

For:

Introduction 4/11/23

Adoption: 5/9/23

THE TOWN OF MANCHESTER, MARYLAND

ORDINANCE NO. 257

**AN ORDINANCE TO AMEND PART I
OF THE CODE OF THE TOWN OF MANCHESTER
ENTITLED “ADMINISTRATIVE LEGISLATION”, BY AMENDING PROVISIONS OF
CHAPTER 12 ENTITLED “ETHICS, CODE OF” FOR THE PURPOSE OF UPDATING
THE TOWN’S ETHICS CODE TO COMPLY WITH THE MARYLAND CODE
AND MODEL CODES OF THE MARYLAND ETHICS COMMISSION AND FOR THE
PURPOSE OF REQUIRING THE ELECTION EACH YEAR OF A
CHAIRPERSON TO THE ETHICS COMMISSION**

WHEREAS, the General Provisions Article of the Maryland Code (“GP”), Section 15-803, *et. seq.*, requires each local government to adopt local ethics laws or ordinances that must include conflict of interest and financial disclosure provisions for elected officials that are at least equivalent to the State of Maryland’s provisions, financial disclosure provisions for candidates for local elected office that are at least equivalent to the State provisions, conflict of interest and financial disclosure provisions for local employees and appointed officials that are similar to State provisions; and local lobbying provisions that are substantially similar to State provision; and

WHEREAS, the State Ethics Commission has promulgated model codes (hereafter “Model Codes”) for the purpose of adaptation and enactment by municipalities in Maryland designed to assure compliance with the aforementioned requirements of the State Government Article of the Maryland Code; and

WHEREAS, since adopting the Model Codes, the State Ethics Commission has adopted changes and additions from time to time, including in 2017 and 2022; and

WHEREAS, each year, municipalities are required to certify to the State Ethics Commission that its ethics ordinances meet or exceed State requirements for conflicts of interest and financial disclosure for elected officials and candidates for elective office, and thus the State Ethics’ Commission’s Model Codes; and

WHEREAS, the following changes to the “Ethics, Code of” Chapter (Chapter 12) to the Town Code are made to bring the Town’s ethics ordinances into compliance with the requirements of the State of Maryland; and

WHEREAS, in addition, the foregoing changes require the election each year of a chairperson to the Town Ethics Commission.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE TOWN OF MANCHESTER:

Section 1. That Chapter 12 entitled “Ethics, Code of”, Article II entitled “Ethics Commission”, Section 12-3 entitled “Ethics Commission; membership” be and is hereby repealed and reenacted with amendments as follows:

§12-3. Ethics Commission; membership.

- A. There shall be a Manchester Ethics Commission, which shall consist of three members appointed by the Mayor with the approval of the Council. All members of the Ethics Commission shall reside within the corporate limits of the Town.
- B. All appointees shall be appointed for a term of three years from the date of appointment or until their successors are appointed, with such terms staggered as to provide for the orderly transition of new members. No member shall participate in any matter concerning his or her conduct.
- C. No member of the Commission may be:
 - (1) A Town official or spouse of a Town official;
 - (2) A Town employee or spouse of a Town employee;
 - (3) An elected public official;
 - (4) A candidate for elected public office;
 - (5) A lobbyist;
 - (6) Anyone having any financial interest with any Council member or the Mayor;
 - (7) Anyone who has been a paid campaign worker or paid political consultant for any Town Council or mayoral candidate within the past three years;
 - (8) Anyone currently doing business with the Town.
- D. The Commission shall elect a chairperson among its members, whose term shall be one year. The chairperson may be reelected.

Section 2. That Chapter 12 entitled “Ethics, Code of”, Article III entitled “Rules”, Section 12-6 entitled “Definitions”, Section 12-7 entitled “Conflicts of interest”, Section 12-8 entitled “Solicitation or acceptance of gifts”, and Section 12-9 entitled “Financial disclosure by elected Town officials and candidates to be Town elected officials”, and Section 12-10 entitled “Financial disclosure by employees and appointed officials” be and are hereby repealed and reenacted with amendments as follows:

§12-6. Definitions.

