

Introduced by: Councilmember Dorsey, *John Henry Pickett, John Dorsey*

Prepared by: Department of Legislative Reference

Date: October 7, 2019

Referred to: **JUDICIARY** Committee

Also referred for recommendation and report to municipal agencies listed on reverse.

CITY COUNCIL 19-0457

A BILL ENTITLED

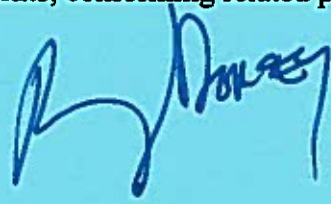
AN ORDINANCE concerning

**Elected Officials – Financial Disclosure**

FOR the purpose of requiring Baltimore City elected officials to disclose certain receipts made to business entities substantially controlled by the elected officials; altering the due date for elected officials to file financial disclosure statements; conforming related provisions; and providing for a special effective date.

BY authority of

General Provisions Article  
Section 5-809(b)(2)  
Maryland Code



BY repealing and re-ordaining, with amendments

Article 8 - Ethics  
Section(s) 7-2(a), 7-27 (catchline)  
Baltimore City Code  
(Edition 2000)



BY renumbering current

Article 8 - Ethics  
Section 7-28 to Section 7-29  
Baltimore City Code  
(Edition 2000)

BY adding

Article 8 - Ethics  
Section(s) 7-28  
Baltimore City Code  
(Edition 2000)



**\*\*The Introduction of an Ordinance or Resolution by Councilmembers at the request of any person, firm or organization is a courtesy extended by the Councilmembers and not an indication of their position.**

# Agencies

_____	Baltimore City Public School System
_____	Baltimore Development Corporation
_____	City Solicitor
_____	Comptroller's Office
_____	Department of Audits
_____	Department of Finance
_____	Department of General Services
_____	Department of Housing and Community Development
_____	Department of Human Resources
_____	Department of Planning
_____	Other: _____
_____	Other: _____
_____	Other: _____
_____	Department of Public Works
_____	Department of Real Estate
_____	Department of Recreation and Parks
_____	Department of Transportation
_____	Fire Department
_____	Health Department
_____	Mayor's Office of Employment Development
_____	Mayor's Office of Human Services
_____	Mayor's Office of Information Technology
_____	Office of the Mayor
_____	Police Department
_____	Other: _____
_____	Other: _____
_____	Other: _____
_____	Environmental Control Board
_____	Fire & Police Employees' Retirement System
_____	Labor Commissioner
_____	Parking Authority Board
_____	Planning Commission
_____	Wage Commission
_____	Other: _____
_____	Other: _____
_____	Other: _____
_____	Board of Estimates
_____	Board of Ethics
_____	Board of Municipal and Zoning Appeals
_____	Comm. for Historical and Architectural Preservation
_____	Commission on Sustainability
_____	Employees' Retirement System
_____	Other: _____
_____	Other: _____
_____	Other: _____

## Boards and Commissions



CITY OF BALTIMORE  
ORDINANCE **19.328**  
Council Bill 19-0457

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Introduced by: Councilmember Dorsey, President Scott, Councilmembers Henry, Burnett,  
Pinkett, Cohen

Introduced and read first time: October 7, 2019

Assigned to: Judiciary Committee

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Committee Report: Favorable with amendments

Council action: Adopted

Read second time: December 5, 2019

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**AN ORDINANCE CONCERNING**

**Elected Officials – Financial Disclosure**

FOR the purpose of requiring Baltimore City elected officials to disclose certain receipts made to business entities substantially controlled by the elected ~~officials~~ official or the elected official's spouse; altering the due date for elected officials to file financial disclosure statements; conforming related provisions; and providing for a special effective date.

BY authority of

General Provisions Article

Section 5-809(b)(2)

Maryland Code

BY repealing and re-ordaining, with amendments

Article 8 - Ethics

Section(s) 7-2(a), 7-27 (catchline)

Baltimore City Code

(Edition 2000)

BY renumbering current

Article 8 - Ethics

Section 7-28 to Section 7-29

Baltimore City Code

(Edition 2000)

BY adding

Article 8 - Ethics

Section(s) 7-28

Baltimore City Code

(Edition 2000)

**SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE, That the Laws of Baltimore City read as follows:**

**EXPLANATION:** CAPITALS indicate matter added to existing law.  
[Brackets] indicate matter deleted from existing law.  
Underlining indicates matter added to the bill by amendment.  
~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from existing law by amendment.



