

Ordinance No. 16-18

ORDINANCE: To amend Chapter 16 of the Rockville City Code, entitled "Public Ethics" to bring the City's ethics laws into compliance with the State's requirements; and to correct cross- references.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF ROCKVILLE,  
MARYLAND as follows:

SECTION 1. That Chapter 16 of the Rockville City Code entitled "Public Ethics," Article I "In General," is hereby amended as follows:

### **ARTICLE I. IN GENERAL**

#### **Sec. 16-1. Definitions.**

The words used in this chapter shall have the meanings assigned to them in section 1-2 and their normal accepted meanings except as set forth below:

\* \* \*

*Interest* means any legal or equitable economic interest, whether or not subject to an encumbrance or a condition, which was owned or held, in whole or in part, jointly or severally, directly or indirectly. In addition to any legal or equitable economic interest owned or held, interest shall also mean and include negotiations undertaken for the purpose of actually acquiring or obtaining a legal or equitable economic interest. For purposes of sections 16-64 and 16-69 "interest" applies to any interests held at any time during the calendar year for which a required statement is to be filed. "Interest" does not include:

- (1) An interest held in the capacity of a personal agent, representative, custodian, fiduciary, or trustee, unless the holder has an equitable interest therein;
- (2) An interest in a time or demand deposit in a financial institution;
- (3) An interest in an insurance or endowment policy or annuity contract under which an insurance company promises to pay a fixed number of dollars either in a lump sum or periodically for life or some other specified period;
- (4) 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;
- (5) A mutual fund or exchange-traded fund that is publicly traded on a national scale unless the mutual fund or exchange-traded fund is composed primarily of holdings of stock and interests in a specific sector or area that is regulated by the individual's government unit.

\* \* \*

**Sec. 16-3. Administration.**

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(e) The Commission shall certify to the State Ethics Commission on or before October 1 of each year that the City of Rockville is in compliance with the requirements of ~~State Government Article Title 15, Subtitle 8~~General Provisions Article, Title 5, Subtitle 8 Annotated Code of Maryland for elected local officials.

(f) The Commission shall periodically review this chapter to determine if changes are required to be in compliance with the requirements of ~~State Government Article, Title 15, Subtitle 8, General Provisions Article, Title 5, Subtitle 8~~ Annotated Code of Maryland and shall forward any recommended changes and amendments to the Mayor and Council for enactment.

\* \* \*

SECTION 2. That Chapter 16 of the Rockville City Code entitled "Public Ethics," Article II "Conflicts of Interest," is hereby amended as follows:

**ARTICLE II. CONFLICTS OF INTEREST**

\* \* \*

**Sec. 16-25. Dealing with city when interested.**

(a) ~~All~~ Except as provided in subsection (b)(4), all elected or appointed officials or salaried employees (decision making or nondecision making) are subject to this section.

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

\* \* \*

(4) This subsection does not apply to elected officials or appointed officials who do not receive any compensation. A former lobbyist who is or becomes subject to this chapter as an employee or appointed official, other than as an uncompensated appointed official, must not participate in a case, contract, or other specific matter as an employee or appointed official, other than as an uncompensated appointed official, for one calendar year after the termination of the registration of the former lobbyist if the former lobbyist previously assisted or represented another party for compensation in the matter.

\* \* \*

SECTION 3. That Chapter 16 of the Rockville City Code entitled "Public Ethics," Article III "Financial Disclosure," Division 1 "Generally," is hereby amended as follows:

**ARTICLE III. FINANCIAL DISCLOSURE**  
**DIVISION 1. GENERALLY**

**Sec. 16-46. Appointed officials and employees.**

\* \* \*

(c) The reports filed pursuant to this section shall be maintained by the Municipal Custodian as public records available for public inspection and copying in accordance with Sections ~~16-63(i)~~16-63(g) and ~~16-68(h)~~16-68(d). The Municipal Custodian must not provide public access to an address that an individual has designated as the individual's home address.