As used in this chapter, the following terms shall have the meanings indicated:

BUSINESS ENTITY

Any corporation, limited liability company, general or limited partnership, sole proprietorship, joint venture, unincorporated association or firm, institution, trust, foundation, or other organization, whether or not operated for profit. "Business entity" does not include a governmental entity.

COMPENSATION or EARNED INCOME

Money or anything of value, regardless of form, received or to be received for service rendered. 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. For reporting purposes, a prorated amount shall be labeled as such.

DOING BUSINESS WITH

Being party to or negotiating any transaction with the Town that involves the commitment, either in a single or in multiple transactions of \$5,000 in Town funds, or being actively regulated by or otherwise under the authority of the Town or any Town body, or being a registered as a lobbyist under §12-10.1 of this chapter.

FINANCIAL INTEREST

Ownership of any interest as the result of which the owner has received, within the past three years, or is presently receiving, or in the future is entitled to receive, more than \$1,000 per year. A financial interest also means ownership, or ownership of securities of any kind representing or convertible into ownership, of more than 3% of a business entity, and may include a loan or loan guarantee if under the circumstances the loan or loan guarantee has a direct and material financial impact on a public employee or Town official, their immediate family, or any business with which they are affiliated, as distinguished from the public generally.

GIFT

The transfer of anything of economic value, regardless of the form, without adequate and lawful consideration. For purposes of this chapter, a gift does not include a transfer regulated by state or federal law governing political campaigns or elections.

HOME ADDRESS

The principal home and designated second home, if any.

IMMEDIATE FAMILY MEMBERS

Family members who are the spouse or dependent child of the individual.

INTEREST

Any source of income or any other legal or equitable economic interest, whether or not subject to an encumbrance or a condition, which is owned or held, in whole or in part, jointly or severally, directly or indirectly by any person subject to this chapter. An interest does not include:

- A. An interest in a time deposit or demand deposit in a financial institution, a money market fund, investment account, mutual fund or deposit-type account;
- B. An interest held in the capacity of a personal agent, representative, custodian, fiduciary or trustee, unless the holder has an equitable interest therein;
- C. 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.
- D. 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; or
- E. An interest in a common trust fund or a trust that has been determined by the Internal Revenue Service to be a qualified trust or college savings plan under Internal Revenue Code.
- F. A mutual fund that is publicly traded on a national scale unless the mutual 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.

LOBBYIST

Any person who communicates with a Town official or employee with intent to influence that person in the performance of his official duties and who, in connection with such intent, is compensated, including a prorated part of a salary or fee for services, at least \$1,000 in connection with this activity, or expends or reasonably expects to expend in a given calendar year in excess of \$100 on food, entertainment or other gifts for such Town officials or public employees.

PERSON

An individual or business entity.

QUASI-GOVERNMENTAL ENTITY

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.

§12-7. Conflicts of interest.

- A. In this section, "qualified relative" means a spouse, parent, child or sibling.
- B. All Town elected officials, officials appointed to Town 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, 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:
 - (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 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 Town, 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.
- (3) A person who is disqualified from participating under Subsection C(1) or (2) of this section shall disclose the nature and circumstances of the conflict and may participate or act if:
 - (a) The disqualification leaves a body with less than a quorum capable of acting;
 - (b) The disqualified official or employee is required by law to act; or
 - (c) The disqualified official or employee is the only person authorized to act.
- (4) The prohibitions of Subsection C(1) and (2) of this section do not apply if participation is allowed by regulation or opinion of the Commission.
- (5) 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, 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.

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:
 - (a) Be employed by or have a financial interest in any entity:
 - [1] Subject to the authority of the official or employee or the Town agency, board, commission with which the official or employee is affiliated; or
 - [2] That is negotiating or has entered a contract with the agency, board, or commission with which the official or employee is affiliated; or