**Council Bill 19-0457**

**Baltimore City Code**

**Article 8. Ethics**

**Subtitle 7. Financial Disclosure**

***PART I. GENERAL PROVISIONS***

**§ 7-2. General filing requirements.**

**(a) *Annual filing required.***

**(1) *IN GENERAL.***

Except as otherwise specified in this subtitle, each statement must be filed with the Ethics Board on or before April 30 of each year.

**(2) *ELECTED OFFICIALS.***

ELECTED OFFICIALS MUST FILE THE STATEMENT REQUIRED BY THIS SUBTITLE ON OR BEFORE JANUARY 30 OF EACH YEAR.

***PART III. CONTENTS OF STATEMENTS***

**§ 7-27. Sources of [earned] income: EARNED INCOME.**

....

**§ 7-28. SOURCES OF INCOME: SUBSTANTIAL INTERESTS OF ELECTED OFFICIALS.**

**(A) *SUBSTANTIAL INTEREST DEFINED.***

IN THIS SECTION, "SUBSTANTIAL INTEREST" MEANS HOLDING AN EQUITY INTEREST OF 30% OR MORE IN A BUSINESS ENTITY.

**~~(B) *DISCLOSURE OF CERTAIN PAYMENTS REQUIRED.*~~**

~~IF THE ELECTED OFFICIAL HAS A SUBSTANTIAL INTEREST IN A BUSINESS ENTITY, REGARDLESS OF WHETHER THAT ENTITY DOES BUSINESS WITH THE CITY, THE STATEMENT MUST INCLUDE THE NAME AND ADDRESS OF ANY PERSON PAYING THAT ENTITY \$20 OR MORE IN THE AGGREGATE DURING THE REPORTING PERIOD.~~

**(B) *SCOPE OF SECTION.***

THIS SECTION ONLY APPLIES TO PAYMENTS RECEIVED FROM ANY PERSON THAT THE ELECTED OFFICIAL KNOWS OR SHOULD KNOW WAS:

**(1) A LOBBYIST;**



**Council Bill 19-0457**

1           (2) A PERSON REGULATED BY THE CITY; OR

2           (3) A PERSON DOING BUSINESS WITH THE CITY.

3           (C) DISCLOSURE OF CERTAIN PAYMENTS.

4           (1) ELECTED OFFICIALS HOLDING A SUBSTANTIAL INTEREST IN 1 ENTITY.

5           IF THE ELECTED OFFICIAL OR THE ELECTED OFFICIAL'S SPOUSE HAS A SUBSTANTIAL  
6           INTEREST IN A BUSINESS ENTITY, THE STATEMENT MUST INCLUDE THE NAME AND  
7           ADDRESS OF ANY PERSON DESCRIBED IN SUBSECTION (B) OF THIS SECTION WHO,  
8           DURING THE REPORTING PERIOD, PAID THAT ENTITY:

9           (I) \$1,000 OR MORE IN THE AGGREGATE; OR

10           (II) AN AMOUNT THAT IN THE AGGREGATE CONSTITUTES 5% OR MORE OF THE  
11           GROSS INCOME OF THAT ENTITY, IF THE GROSS INCOME IF THAT ENTITY IS LESS  
12           THAN \$20,000.

13           (2) ELECTED OFFICIALS HOLDING A SUBSTANTIAL INTEREST IN MULTIPLE ENTITIES.

14           IF THE ELECTED OFFICIAL OR THE ELECTED OFFICIAL'S SPOUSE HAS A SUBSTANTIAL  
15           INTEREST IN MULTIPLE BUSINESS ENTITIES, THE STATEMENT MUST INCLUDE THE NAME  
16           AND ADDRESS OF ANY PERSON DESCRIBED IN SUBSECTION (B) OF THIS SECTION, WHO  
17           DURING THE REPORTING PERIOD, PAID THOSE ENTITIES:

18           (I) \$1,000 OR MORE IN THE AGGREGATE; OR

19           (II) AN AMOUNT THAT IN THE AGGREGATE CONSTITUTES 5% OR MORE OF THE  
20           GROSS INCOME OF THOSE ENTITIES, IF THE GROSS INCOME OF THOSE BUSINESS  
21           ENTITIES IS LESS THAN \$20,000.

22           (D) CONFIDENTIAL INFORMATION.

