled funds in one calendar year;**  
**(2) Being regulated by or otherwise subject to the authority of the City; or**  
**(3) Being registered as a lobbyist under §8 of this chapter.**
- (f) **(1) "Elected official" means any individual who holds an elective office of the City.**  
**(2) "Elected official" does not include the Sheriff, State's Attorney, Register of Wills, or Clerk of the Court.**
- (g) **(1) "Employee" means an individual who is employed by the City.**  
**(2) "Employee" does not include an elected local official.**  
**(3) "Employee" does not include an employee of:**  
**(i) The offices of the Sheriff, State's Attorney, Register of Wills, or Clerk of the Court;**  
**(ii) The County Health Department; or**  
**(iii) The County Department of Social Services.**
- (h) **"Financial interest" means:**

(1) Ownership of any interest as the result of which the owner has received, within the past 3 years, or is presently receiving, or in the future is entitled to receive, more than \$1,000 per year; or

(2) Ownership, or the ownership of securities of any kind representing or convertible into ownership, of more than 3 percent of a business entity by a City official or employee, or the spouse of an official or employee.

(i) (1) "Gift" means the transfer of anything of economic value, regardless of the form, without adequate and lawful consideration.

(2) "Gift" does not include a contribution as defined in Election Law Article, Annotated Code of Maryland.

(j) "Home address" means the address of an individual's:

(1) Principal home; and

(2) Designated second home, if any.

(k) "Immediate family" means a spouse and dependent children.

(l) (1) "Interest" means a legal or equitable economic interest, whether or not subject to an encumbrance or a condition, that is owned

or held, in whole or in part, jointly or severally, directly or indirectly.

(2) For purposes of §6 of this chapter, "interest" includes any interest held at any time during the reporting period.

(3) "Interest" does not include:

(i) An interest held in the capacity of a personal agent, custodian, fiduciary, personal representative, or trustee, unless the holder has an equitable interest in the subject matter;

(ii) An interest in a time or demand deposit in a financial institution;

(iii) An interest in an insurance policy, endowment policy, or annuity contract under which an insurer promises to pay a fixed amount of money either in a lump sum or periodically for life or a specified period;

(iv) A common trust fund or a trust which forms part of a pension or profit-sharing plan which has more than 25 participants and which has been determined by the Internal Revenue Service to be a qualified trust under the Internal Revenue Code;

(v) A college savings plan under the Internal Revenue Code; or

(vi) A 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 stocks and interests in a specific sector or area that is regulated by the individual's governmental unit.

(m) "Lobbyist" means a person required to register and report expenses related to lobbying under §8 of this chapter.

(n) "Lobbying" means:

(1) Communicating in the presence of a City official or employee with the intent to influence any official action of that official or employee; or



(2) Engaging in activities with the express purpose of soliciting others to communicate with a City official or employee with the intent to influence that official or employee.

(o) "Official" means an elected official, an employee of the City, or a person appointed to or employed by the City or any City agency, board, commission, or similar entity:

(1) Whether or not paid in whole or in part with City funds; and

(2) Whether or not compensated.

(p) "Person" includes an individual or business entity.

(q) "Principal home" means the sole residential property that an individual occupies as the individual's primary residence, whether owned or rented by the individual.

(r) "Qualified relative" means a spouse, parent, child, brother, or sister.

(s) "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.

(t) "Quasi-judicial board" means any board or commission that conducts proceedings or who can adjudicate the rights of persons through adjudication or rulemaking.

(u) "Respondent" means any of the following who is the subject of a complaint before the Commission, including an official, employee, candidate, or any other person subject to the provisions of this ordinance.

(v) "Second home" means a residential property that:

(1) An individual occupies for some portion of the filing year; and

(2) Is not a rental property or a time share.

#### 2.04.040 - Administration.

(a) (1) There is a Commission that consists of 5 members, appointed by the Mayor with the advice and consent of the City Council.

(2) The Commission members shall serve 4 year overlapping terms.

(3) A Commission member may serve until a successor is appointed and qualifies.

(b) (1) The Commission shall elect a chairman from among its members.

(2) The term of the chairman is one year.

(3) The chairman may be reelected.

(c) (1) The City Attorney shall assist the Commission in carrying out the Commission's duties.