- (b) Hold any other employment relationship that would impair the impartiality or independence of judgment of the official or employee.
- (2) This prohibition does not apply to:
 - (a) An official or employee who is appointed to a regulatory or licensing authority pursuant to a statutory requirement that persons subject to the jurisdiction of the authority be represented in appointments to the authority;
 - (b) Subject to other provisions of law, a member of a board or commission in regard to a financial interest or employment held at the time of appointment, provided the financial interest or employment is publicly disclosed to the appointing authority and the Commission;
 - (c) An official or employee whose duties are ministerial, if the private employment or financial interest does not create a conflict of interest or the appearance of a conflict of interest, as permitted and in accordance with regulations adopted by the Commission;
 - (d) Employment or financial interests allowed by regulation of the Commission if the employment does not create a conflict of interest or the appearance of a conflict of interest or the financial interest is disclosed;
 - (e) Decisions relating to the property tax rate, general Town fees or service charges or a comprehensive zoning ordinance or similar matter are not considered to have direct financial impact to the extent that a Council member would be affected in common with the general public; or
 - (f) Participation by Council members in Council action relating to, and voting on, the annual budget in its entirety. When one or more items in the annual budget would have a direct financial impact, as distinguished from the public generally, on a Council member, his or her employer, family member or any business entity in which he or she has an interest, the Council member must first file with the Ethics Commission a sworn statement that describes the conflict. Council members may not propose, seek to remove, or participate in the Council's discussion of any budget item that creates such a conflict.

E. Post-employment limitations and restrictions.

- (1) A former official or employee may not assist or represent any party other than the Town for compensation in a case, contract, or other specific matter involving the Town if that matter is one in which the former official or employee significantly participated as an official or employee.

- (2) ~~Until the conclusion of the next regular session that begins after the elected official leaves office, a~~ A former member of the Town Council 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.
- 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 Town.
- G. Use of prestige of office.
- (1) An official or employee may not intentionally use the prestige of office or public position for the private gain of that official or employee or the private gain of another, or 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.
 - (2) 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.
 - (3) Use an official position in any way to coerce, or give the appearance of coercing, another person to provide any financial benefit to him or persons within his immediate family, or those with whom a public official has business or financial interest.
 - (4) Use the attorney or attorneys who are under retainer by the Town for personal or private business without paying just compensation.
 - (5) Use Town property for personal benefit or official position to request or require an employee to:
 - (a) Do work on behalf of his or her family, business, social, church or fraternal interests;
 - (b) Purchase goods and services to be used for personal, business, or political purposes.
 - (6) 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.

- (7) 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.
 - (68) This subsection does not prohibit the performance of usual and customary constituent services by an elected local official without additional compensation.
 - (9) 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 of the Annotated Code of Maryland.
 - (10) An elected official may not use public resources to solicit a contribution as that term is defined in the Election Law Article of the Annotated Code of Maryland.
- H. An individual, or a person that employs an individual, who assists the Town in the drafting of specifications, an invitation for bids, or a request for proposals for a procurement, may not submit a bid or proposal for that procurement, or assist or represent another person, directly or indirectly, who is submitting a bid or proposal for the procurement. The Commission may establish exemptions from the requirements of this section for providing descriptive literature, sole source procurements, and written comments solicited by the Town.

§12-8. Solicitation or acceptance of gifts.

- A. An official or employee may not solicit any gift.
- B. An official or employee may not directly or indirectly solicit or facilitate the solicitation of a gift, on behalf of another person, from a lobbyist.
- C. 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:
 - (1) Is doing business with or seeking to do business with the Town office, agency, board or commission with which the official or employee is affiliated;
 - (2) 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;
 - (3) Is engaged in an activity regulated or controlled by the official's or employee's governmental unit; or
 - (4) Is a lobbyist with respect to matters within the jurisdiction of the official or employee.
 - (5) Is an association, or an entity acting on behalf of an association that is engaged only in representing counties or municipal corporations.

D. Subsection E of this section does not apply to a gift:

- (1) That would tend to impair the impartiality and the independence of judgment of the official or employee receiving the gift;
- (2) Of significant value that would give the appearance of impairing the impartiality and independence of judgment of the official or employee; or
- (3) Of significant value that the recipient official or employee believes or has reason to believe is designed to impair the impartiality and independence of judgment of the official or employee.