\* \* \*

SECTION 4. That Chapter 16 of the Rockville City Code entitled "Public Ethics," Article III "Financial Disclosure," Division 2 "Elected Officials and Candidates for Elected Office," is hereby amended as follows:

**DIVISION 2. ELECTED OFFICIALS AND CANDIDATES FOR ELECTED OFFICE**

\* \* \*

**Sec. 16-63. Statement required.**

\* \* \*

(g) All statements filed pursuant to this division shall be maintained by the Municipal Custodian and shall be made available during normal office hours for examination and copying by the public, subject, however, to such reasonable fees and administrative procedures as the Municipal Custodian may establish from time to time. The Municipal Custodian must not provide public access to an address that an individual has designated as the individual's home address. All statements shall be retained as public records for at least four (4) years from the date of their receipt by the Municipal Custodian.

\* \* \*

**Sec. 16-64. Contents of statement**

The statement required to be filed by this division shall contain schedules disclosing the following interests of the person making the statement, together with the following information, for the filing year:

\* \* \*

(8) A schedule of all sources of income including 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 income at any time during the one (1) year period ending with the date of the statement including an identification of the sources of the income, the nature of the income (whether salary, commission, interest, or other form of income), but not including the amount thereof. A minor child's employment or business ownership need not be disclosed if the department that employs the individual does not regulate, exercise authority over, or contract with the place of employment or business entity of the minor child. If the individual's spouse or domestic partner is a lobbyist regulated by the City, the individual shall disclose all entities that have engaged the spouse for lobbying purposes;

\* \* \*

SECTION 5. That Chapter 16 of the Rockville City Code entitled "Public Ethics," Article III "Financial Disclosure," Division 3 "Members of Designated Boards and Commission," is hereby amended as follows:

#### DIVISION 3. MEMBERS OF DESIGNATED BOARDS AND COMMISSIONS

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##### **Sec. 16-67. Removal for failure to file financial disclosure statement.**

In addition to any other penalties and enforcement actions provided for in this chapter, failure to file a financial disclosure statement under section 16-68 shall constitute cause for removal of any designated board or commission member from office. Upon the failure of any designated board or commission member to file his/her financial disclosure statement as required, the Council shall hold a public hearing for the purpose of considering the removal of the member of the designated board or commission from office as provided for under the provisions of ~~Article 23A, section 2(b)(25)~~ Section 5-206(d) of the Local Government Article of the Annotated Code of Maryland, presently in effect and as may be amended from time to time. Failure to file a financial disclosure statement as required by this chapter shall be prima facie evidence of nonfeasance in office.

##### **Sec. 16-68. Statement required.**

\* \* \*

(d) All statements filed pursuant to this division shall be maintained by the Municipal Custodian and shall be made available during normal office hours for examination and copying by the public, subject, however, to such reasonable fees and administrative procedures as the Municipal Custodian may establish from time to time. The Municipal Custodian must not provide public access to an address that an individual has designated as the individual's home address. All statements shall be retained as public records for at least two (2) years from the date of their receipt by the Municipal Custodian.

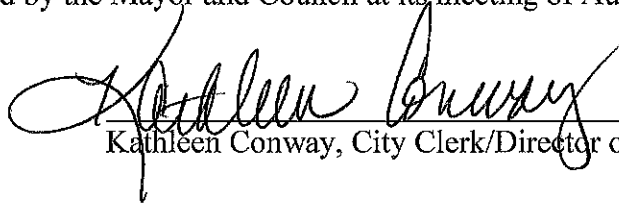
\* \* \*

SECTION 4. That this ordinance shall be effective upon adoption.

NOTE: ~~Strike throughs~~ indicate material deleted  
Underlining indicates material added  
Asterisks \* \* \* indicate material unchanged by this ordinance

\* \* \* \* \*

I hereby certify that the foregoing is a true and correct copy of an ordinance adopted by the Mayor and Council at its meeting of August 1, 2018.



Kathleen Conway, City Clerk/Director of Council Operations