(2) If a conflict of interest under §5 of this chapter or other conflict prohibits the City Attorney from assisting the Commission in a matter, the City shall provide sufficient funds for the Commission to hire independent counsel for the duration of the conflict.

**(d) The Commission is the advisory body responsible for interpreting this chapter and advising persons subject to this chapter regarding its application.**

**(e) The Commission shall hear and decide, with the advice of the City Attorney or other legal counsel if appropriate, all complaints filed regarding alleged violations of this chapter by any person.**

**(f) The Commission or an office designated by the Commission shall retain as a public record all forms submitted by any person under this chapter for at least four years after receipt by the Commission.**

**(g) The Commission shall conduct a public information and education program regarding the purpose and implementation of this chapter.**

**(h) The Commission shall certify to the State Ethics Commission on or before October 1 of each year that the City, is in compliance with the requirements of General Provisions Article, Title 5, Subtitle 8, Annotated Code of Maryland, for elected local officials.**

**(i) The Commission shall:**

**(1) Determine if changes to this chapter are required to be in compliance with the requirements of General Provisions Article, Title 5, Subtitle 8, Annotated Code of Maryland; and**

**(2) Shall forward any recommended changes and amendments to the City Council for enactment.**

**(j) (1) Any person subject to this chapter may request an advisory opinion from the Commission concerning the application of this chapter.**

**(2) The Commission shall respond promptly to a request for an advisory opinion and shall provide interpretations of this chapter based on the facts provided or reasonably available to the Commission within 60 days of the request.**

**(3) In accordance with all applicable State and City laws regarding public records, the Commission shall publish or otherwise make available to the public copies of the advisory opinions, with the identities of the subjects deleted.**

**(4) The Commission may adopt additional policies and procedures related to the advisory opinion request process.**

**(k) (1) Any person may file a complaint with the Commission alleging a violation of any of the provisions of this chapter.**

**(2) A complaint shall be in writing and under oath.**

**(3) The Commission may refer a complaint to the City Attorney, or other legal counsel if appropriate, for investigation and review.**

**(4) The Commission may dismiss a complaint if, after receiving an investigative report, the Commission determines that there are insufficient facts upon which to base a determination of a violation.**

**(5) If there is a reasonable basis for believing a violation has occurred, the subject of the complaint shall be given an opportunity for a hearing conducted in accordance with the applicable City rules of procedure.**

(6) A final determination of a violation resulting from the hearing shall include findings of fact and conclusions of law.

(7) Upon finding of a violation, the Commission may take any enforcement action provided for in §9 of this chapter.

(8) (i) After a complaint is filed and until a final finding of a violation by the Commission, all actions regarding a complaint are confidential.

(ii) A finding of a violation is public information.

(9) The Commission may adopt additional policies and procedures related to complaints, complaint hearings, the use of independent investigators and staff, the use of witness and document subpoenas, and cure and settlement agreements.

(l) The Commission may grant exemptions to or modifications of the conflict of interest and financial disclosure provisions of this chapter to officials or employees serving as members of City boards and commissions, when the Commission finds that the exemption or modification would not be contrary to the purposes of this chapter, and the application of this chapter would:

(1) Constitute an unreasonable invasion of privacy; and

(2) Significantly reduce the availability of qualified persons for public service.

(m) The Commission may:

(1) Assess a late fee of \$5 per day up to a maximum of \$500 for a failure to timely file a financial disclosure statement required under §6 or 7 of this chapter; and

(2) Assess a late fee of \$10 per day up to a maximum of \$1,000 for a failure to file a timely lobbyist registration or lobbyist report required under §8 of this chapter.

#### 2.04.050 - Prohibited conduct and interests.

(a) Participation prohibitions.

(1) Except as permitted by Commission regulation or opinion, an official or employee may not participate in:

(i) 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, unless it involves the exercise of an administrative or ministerial duty that does not affect the disposition or decision of the matter.

(ii) any matter in which any of the following is a party, unless it involves the exercise of an administrative or ministerial duty that does not affect the disposition or decision with respect to the matter:

(A) 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;

(B) 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;

(C) 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;

(D) 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;

(E) 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

(F) A business entity that:

1. 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

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

(i) The disqualification leaves a body with less than a quorum capable of acting;

(ii) The disqualified official or employee is required by law to act; or

(iii) The disqualified official or employee is the only person authorized to act.

