

**Town of Chevy Chase
Ordinance to Amend the Public Ethics Law
(2021 Legislative Session Amendments)**

Ordinance No.: 22-04
Introduced: 9/9/22
Adopted: 10/12/22
Effective Date: 11/11/22

WHEREAS, the Maryland Code, Local Government Article, Section 5-202, 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, 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 State 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 Town was granted partial exemption from the State Public Ethics Law, and need not adopt the requirements related to lobbying; and

WHEREAS, the Town of Chevy Chase adopted Ordinance No. 13-03, on November 13, 2013, to amend the Town Ethics Law to incorporate the requirements of the State Public Ethics Law, relating to conflicts of interest and financial disclosure; and

WHEREAS, the Town Council finds that further amendment of the Town Public Ethics Ordinance is necessary to incorporate certain mandatory changes enacted during the 2021 Legislative Session, as described by the State Ethics Commission in its letter to the Town Ethics Commission dated August 26, 2022; 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 introduced the following Ordinance on the 9th day of September, 2022 and 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 12th day of October, 2022; and

WHEREAS, the Town Council provided a copy of the introduced Ordinance to the State Ethics Commission for its review and, by letter dated the 29th day of September, 2022, the State Ethics Commission approved the Ordinance.

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

SECTION 1. BE IT ORDAINED AND ORDERED, this the 12th day of October, 2022, by the Town Council of Town of Chevy Chase, acting under and by virtue of the authority granted to it by 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 as follows:

Chapter 2

* * *

DIVISION 4. PUBLIC ETHICS

* * *

Sec. 2-53. Definitions.

* * *

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.

* * *

Sec. 2-55. - Conflicts of interest.

* * *

(g) Solicitation and acceptance of gifts.

* * *

(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:

* * *

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

* * *

(h) *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 official's or employee'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.

* * *

(j) 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.

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

* * *

(c) Public record.

* * *

(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.

* * *

(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) 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.

(e) **(f)** *Contents of statement.*

[Note: subsequent subsections are re-lettered accordingly]

* * *

(4) Gifts.

a. 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 (1) 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.**

* * *

(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, as amended or replaced, 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.

(9) ~~(10)~~ A statement filed under this section may also include a schedule of additional interests or information that the individual making the statement wishes to disclose.

* * *

~~(f) [Interests.]~~ (g) For the purposes of subsections 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 or greater interest at any time during the reporting period.~~ at any time during the applicable period, by:

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

(ii) A business entity described in section (i) of this subsection in which the business entity held a twenty-five (25) percent or greater interest;

(iii) A business entity described in section (ii) of this subsection in which the business entity held a fifty (50) percent 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 ten (10) percent or greater interest.

(3) An interest held by a trust or an estate in which, at any time during the reporting period:

* * *

SECTION 2. AND BE IT FURTHER ORDAINED AND ORDERED, this 12th day of October, 2022, by the Town Council of the Town of Chevy Chase, acting under and by virtue of the authority granted to it by the Maryland Code and the Town Charter, that:

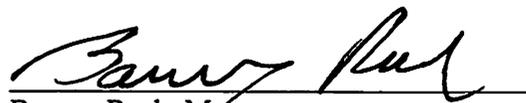
(1) If any part or provision of this Ordinance is declared by a court of competent jurisdiction to be invalid, the part or provision held to be invalid shall not affect the validity of the ordinance as a whole or any remaining part thereof; and

(2) This Ordinance shall take effect on the 11th day of November, 2022.

ATTEST:


Richard Brancato, Secretary

TOWN OF CHEVY CHASE


Barney Rush, Mayor
Town of Chevy Chase

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