

**Town of Chevy Chase
Ordinance to Amend the Public Ethics Law**

Resolution No.: 13-05
Introduced: October 9, 2013
Adopted: November 13, 2013
Effective Date: December 13, 2013

WHEREAS, Article 23A, Section 2(a) of the Maryland Code, as amended, authorizes the legislative body of each municipal corporation in the State of Maryland to pass ordinances that such legislative body deems necessary to assure the good government of the municipality, to protect and preserve the municipality's rights, property and privileges, to preserve peace and good order, to secure persons and property from danger and destruction, and to protect the health, comfort and convenience of the citizens of the municipality; and

WHEREAS, the Public Ethics Law, State Government Article, Section 15-803 of the Maryland Code, as amended, 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; and

WHEREAS, by letter dated January 25, 2013, the State Ethics Commission declared that the Town of Chevy Chase should be exempt from the requirements of the Public Ethics Law pertaining to lobbying but that the current Town ethics laws must be revised to meet the requirements of the Public Ethics Law pertaining to conflicts of interest and financial disclosure; and

WHEREAS, Section 301 of the Town of Chevy Chase Charter authorizes the Town Council to pass ordinances as it may deem necessary for the good government of the Town; for the protection and preservation of the Town's property, rights and privileges; for the preservation of peace and good order; for securing persons and property from violence, danger and destruction; and for the protection and promotion of the health, safety, comfort, convenience, welfare and happiness of the resident(s) of the Town; and for such other police and health matters as it may deem necessary; and

WHEREAS, the Town Council finds that, in accordance with the decision of the State Ethics Commission, the adoption of a revised Ethics Ordinance is necessary to comply with the Public Ethics Law; and

WHEREAS, the Town Council finds that the ordinance as hereinafter set forth is necessary for the good government of the Town; for the protection and preservation of the Town's property, rights and privileges; for the preservation of peace and good order; for securing persons and property from violence, danger and destruction; and for the protection and promotion of the health, safety, comfort, convenience, welfare and happiness of the resident(s) of the Town; and

WHEREAS, The Town Council provided a copy of the following Ordinance to the State

Ethics Commission for its review and, by letter dated September 17, 2013, the State Ethics Commission approved the following Ordinance.

WHEREAS, after proper notice to the public, the Town Council conducted a public hearing at which it considered the following Ordinance in public session assembled on the 9th day of October 2013; and

NOW, THEREFORE, the Town Council of the Town of Chevy Chase does hereby adopt the following ordinance:

AN ORDINANCE TO REPLACE IN ITS ENTIRETY CHAPTER 2, DIVISION 4 OF THE TOWN OF CHEVY CHASE CODE TO ENACT CONFLICT OF INTEREST STANDARDS AND FINANCIAL DISCLOSURE REQUIREMENTS EQUIVALENT TO STATE REQUIREMENTS

SECTION 1. BE IT ORDAINED AND ORDERED, this 13th day of November 2013, by the Town Council of Town of Chevy Chase, acting under and by virtue of the authority granted to it by Article 23A and the State Government Article of the Maryland Code, and Section 301 of the Town Charter, that Chapter 2, Division 4 of the Town Code is hereby revised and replaced in its entirety to read as follows:

Chapter 2

* * *

DIVISION 4. PUBLIC ETHICS

Sec. 2-51. -- Conflicts of interest.

~~(a) [Participation.] Town council members or town employees may not participate in any matter, except in the exercise of an administrative or ministerial duty which does not affect the disposition or decision with respect to that matter, if, to his actual knowledge, he, his spouse, parent, child, brother, or sister has a financial, business, or employment interest therein.~~

~~(b) Solicitation or acceptance of gifts.~~

~~(1) No town council member or employee may knowingly accept any gift, directly or indirectly, from any person that he actually knows:~~

~~a. Is doing business with the town; or~~

~~b. Has financial interests that may be substantially and materially affected, in a manner distinguishable from the public generally, by the performance or nonperformance of his official duty.~~

(Ord. No. 93-003, § 1, 5-12-93)

Sec. 2-52. -- Financial disclosure statement.