(3) The prohibitions of paragraph 1 of this subsection do not apply if participation is allowed by regulation or opinion of the Commission.

(4) A former regulated lobbyist who is or becomes subject to this chapter as an employee or official, other than an elected official or an appointed official, may not participate in a case, contract, or other specific matter as an employee or official, other than an elected official or appointed official, 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.

(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:

(i) Be employed by or have a financial interest in any entity:

(A) 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

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

or

(ii) 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 this subsection do not apply to:

- (i) 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;
- (ii) 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;
- (iii) 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
- (iv) 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 for compensation in a case, contract, or other specific matter involving the City if that matter is one in which the former official or employee significantly participated as an official or employee.
- (2) A former elected official may not assist or represent another party for compensation in a matter that is the subject of legislative action for one calendar year after the elected official leaves office.

(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) (i) 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 or as a usual and customary constituent service without additional compensation, the award of a state or local contract to a specific person.
- (ii) An official may not directly or indirectly initiate a solicitation for a person to retain the compensated services of a particular regulated lobbyist or lobbying firm.
- (2) This subsection does not prohibit the performance of usual and customary constituent services by an elected official without additional compensation.
- (3) (i) An official, other than an elected official, or employee may not use public resources or the title of the official or employee to solicit a contribution as that term is defined in the Election Law Article.
  - (ii) An elected official may not use public resources to solicit a contribution as that term is defined in the Election Law Article.

**(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) Except as provided in paragraph (4) of this subsection, 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:**

**(i) 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;**

**(ii) 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;**

**(iii) Is engaged in an activity regulated or controlled by the official's or employee's governmental unit;**

**(iv) Is a lobbyist with respect to matters within the jurisdiction of the official or employee; or**

**(v) Is an association, or any entity acting on behalf of an association that is engaged only in representing counties or municipal corporations.**

**(4) Notwithstanding paragraph (3) of this subsection, an official or employee may accept a gift if it:**

**(i) would not intend to impair the impartiality and the independence of judgment of the official or employee receiving the gift; and**

**(ii) was not of such significant value that it would give the appearance of impairing the impartiality and independence of judgment of the official or employee; or**

**(iii) was not of such 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.**

**(5) Notwithstanding paragraph (3) of this subsection, an official or employee may accept the following:**

**(i) Meals and beverages consumed in the presence of the donor or sponsoring entity;**

**(ii) Ceremonial gifts or awards that have insignificant monetary value;**

**(iii) Unsolicited gifts of nominal value that do not exceed \$20 in cost or trivial items of informational value;**

**(iv) 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;**

**(v) Gifts of tickets or free admission extended to an elected official to attend a charitable, cultural, or political event, if the purpose of this gift or admission is a courtesy or ceremony extended to the elected official's office;**

**(vi) 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;**

(vii) 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

(viii) 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 individual'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) 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.

#### 2.04.060 - Financial disclosure — elected officials, officials, and employees.

(a) This section applies to all elected officials, all candidates to be elected officials, and City employees at or above the rank of Deputy Director or their equivalents.

(b) Except as provided in subsection (d) of this section, an elected official, employee, or candidate to be an elected official shall file the financial disclosure statement required under this subsection:

- (1) On a form provided by the Commission;
- (2) Under oath or affirmation; and
- (3) With the Commission.

(c) Deadlines for filing statements.

(1) An incumbent official or employee shall file a financial disclosure statement annually no later than April 30 of each year for the preceding calendar year.

(2) An official or employee 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 30 days after appointment.

(3) (i) An individual who, other than by reason of death, leaves an office for which a statement is required shall file a statement within 60 days after leaving the office.

(ii) The statement shall cover:

(A) 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

(B) 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 or employee 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:

(i) In the year the certificate of candidacy is filed, no later than the filing of the certificate of candidacy;

(ii) In the year of the election, on or before the earlier of April 30 or the last day for the withdrawal of candidacy; and

(iii) In all other years for which a statement is required, on or before April 30.

(3) A candidate to be an elected official:

(i) May file the statement required under §6(d)(2)(i) of this chapter with the City Clerk with the certificate of candidacy or with the Commission prior to filing the certificate of candidacy; and

(ii) Shall file the statements required under §6(d)(2)(ii) and (iii) of this chapter with the Commission.