23           NOTHING IN THIS SECTION IS MEANT TO REQUIRE THE DISCLOSURE OF ANY INFORMATION  
24           THAT IS OTHERWISE CONFIDENTIAL BY LAW.

25       **§ 7-29. [§ 7-28.] Additional information.**

26       The statement may include a schedule of additional interests or information that the public  
27       servant chooses to disclose.

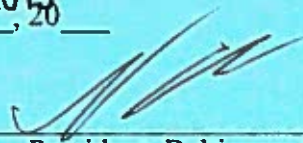
28       **SECTION 2. AND BE IT FURTHER ORDAINED,** That the catchlines contained in this Ordinance  
29       are not law and may not be considered to have been enacted as a part of this or any prior  
30       Ordinance.

31       **SECTION 3. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the date it is  
32       enacted.



Council Bill 19-0457

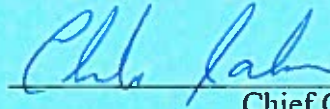
Certified as duly passed this \_\_\_\_\_ day of DEC 05 2019, 20\_\_\_\_



\_\_\_\_\_  
President, Baltimore City Council

Certified as duly delivered to His Honor, the Mayor,

this \_\_\_\_\_ day of DEC 05 2019, 20\_\_\_\_



\_\_\_\_\_  
Chief Clerk

Approved this 18<sup>th</sup> day of Dec., 2019



\_\_\_\_\_  
Mayor, Baltimore City

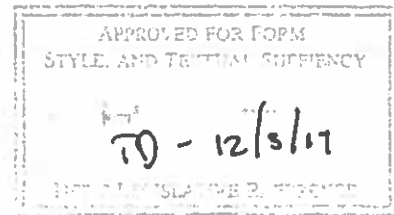
Approved For Form and Legal Sufficiency

This 12<sup>th</sup> Day of December 2019



\_\_\_\_\_  
Chief Solicitor

AMENDMENTS TO COUNCIL BILL 19-0457  
(1<sup>st</sup> Reader Copy)



By: Judiciary Committee  
{To be offered on the Council Floor}

Amendment No. 1

On page 1, in line 4, strike "officials", insert "official or the elected official's spouse"; and, on page 2, strike lines 20 through 24, in their entirety and substitute:

"(B) SCOPE OF SECTION.

THIS SECTION ONLY APPLIES TO PAYMENTS RECEIVED FROM ANY PERSON THAT THE ELECTED OFFICIAL KNOWS OR SHOULD KNOW WAS:

- (1) A LOBBYIST;
- (2) A PERSON REGULATED BY THE CITY; OR
- (3) A PERSON DOING BUSINESS WITH THE CITY.

(C) DISCLOSURE OF CERTAIN PAYMENTS.

(1) ELECTED OFFICIALS HOLDING A SUBSTANTIAL INTEREST IN 1 ENTITY.

IF THE ELECTED OFFICIAL OR THE ELECTED OFFICIAL'S SPOUSE HAS A SUBSTANTIAL INTEREST IN A BUSINESS ENTITY, THE STATEMENT MUST INCLUDE THE NAME AND ADDRESS OF ANY PERSON DESCRIBED IN SUBSECTION (B) OF THIS SECTION WHO, DURING THE REPORTING PERIOD, PAID THAT ENTITY:

- (i) \$1,000 OR MORE IN THE AGGREGATE; OR
- (ii) AN AMOUNT THAT IN THE AGGREGATE CONSTITUTES 5% OR MORE OF THE GROSS INCOME OF THAT ENTITY, IF THE GROSS INCOME IF THAT ENTITY IS LESS THAN \$20,000.

(2) ELECTED OFFICIALS HOLDING A SUBSTANTIAL INTEREST IN MULTIPLE ENTITIES.

IF THE ELECTED OFFICIAL OR THE ELECTED OFFICIAL'S SPOUSE HAS A SUBSTANTIAL INTEREST IN MULTIPLE BUSINESS ENTITIES, THE STATEMENT MUST INCLUDE THE

**ADOPTED**

NAME AND ADDRESS OF ANY PERSON DESCRIBED IN SUBSECTION (B) OF THIS SECTION, WHO DURING THE REPORTING PERIOD, PAID THOSE ENTITIES:

(I) \$1,000 OR MORE IN THE AGGREGATE; OR

(II) AN AMOUNT THAT IN THE AGGREGATE CONSTITUTES 5% OR MORE OF THE GROSS INCOME OF THOSE ENTITIES, IF THE GROSS INCOME OF THOSE BUSINESS ENTITIES IS LESS THAN \$20,000.