The town manager and all persons holding elective office, candidates for elective office and those individuals appointed to fill vacancies in elective office in the town are required to file the statement provided for by this section when the town council determines that the filing of a financial disclosure statement is necessary.

(Ord. No. 93-003, § 2, 5-12-93)

Sec. 2-53. -- Lobbying registration.

- (a) Any person who engages in lobbying activities with town officials or employees for compensation shall file a lobbying registration with the town council, on or before the beginning of the calendar year in which a person expects to lobby or within five (5) days after engaging in lobbying activities.
- (b) The registration filed pursuant to subsection (a) shall be dated and on a form developed by the town council with the assistance of the town attorney.

(Ord. No. 93-003, § 3, 5-12-93)

Sec. 2-54. -- Enforcement.

Upon direction by the town council, the town attorney may file a petition for injunctive or other relief in the circuit court for the county, or in any other court having proper venue for the purpose of requiring compliance with the provisions of this division. The town attorney may seek to have the court:

- (1) Issue an order to cease and desist from the violation.
- (2) Void an official action taken by a council member or employee with a conflict of interest prohibited by this division 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; provided, however, that the 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 obligation.
- (3) Impose a fine of up to five hundred dollars (\$500.00) for any violation of the provisions of this division.

(Ord. No. 93-003, § 4, 5-12-93)

Sec. 2-55. -- Severability.

The provisions of this division are severable and if any provision, sentence, clause, subsection or part thereof is held illegal, invalid, or unconstitutional or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, sentences, clauses, subsection or parts of the division or their application to any other persons or circumstances. It is hereby declared to be the legislative intent that this division would have been adopted if such an illegal, invalid, or unconstitutional provision or sentence, clause, subsection or part had not been included therein, and if the person or circumstances to which the section or any part thereof is inapplicable had been specifically exempted therefrom.

(Ord. No. 93-003, § 5, 5-12-93)

Sec. 2-51. Short title.

This division may be cited as the "Public Ethics Ordinance".

Sec. 2-52. Applicability.

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

Sec. 2-53. Definitions.

In this division, the following terms have the meanings indicated.

(a) "Business entity" means:

(1) 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 Town Chevy Chase Ethics Commission established under section 2-54 of this division.

(c) "Compensation" means any money or thing of value, regardless of form, received or to be received by any individual covered by this division from an employer for service rendered.

(d) "Doing business with" means:

- (1) Having or negotiating a contract that involves the commitment, either in a single or combination of transactions, of five thousand dollars (\$5,000) or more of town controlled funds; or
- (2) Being regulated by or otherwise subject to the authority of the town.
- (e) “Earned income” means wages, salaries, tips, and other taxable employee pay, including net earnings from self-employment, exceeding one thousand dollars (\$1,000) during the reporting period. “Earned income” does not include dividends.
- (f) “Elected official” means any individual who holds an elective office of the town.
- (g) “Employee” means:
- (1) an individual who is employed by the town.
- (2) “Employee” does not include a local elected official.
- (h) “Financial interest” means:
- (1) Ownership of any interest as the result of which the owner has received, within the past three (3) years, or is presently receiving, or in the future is entitled to receive, more than one thousand dollars (\$1,000) per year; or
- (2) Ownership, or the ownership of securities of any kind representing or convertible into ownership, of more than three percent (3%) of a business entity by a town official or employee, or the spouse of an official or employee.
- (h) “Gift” means:
- (1) the transfer of anything of economic value, regardless of the form, without adequate and lawful consideration.
- (2) “Gift” does not include a political campaign contribution regulated under Election Law Article, Annotated Code of Maryland, or any other provision of State or local law regulating the conduct of elections or the receipt of political campaign contributions.
- (i) “Immediate family” means a spouse and dependent children.
- (i) “Indirectly controlled by the individual” means the reporting individual: (i) paid for the acquisition of the interest, in whole or in part, with funds

belonging to the reporting individual; (ii) exercises decision-making concerning the interest; and/or (iii) has a legal right to exercise control of the interest, whether or not such right is exercised.