(4) If a statement required by a candidate is overdue and not filed within 8 days after written notice of the failure to file is provided by the City Clerk, the candidate is deemed to have withdrawn the candidacy.

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

(6) Within 30 days of the receipt of a statement required under this section, the City Clerk shall forward the statement to the Commission, or an office designated by the Commission.

(e) Public record.

(1) The Commission or office designated by the Commission shall maintain all financial disclosure statements filed under this section.

(2) The Commission or office designated by the Commission shall make financial disclosure statements available during normal office hours for examination and copying by the public, subject to reasonable fees and administrative procedures established by the Commission.

(3) If an individual examines or copies a financial disclosure statement, the Commission or the office designated by the Commission shall record:

(i) The name and home address of the individual reviewing or copying the statement; and

(ii) The name of the person whose financial disclosure statement was examined or copied.

(4) Upon request by the individual whose financial disclosure statement was examined or copied, the Commission or the office designated by the Commission shall provide the official or employee with a copy of the name and home address of the person who reviewed the official's or employee's financial disclosure statement.

(5) For statements filed after January 1, 2019, the Commission or the office designated by the Commission may not provide public access to an individual's home address that the individual has designated as the individual's home address.

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



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

(f) Retention requirements. The Commission or the office designated by the Commission shall retain financial disclosure statements for four years from the date of receipt.

(g) 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.

(h) Contents of statement.

(1) Interests in real property.

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

(ii) For each interest in real property, the schedule shall include:

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

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

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

(D) 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;

(E) 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

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

(2) Interests in corporations and partnerships.

(i) 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.

(ii) For each interest reported under this paragraph, the schedule shall include:

(A) The name and address of the principal office of the corporation, partnership, limited liability partnership, or limited liability corporation;

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

(C) 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

**(D) With respect to any interest acquired during the reporting period:**

**1. The date when, the manner in which, and the identity of the person from whom the interest was acquired; and**

**2. 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.**

**(iii) An individual may satisfy the requirement to report the amount of the interest held under item (ii)(B) of this paragraph by reporting, instead of a dollar amount:**

**(A) 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**

**(B) For an equity interest in a partnership, the percentage of equity interest held.**

**(3) Interests in business entities doing business with City.**

**(i) 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.**

**(ii) For each interest reported under this paragraph, the schedule shall include:**

**(A) The name and address of the principal office of the business entity;**

**(B) The nature and amount of the interest held, including any conditions to and encumbrances on the interest;**

**(C) 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 in exchange for the interest, and, if known, the identity of the person to whom the interest was transferred; and**

**(D) With respect to any interest acquired during the reporting period:**

**1. The date when, the manner in which, and the identity of the person from whom the interest was acquired; and**

**2. 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.**

**(i) A statement filed under this section shall include a schedule of 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**

**(ii) For each gift reported, the schedule shall include:**

**(A) A description of the nature and value of the gift; and**

**(B) 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.**

**(i) 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.**

**(ii) For each position reported under this paragraph, the schedule shall include:**

**(A) The name and address of the principal office of the business entity;**

**(B) The title and nature of the office, directorship, or salaried employment held and the date it commenced; and**

**(C) 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 §3(d) of this chapter.**

**(6) Indebtedness to entities doing business with or regulated by the individual's City unit or department.**

**(i) A statement filed under this section shall include a schedule of all liabilities, excluding retail credit accounts, to persons doing business with or regulated by the individual's City unit or department owed at any time during the reporting period:**

**(A) By the individual; or**

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

**(ii) For each liability reported under this paragraph, the schedule shall include:**

**(A) The identity of the person to whom the liability was owed and the date the liability was incurred;**

**(B) The amount of the liability owed as of the end of the reporting period;**

**(C) 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**

**(D) The security given, if any, for the liability.**

**(7) 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.**

**(8) Sources of earned income.**

**(i) 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.**

**(ii) 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.**

**(iii) For a statement filed on or after January 1, 2019, if the individual's spouse is a lobbyist regulated by the City, the individual shall disclose the entity that has engaged the spouse for lobbying purposes.**

**(9) Relationship with University of Maryland Medical System, State or Local Government, or Quasi-Governmental Entity.**