E. Notwithstanding Subsection C of this section, an official or employee may accept the following:

- (1) Meals and beverages consumed in the presence of the donor or sponsoring entity;
- (2) Ceremonial gifts or awards that have insignificant monetary value;
- (3) Unsolicited gifts of nominal value that do not exceed \$20 in cost or trivial items of informational value;
- (4) Reasonable expenses for food, travel, lodging, and scheduled entertainment of the official or the employee at a meeting which is given in return for the participation of the official or employee in a panel or speaking engagement at the meeting;
- (5) Gifts of tickets or free admission extended to an elected local official to attend a charitable, cultural, or political events, if the purpose of this gift or admission is a courtesy or ceremony extended to the elected official's office;
- (6) A specific gift or class of gifts that the Commission exempts from the operation of this subsection upon a finding, in writing, that acceptance of the gift or class of gifts would not be detrimental to the impartial conduct of the business of the Town and that the gift is purely personal and private in nature;
- (7) Gifts from a person related to the official or employee by blood or marriage, or any other individual who is a member of the household of the official or employee;
- (8) 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.

§12-9. Financial disclosure by elected Town officials and candidates to be Town elected officials.

A. This section applies to all Town elected officials and candidates to be Town elected officials.

B. Financial disclosure statement.

(1) Except as provided in Subsection C of this section, a Town elected official or a candidate to be a Town elected official shall file the financial disclosure statement required under this section:

(a) On a form provided by the Commission;

(b) Under oath or affirmation; and

(c) With the Commission.

(2) Deadlines for filing statements.

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

(b) 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 for the reporting period shall file a statement for the preceding calendar year and the portion of the current calendar year to date of filing prior to appointment within 30 days of appointment.

(c) Leaving office.

[1] 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.

[2] 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.

C. Candidates to be Town elected officials.

- (1) A candidate to be an elected Town official shall file a financial disclosure statement each year beginning with the year in which the certificate of nomination is filed through the year of the election.
- (2) A candidate to be an elected official shall file a statement required under this section:
 - (a) In the year the certificate of nomination is filed, no later than the filing of the certificate of nomination. The reporting period shall be the calendar year immediately preceding the year in which the petition is filed, and the portion of the current calendar year to the date the certificate is filed;
 - (b) In the year of the election, if other than the year in which the certificate of nomination is filed, on or before April 30; and
 - (c) In all other years for which a statement is required, on or before April 30.
- (3) A candidate to be an elected Town official:
 - (a) Shall file the statement required under § 12-9C(2)(a) of this chapter with the Supervisors of Elections at the time of filing of the certificate of nomination or with the Commission prior to or at the time of filing the certificate of nomination; and
 - (b) Shall file the statements required under § 12-9C(2)(b) and (c) with the Commission.
- (4) If a candidate fails to file a statement required by this section, then the Supervisors of Elections shall, pursuant to § C5-8B of the Town Charter, notify the candidate in writing, within seven days of the certificate of nomination filing deadline, that the certificate of nomination does not meet the requirements, that the certification of nomination has been denied and the candidate is deemed to have withdrawn the candidacy.
- (5) The Supervisors of Elections may not certify any certificate of nomination unless a statement has been filed in proper form.
- (6) Upon receipt of a statement required under this section, the Supervisors of Elections shall promptly forward the statement to the Commission or the office designated by the Commission.

D. Public record.

- (1) The Commission or office designated by the Commission 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 Commission or the office designated by the Commission shall record:
 - (a) The name and home address of the individual reviewing or copying the statement; and
 - (b) The name of the person whose financial disclosure statement was examined or copied.
- (4) Upon request by the official, candidate or employee whose financial disclosure statement was examined or copied, the Commission or the office designated by the Commission shall provide the official with a copy of the name and home address of the person who reviewed the official'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:
 - (a) The University of Maryland Medical System;
 - (b) A governmental entity of the State or local government in the State; or
 - (c) A quasi-governmental entity of the State or local government in the State.

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

F. Contents of statement.

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

- (b) For each interest in real property, the schedule shall include:
- [1] The nature of the property and the location by street address, mailing address, or legal description of the property;
 - [2] The nature and extent of the interest held, including any conditions and encumbrances on the interest;
 - [3] The date when, the manner in which, and the identity of the person from whom the interest was acquired;
 - [4] The nature and amount of the consideration given in exchange for the interest or, if acquired other than by purchase, the fair market value of the interest at the time acquired;
 - [5] If any interest was transferred, in whole or in part, at any time during the reporting period, a description of the interest transferred, the nature and amount of the consideration received for the interest, and the identity of the person to whom the interest was transferred; and
 - [6] The identity of any other person with an interest in the property.