(i) “Interest” means:

(1) 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 section 2-56 of this division, “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 twenty-five (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 that is publically 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 town.

(k) “Official” means an elected official, an employee of the town, or a person appointed to or employed by the town or any town agency, board, commission, or similar entity:

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

- (2) Whether or not compensated.
- (l) "Person" includes an individual or business entity.
- (m) "Qualified relative" means a spouse, parent, child, or sibling.

Sec. 2-54. Ethics Commission.

(a) There is a town ethics commission that consists of three (3) members appointed by the mayor, to serve staggered terms of three (3) years. The chair shall be designated by the mayor. If the mayor does not designate the chair, the commission shall elect its own chair.

(b) The commission shall:

(1) Devise, receive, and maintain all forms required by this division;

(2) Develop procedures and policies for advisory opinion requests and provide published advisory opinions to persons subject to this division regarding the applicability of the provisions of this division to them;

(3) Develop procedures and policies for the processing of complaints to make appropriate determinations regarding complaints filed by any person alleging violations of this division; and

(4) Conduct a public information program regarding the purposes and application of this division.

(c) The town 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 town is in compliance with the requirements of State Government Article, Title 15, Subtitle 8, Annotated Code of Maryland, as amended, for elected local officials.

(e) The commission shall determine if changes to this division are required to be in compliance with the requirements of State Government Article, Title 15, Subtitle 8, Annotated Code of Maryland, as amended, and shall forward any recommended changes and amendments to the town council for enactment.

(f) The commission may adopt other policies and procedures to assist in the implementation of the commission's programs established in this division.

Sec. 2-55. Conflicts of interest.

(a) All town elected officials, officials appointed to town boards and commissions subject to this division, and employees are subject to this section.

(b) 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:

(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 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

(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 person who is disqualified from participating under paragraphs (1) or (2) 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.

(4) The prohibitions of paragraphs (1) and (2) of this subsection do not apply if participation is allowed by regulation or opinion of the commission.

(c) 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 town 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 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 by 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.

(d) 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 former member of the town council may not

assist or represent another party for compensation in a matter that is the subject of legislative action.

(e) 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.

(f) 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.

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

(g) 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 town 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) Paragraph (5) of this subsection does 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.

(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 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 town 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 ~~is~~ not related in any way to the official's or employee's official position.

(h) 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.

(i) Participation in procurement.

(1) An individual or a person that employs an individual who assists a town 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 or 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.

Sec. 2-56. Financial disclosure — local elected officials and candidates to be local elected officials.

(a) (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) (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 nominating petition is filed through the year of the election.

(2) To afford the commission sufficient time to review a statement for adequacy, a candidate to be an elected local official shall file a statement required under this section, no later than the filing of the nominating petition, which must be filed before 5:00 pm on the third Tuesday before the election.

(3) A candidate to be an elected official may file the statement required under section 2-56(b)(2) of this division with the town manager or election board with the nominating petition or with the commission prior to filing the nominating petition. Upon the receipt of a statement required under this section, the town manager or election board shall promptly forward the statement to the commission or the office designated by the commission.

(4) The town manager or election board may not accept any nominating petition unless a statement has been filed in proper form, as determined by the commission. If a candidate fails to correct a deficiency in the statement within 10 days after written notice of deficiency is provided by the commission, or otherwise fails to file a proper statement by April 30, the candidate shall be deemed to have withdrawn the candidacy.

(c) 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:

(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 commission shall promptly provide the official with a copy of the name and home address of the person who reviewed the official's financial disclosure statement.