**(i) 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:**

**(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.**

**(ii) For each financial or contractual relationship reported, the schedule shall include:**

**(A) A description of the relationship;**

**(B) The subject matter of the relationship; and**

**(C) The consideration.**

**(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.**

**(i) For the purposes of §6(h)(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 was, at any time during the reporting period, directly or indirectly controlled by the individual.**

**(2) An interest held, at any time during the applicable period, by:**

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

**(ii) A business entity described in section (i) of this subsection in which the business entity held a 25% or greater interest;**

**(iii) A business entity described in section (ii) of this subsection in which the business entity held a 50% or greater interest; and**

**(iv) A business entity in which the individual directly or indirectly, though 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:**

**(i) The individual held a reversionary interest or was a beneficiary; or**

**(ii) If a revocable trust, the individual was a settlor.**

**(i) (1) 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.**

**(2) The Commission may take appropriate enforcement action to ensure compliance with this section.**

**2.04.070 - Financial disclosure — appointed members of boards and commissions.**

- (a) (1) The City appointed officials listed in paragraph (b) of this section shall file the statement required by §6 of this chapter.  
(2) The appointed officials shall be required to disclose the information specified in §6(g) of this chapter only with respect to those interests, gifts, compensated positions, and liabilities that may create a conflict, as provided in §5 of this chapter, between the member's personal interests and the member's official local duties.  
(3) An official shall file a statement required under this section annually, not later than April 30 of each calendar year during which the official holds office.

(b) Appointed officials required to file: All persons sitting on a quasi-judicial board of the City.

(c) The Commission shall maintain all disclosure statements filed under this section as public records available for public inspection and copying as provided in §6(e) of this chapter.

#### 2.04.080 - Lobbying.

(a) Except as provided in subsections (b) and (c) of this section, a person or entity who engages in lobbying as defined in §2.04.030(l) shall file a lobbying registration with the Commission if the person or entity, during the calendar year:

- (1) Expends, exclusive of personal travel and subsistence expenses, in excess of \$100 in furtherance of this activity; or  
(2) Is compensated in excess of \$100 in connection with this activity.

(b) The following activities are exempt from regulation under this section:

- (1) Professional services in drafting bills or in advising and rendering opinions to clients as to the construction and effect of proposed or pending Council actions when these services do not otherwise constitute lobbying activities;  
(2) Appearances before the Council upon its specific invitation or request if the person or entity engages in no further or other activities in connection with the passage or defeat of Council actions;  
(3) Appearances before a City agency upon the specific invitation or request of the agency if the person or entity engages in no further or other activities in connection with the passage or defeat of any agency executive action;  
(4) Appearance as part of the official duties of a duly elected or appointed official or employee of the State or a political subdivision of the State, or of the United States, and not on behalf of any other entity;  
(5) Actions of a publisher or working member of the press, radio, or television in the ordinary course of the business of disseminating news or making editorial comment to the general public who does not engage in further or other lobbying that would directly and specifically benefit the economic, business, or professional interests of the person or entity or the employer of the person or entity;  
(6) Appearances by an individual before the Council at the specific invitation or request of a registered lobbyist if the person performs no other lobbying act and notifies the Council that the person or entity is testifying at the request of the lobbyist;

(7) Appearances by an individual before a government agency at the specific invitation or request of a registered lobbyist if the person or entity performs no other lobbying act and notifies agency that the person or entity is testifying at the request of the lobbyist;

(8) The representation of a bona fide religious organization solely for the purpose of protecting the right of its own members to practice the doctrine of the organization; and

(9) Appearance as part of the official duties of an officer, director, member, or employee of an association engaged exclusively in lobbying for counties and municipalities and not on behalf of any other entity.

(c) Limited exemption — employer of a lobbyist.

(1) A person or entity who compensates one or more lobbyists and who would otherwise be required to register as a lobbyist is not required to file a registration and submit lobbying reports if the person or entity reasonably believes that all expenses incurred in connection with the lobbying activities will be reported by a properly registered person or entity acting on behalf of the person or entity.

(2) A person or entity exempted under this subsection becomes subject to this section immediately upon failure of the lobbyist to report any information required under this section.

(d) (1) The registration filed under this section shall be filed on or before the later of the beginning of the calendar year in which the person or entity expects to lobby and within five days of first engaging in lobbying activities in the calendar year.