(2) Interests in corporations and partnerships.

- (a) A statement filed under this section shall include a schedule of all interests in any corporation, partnership, limited liability partnership, or limited liability corporation, regardless of whether the corporation or partnership does business with the Town.
- (b) For each interest reported under this subsection, the schedule shall include:
- [1] The name, including any and all names that the corporation, partnership, limited liability partnership, or limited liability corporation is trading as or doing business as, and address of the principal office of the corporation, partnership, limited liability partnership, or limited liability corporation;
 - [2] The nature and amount of the interest held, including any conditions and encumbrances on the interest;
 - [3] With respect to any interest transferred, in whole or in part, at any time during the reporting period, a description of the interest transferred, the nature and amount of the consideration received for

the interest and, if known, the identity of the person to whom the interest was transferred; and

[4] With respect to any interest acquired during the reporting period:

[a] The date when, the manner in which, and the identity of the person from whom the interest was acquired; and

[b] The nature and the amount of the consideration given in exchange for the interest or, if acquired other than by purchase, the fair market value of the interest at the time acquired.

(c) An individual may satisfy the requirement to report the amount of the interest held under Subsection F(2) of this section by reporting, instead of a dollar amount:

[1] For an equity interest in a corporation, the number of shares held and, unless the corporation's stock is publicly traded, the percentage of equity interest held; or

[2] For an equity interest in a partnership, the percentage of equity interest held.

(3) Interests in business entities doing business with the Town.

(a) A statement filed under this section shall include a schedule of all interests in any business entity that does business with the Town, other than interests reported under Subsection F(2) of this section.

(b) For each interest reported under this subsection, the schedule shall include:

[1] The name, including any and all names that the business is trading as or doing business as, and address of the principal office of the business entity;

[2] The nature and amount of the interest held, including any conditions to and encumbrances in the interest;

[3] With respect to any interest transferred, in whole or in part, at any time during the reporting period, a description of the interest transferred, the nature and amount of the consideration received in exchange for the interest and, if known, the identity of the person to whom the interest was transferred; and

[4] With respect to any interest acquired during the reporting period:

[a] The date when, the manner in which, and the identity of the person from whom the interest was acquired; and

[b] The nature and the amount of the consideration given in exchange for the interest or, if acquired other than by purchase, the fair market value of the interest at the time acquired.

(4) Gifts

(a) A statement filed under this section shall include a schedule of each gift in excess of \$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 or is regulated by the Town, or from an association, or any entity acting on behalf of an association that is engaged only in representing counties or municipal corporations.

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

[1] A description of the nature and value of the gift; and

[2] The identity of the person from whom, or on behalf of whom, directly or indirectly, the gift was received.

(5) Employment with or interests in entities doing business with the Town.

(a) A statement filed under this section shall include a schedule of all offices, directorships, and salaried employment by the individual or member of the immediate family of the individual held at any time during the reporting period with entities doing business with the Town.

(b) For each position reported under this subsection, the schedule shall include:

[1] The name and address of the principal office of the business entity;

[2] The title and nature of the office, directorship, or salaried employment held and the date it commenced; and

[3] The name of each Town agency with which the entity is involved.

- (6) Indebtedness to entities doing business with the Town.
- (a) A statement filed under this section shall include a schedule of all liabilities, excluding retail credit accounts, to persons doing business with the Town owed at any time during the reporting period:
- [1] By the individual; or
- [2] By a member of the immediate family of the individual if the individual was involved in the transaction giving rise to the liability.
- (b) For each liability reported under this subsection, the schedule shall include:
- [1] The identity of the person to whom the liability was owed and the date the liability was incurred;
- [2] The amount of the liability owed as of the end of the reporting period;
- [3] The terms of payment of the liability and the extent to which the principal amount of the liability was increased or reduced during the year; and
- [4] The security given, if any, for the liability.
- (7) A statement filed under this section shall include a schedule of the immediate family members of the individual employed by the Town in any capacity at any time during the reporting period.
- (8) Sources of earned income.
- (a) A statement filed under this section shall include a schedule of the name and address of each place of employment and of each business entity of which the individual or a member of the individual's immediate family was a sole or partial owner and from which the individual or member of the individual's immediate family received earned income, at any time during the reporting period.
- (b) A minor child's employment or business ownership need not be disclosed if the agency that employs the individual does not regulate, exercise authority over, or contract with the place of employment or business entity of the minor child.