(d) Retention requirements. The commission or the office designated by the commission shall retain financial disclosure statements for four (4) years from the date of receipt, except in the case of unsuccessful candidates for elected local offices in which case such statements shall be retained for sixty (60) days after the election is final. After the expiration of the applicable retention period, the statements shall be destroyed by the commission or designated office.

(e) 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, if known, 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 town.

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

(A) The name and address, if known, 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, if known, 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, transferred, or acquired under item (ii)(B) – (D) of this paragraph by reporting, instead of a dollar amount:

(A) For an equity interest in a corporation, the number of shares held, transferred, or acquired 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, transferred, or acquired.

(3) Interests in business entities doing business with town.

(i) 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 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, if known, 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) On a quarterly basis, the town manager shall compile a list of business entities doing business with the town.

(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 or is regulated by the town.

(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 the town.

(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 town.

(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 town agency with which the entity is involved.

(6) Indebtedness to entities doing business with town.

(i) 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:

(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) 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.

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

(1) the name and address of each place of employment, and

(2) 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.

(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.

(f) For the purposes of section 2-56(e)(1), (2), and (3) of this division, 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 (30%) 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 settlor.

(g) (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 town ethics commission may take appropriate enforcement action to ensure compliance with this section.

Sec. 2-57. Financial disclosure — employees and appointed officials.

(a) This section only applies to the following appointed officials and employees:

town manager

town clerk and finance officer

(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 town, including the name of the donor of the gift and the approximate retail value at the time or 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 section 2-56(c) and (d) of this division.

Sec. 2-58. Exemptions and modifications.

The commission may grant exemptions and modifications to the provisions of sections 2-55 and 2-57 of this division to employees and to appointed members of town boards and commissions, when the commission finds that an exemption or modification would not be contrary to the purposes of this division, and the application of this division would:

(a) Constitute an unreasonable invasion of privacy; and

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

Sec. 2-59. Enforcement.

(a) The commission may:

(1) Assess a late fee of \$2 per day up to a maximum of \$250 for a failure to timely file a financial disclosure statement required under sections 2-56 and 2-57 of this division; and

(2) Issue a cease and desist order against any person found to be in violation of this division.

(b) Upon a finding of a violation of any provision of this division, the commission may:

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

(2) Issue a reprimand; or

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

(c) (1) Upon request of by the commission, the town attorney may file a petition for injunctive or other relief in the Circuit Court of Montgomery County, or in any other court having jurisdiction for the purpose of requiring compliance with the provisions of this division.

(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 division 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 \$5,000 for any violation of the provisions of this division, 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.

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

(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 town official or employee found to have violated this division is subject to disciplinary or other appropriate personnel action, including removal from office, disciplinary action, suspension of salary, or other sanction.

(f) A finding of a violation of this division by the commission is public information.

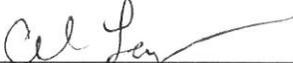
SECTION 2. AND BE IT FURTHER ORDAINED AND ORDERED, this 13th day of November, 2013, by the Town Council of the Town of Chevy Chase, acting under and by virtue

of the authority granted to it by Article 23A of the Maryland Code and Section 301 of the Town Charter, that:

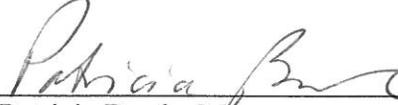
- (1) If any part or provision of this Ordinance is declared by a court of competent jurisdiction to be invalid, the part or provision held to be invalid shall not affect the validity of the ordinance as a whole or any remaining part thereof; and
- (2) This Ordinance shall take effect on the 13th day of December, 2013.

ATTEST:

TOWN OF CHEVY CHASE



Albert Lang, Secretary



Patricia Burda, Mayor
Town of Chevy Chase

Bold and Underline indicates new material
~~Strike through~~ indicates material deleted
* * * indicates material unchanged

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