(2) The registration filed under this section:

(i) Shall be dated and on a form developed by the Commission;

(ii) Shall include:

(A) The lobbyist's full and legal name and permanent address;

(B) The name, address, and nature of business of any person or entity on whose behalf the lobbyist acts; and

(C) The written authorization of any person or entity on whose behalf the lobbyist acts or an authorized officer or agent, who is not the lobbyist, of the person or entity on whose behalf the lobbyist acts;

(iii) A statement of whether the person or entity on whose behalf the lobbyist acts is exempt from registration under subsection (c) of this section;

(iv) The identification, by formal designation, if known, of matters on which the lobbyist expects to act;

(v) Identification of the period of time within a single calendar year during which the lobbyist is authorized to engage in these activities, unless terminated sooner; and

(vi) The full legal signature of the lobbyist and, when appropriate, the person or entity on whose behalf the lobbyist acts or an agent or authorized officer of the person or entity on whose behalf the lobbyist acts.

(e) A lobbyist shall file a separate registration for each person or entity that has engaged or employed the lobbyist for lobbying purposes.

**(f) A lobbyist may terminate the lobbyist's registration by providing written notice to the Commission and submitting all outstanding reports and registrations.**

**(g) A person or entity may not engage in lobbying activities on behalf of another person or entity for compensation that is contingent upon the passage or defeat of any action by the Council or other or the outcome of any executive action.**

**(h) Activity report.**

**(1) A lobbyist shall file with the Commission or the office designated by the Commission:**

**(i) By July 31, one report concerning the lobbyist's lobbying activities covering the period beginning January 1 through June 30; and**

**(ii) By January 31, one report covering the period beginning July 1 through December 31.**

**(2) A lobbyist shall file a separate activity report for each person or entity on whose behalf the lobbyist acts.**

**(3) If the lobbyist is not an individual, an authorized officer or agent of the entity shall sign the form.**

**(4) The report shall include:**

**(i) A complete and current statement of the information required to be supplied with the lobbyist's registration form.**

**(ii) Total expenditures on lobbying activities in each of the following categories:**

**(A) Total compensation paid to the lobbyist not including expenses reported under items (B)—(I) of this subparagraph;**

**(B) Office expenses of the lobbyist;**

**(C) Professional and technical research and assistance not reported in item (i) of this subparagraph;**

**(D) Publications which expressly encourage persons to communicate with City officials or employees;**

**(E) Names of witnesses, and the fees and expenses paid to each witness;**

**(F) Meals and beverages for City officials and employees;**

**(G) Reasonable expenses for food, lodging, and scheduled entertainment of City officials or employees for a meeting which is given in return for participation in a panel or speaking engagement at the meeting;**

**(H) Other gifts to or for officials or employees or their spouses or dependent children; and**

**(I) Other expenses.**

**(i) Special gift report.**

**(1) (i) With the six-month activity report required under subsection (h) of this section, a lobbyist shall report, except for gifts reported in item (h)(4)(ii)(G) of this section, gifts from the lobbyist with a cumulative value of \$75 or more during the reporting period to an official, employee, or member of the immediate family of an official or employee.**

(ii) The lobbyist shall report gifts under this paragraph regardless of whether the gift was given in connection with lobbying activities.

(2) The report shall include the date, beneficiary, amount or value, and nature of the gift.

(j) Notification to official and confidentiality.

(1) If any report filed under this section contains the name of an official or employee or a member of the immediate family of an official or employee, the Commission shall notify the official or employee within 30 days.

(2) The Commission shall keep the report confidential for 60 days following receipt by the Commission.

(3) Within 30 days of the notice required under paragraph (1) of this subsection, the official or employee may file a written exception to the inclusion in the report of the name of the official, employee, or member of the immediate family of the official or employee.

(k) The Commission may require a lobbyist to submit other reports the Commission determines to be necessary.

(l) The Commission or office designated by the Commission shall maintain all registrations and reports filed under this section.

(m) (1) The Commission shall review the registrations and reports filed under this section for compliance with this section and shall notify persons engaging in lobbying activities of any omissions or deficiencies.

(2) The Commission may take appropriate enforcement action to ensure compliance with this section.

(n) Annual report.

(1) The Commission shall compute and make available a subtotal under each of the ten required categories in subparagraph (h)(4)(ii) of this section.

(2) The Commission shall compute and make available the total amount reported by all lobbyists for their lobbying activities during the reporting period.