- (c) For a statement filed on or after January 1, 2019, if the individual's spouse is a lobbyist regulated by the Town, the individual shall disclose the entity that has engaged the spouse for lobbying purposes.
 - (9) A statement filed under this section may also include a schedule of additional interests or information that the individual making the statement wishes to disclose.
 - (10) Relationship with University of Maryland Medical System, State or Local Government, or Quasi-Governmental Entity.
 - (a) An individual shall disclose the information specified in General Provisions Article §5-607(j)(1), Annotated Code of Maryland, for an financial or contractual relationship with:
 - [1] The University of Maryland Medical System;
 - [2] A governmental entity of the State or local government in this State; or
 - [3] A quasi-governmental entity of the State or local government in the State.
 - (b) For each financial or contractual relationship reported, the schedule shall include:
 - [1] A description of the relationship;
 - [2] The subject matter of the relationship; and
 - [3] The consideration.
- G. For the purposes of § 12-9F(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 percent or greater interest~~ at any time during the reporting period, by:
 - (a) A business entity in which the individual held a ten percent (10%) or greater interest;

- (b) A business entity described in section (a) of this subsection in which the business entity held twenty-five percent (25%) or greater interest;
 - (c) A business entity in section (b) of this subsection in which the business entity held a fifty percent (50%) or greater interest; and
 - (d) A business entity in which the individual directly or indirectly, through an interest in one or a combination of other business entities, holds a ten percent (10%) or greater interest.
- (3) An interest held by a trust or an estate in which, at any time during the reporting period:
 - (a) The individual held a reversionary interest or was a beneficiary, or
 - (b) If a revocable trust, the individual was a settlor.
- H. 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.
- I. The Town Ethics Commission may take appropriate enforcement action to ensure compliance with this section.

§12-10. Financial disclosure by employees and appointed officials.

- A. This section only applies to the following appointed officials and employees:
 - (1) Town Administrator.
 - (2) Assistant Town Administrator.
 - (3) Chief of Police.
 - (4) Members of all boards and commissions.
 - (5) Town Attorney.
- 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 with or is regulated by the Town, 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.
- E. The Commission shall maintain all disclosure statements filed under this section as public records available for public inspection and copying as provided in § 12-9D and E of this chapter.

Section 3. That new Section 12-10.1 to Article II entitled “Ethics Commission”, Chapter 12 entitled “Ethics, Code of”, entitled “Lobbying” be and is hereby enacted as follows:

§12-10.1. Lobbying.

- A. A person shall file a lobbying registration statement with the Commission if the person:
 - (1) Personally appears before a Town 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 excess of \$20 on a single gift or \$100 or more on a series of gifts in a given calendar year on food, entertainment, or other gifts for officials or employees of Town of Manchester.
- B. A person shall file a registration statement required under this section on or before the later 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 contents.
 - (1) The registration statement shall identify:
 - (a) The registrant;
 - (b) Any other person on whose behalf the registrant acts; and
 - (c) The subject matter on which the registrant proposes 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 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 Town official or employee; and
- (2) If a gift to a single official or employee of the Town of Manchester exceeds \$20 in value, or a series of gifts totaling \$100 or more given in one calendar year, the identity of the official or employee.
- (3) If the filer's spouse is a regulated lobbyist, the entity that has engaged the spouse to lobby.

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.

BE IT ENACTED AND ORDAINED BY THE AUTHORITY AFORESAID, that
this Ordinance shall take effect on the _____ day of _____, 2023.

Introduced the 11th day of April, 2023.

Enacted this _____ day of _____, 2023 by a vote of _____ in favor and _____ opposed.

ATTEST:

Kelly J. Baldwin, Secretary

Vincent Pacelli, Vice-President

Approved this _____ day of _____, 2023.

ATTEST:

Kelly J. Baldwin, Secretary

Ryan Warner, Mayor

REVIEWED AND APPROVED AS TO LEGAL FORM AND SUFFICIENCY.

This _____ day of _____, 2023.

Thomas V. McCarron, Town Attorney