(o) The Commission shall make lobbying registrations and reports available during normal business hours for examination and copying subject to reasonable fees and procedures established by the Commission.

#### 2.04.090 - Enforcement.

(a) (1) Upon a finding of a violation of any provision of this chapter, the Commission may:

(i) Issue an order of compliance directing the respondent to cease and desist from the violation;

(ii) Issue a reprimand; or

(iii) Recommend to the appropriate authority other appropriate discipline of the respondent, including censure or removal if that discipline is authorized by law.



(2) If the Commission finds that a respondent has violated §2.04.080 of this chapter, the Commission may:

(i) 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 §2.04.080 of this chapter;

(ii) Impose a fine not exceeding \$5,000 for each violation; and

(iii) Suspend the registration of an individual registered lobbyist if the Commission finds that the lobbyist has knowingly and willfully violated §8 of this chapter or has been convicted of a criminal offense arising from lobbying activities.

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

(2) (i) The court may:

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

(B) Except as provided in subparagraph (ii) 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 90 days of the occurrence of the official action, if the court deems voiding the action to be in the best interest of the public;  
or

(C) Impose a fine of up to \$5,000 for any violation of the provisions of this chapter, with each day upon which the violation occurs constituting a separate offense.

(ii) 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) (1) Any person who knowingly and willfully violates the provisions of §2.04.080 of this chapter is guilty of a misdemeanor, and upon conviction, is subject to a fine of not more than \$1,000 or imprisonment for not more than 1 year, or both.

(2) If the person is a business entity and not a natural person, each officer and partner of the business entity who knowingly authorized or participated in the violation is guilty of a misdemeanor and, upon conviction, is subject to the same penalties as the business entity.

(d) In addition to any other enforcement provisions in this chapter, a person who the Commission or a court finds has violated this chapter:

(1) Is subject to termination or other disciplinary action; and

(2) May be suspended from receiving payment of salary or other compensation pending full compliance with the terms of an order of the Commission or a court.

(e) (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 upon request by the Commission or the Council after reasonable notice.**

**2.04.100 - 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.**

**BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND,** as follows:

**Section 2.** It is the intention of the Mayor and Council of the City of Salisbury that each provision of this Ordinance shall be deemed independent of all other provisions herein.

**Section 3.** It is further the intention of the Mayor and Council of the City of Salisbury that if any section, paragraph, subsection, clause or provision of this Ordinance shall be adjudged invalid, unconstitutional or otherwise unenforceable under applicable Maryland or federal law, such adjudication shall apply only to the section, paragraph, subsection, clause or provision so adjudged and all other provisions of this Ordinance shall remain and shall be deemed valid and enforceable.

**Section 4.** The recitals set forth hereinabove are incorporated into this section of the Ordinance as if such recitals were specifically set forth at length in this Section 4.

**Section 5.** This Ordinance shall take effect from and after the date of its final passage.

**THIS ORDINANCE** was introduced and read at a Meeting of the Mayor and Council of the City of Salisbury held on the 19 day of September, 2022 and thereafter, a statement of the substance of the Ordinance having been published as required by law, in the meantime, was finally passed by the Council of the City of Salisbury on the 26 day of September, 2022.

**ATTEST:**

  
\_\_\_\_\_  
**Kimberly R. Nichols, City Clerk**

  
\_\_\_\_\_  
**John R. Heath, City Council President**

Approved by me, this 30th day of September, 2022.

  
\_\_\_\_\_  
**Jacob R. Day, Mayor**



City of  
**Salisbury**  
Jacob R. Day, Mayor

## MEMORANDUM

**TO:** City Council  
**FROM:** Kim Nichols, City Clerk  
**SUBJECT:** Revisions to Chapter 2.04 of the City's Ethics code  
**DATE:** September 15, 2022

The City of Salisbury Ethics Commission met on September 13, 2022 with City Attorney Ashley Bosche to discuss amendments to Chapter 2.04, Ethics, that were enacted by the Maryland General Assembly.

Prior to the September 13, 2022 meeting, Ms. Bosche provided a copy of the amendments to the Maryland State Ethics Commission for review and, having reviewed the amendments, they have preliminarily approved them as being compliant with the requirements of the amended Maryland Public Ethics law.

Attached, for your review, is the ordinance to amend Chapter 2.04, Ethics.