(D) CONFIDENTIAL INFORMATION.

NOTHING IN THIS SECTION IS MEANT TO REQUIRE THE DISCLOSURE OF ANY INFORMATION THAT IS OTHERWISE CONFIDENTIAL BY LAW.”



**BALTIMORE CITY COUNCIL  
JUDICIARY COMMITTEE  
VOTING RECORD**

BILL#: CC-19-0457

DATE: 12/3/19

TITLE: Elected Officials - Financial Disclosure

MOTION BY: Bullock      SECONDED BY: Pinkett

☐ FAVORABLE

☒ FAVORABLE WITH AMENDMENTS

☐ UNFAVORABLE

☐ WITHOUT RECOMMENDATION

NAME	YEAS	NAYS	ABSENT	ABSTAIN
Costello, E., Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clarke, M., Vice Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Bullock, J.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pinkett, L.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reisinger, E.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sneed, S.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stokes, R.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TOTALS	<u>5</u>	<u>0</u>	<u>2</u>	<u>0</u>

CHAIRPERSON: C-T. Ant


COMMITTEE STAFF: Matthew L. Peters, Initials: MLO





*RHAC*



<b>FROM</b>	NAME & TITLE	Robert Cenname, Chief	CITY of BALTIMORE <b>MEMO</b>	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall (410) 396-4774		
	SUBJECT	City Council Bill #19-0457 – Elected Officials Financial Disclosure		

TO

DATE:

The Honorable President and  
Members of the City Council  
Room 400, City Hall

November 20, 2019

**Position: Does Not Oppose**

The Department of Finance is herein reporting on City Council Bill 19-0457 – Elected Officials Financial Disclosure, the purpose of which is to require Baltimore City elected officials to disclose certain receipts made to business entities substantially controlled by the elected officials; altering the due date for elected officials to file financial disclosure statements; conforming related provisions; and providing for a special effective date.

**Background**

The current financial disclosures required for elected officials includes attributable interests, blind trust holdings, real property, interest in business entities, gifts, family employed by the City, indebtedness, sources of earned income, and other offices and employment held during the annual reporting period. This legislation expands the requirements for elected officials to disclose "substantial interests" in business entities, which is defined as an equity interest of 30% or more in a business entity, and to submit the name and address of any person paying the elected official with a substantial interest \$20 or more in the aggregate during the reporting period to the Ethics Board.

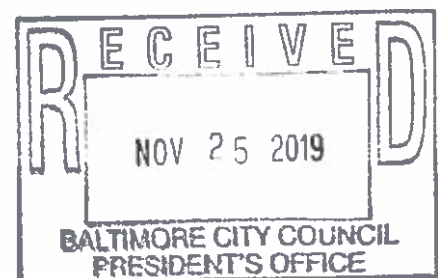
**Financial Impact**

There is negligible fiscal impact since this legislation would require only minor revisions to the current form.

**Conclusion**

For the reason stated above, the Department of Finance does not oppose City Council Bill 19-0457.

cc: Henry Raymond  
Matthew Stegman  
Nina Themelis



*Does not oppose*

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CITY OF BALTIMORE

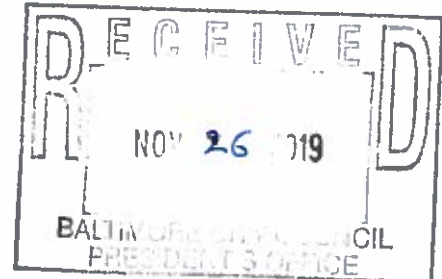
BERNARD C. "JACK" YOUNG  
Mayor



DEPARTMENT OF LAW  
ANDRE M. DAVIS, CITY SOLICITOR  
100 N. HOLLIDAY STREET  
SUITE 101, CITY HALL  
BALTIMORE, MD 21202

November 25, 2019

The Honorable President and Members  
of the Baltimore City Council  
Attn: Executive Secretary  
Room 409, City Hall  
100 N. Holliday Street  
Baltimore, Maryland 21202



Re: **Revised - City Council Bill 19-0457 – Elected Officials – Financial Disclosure.**

Dear President and City Council Members:

The Law Department has reviewed City Council Bill 19-0457 for form and legal sufficiency. The bill would require Baltimore City elected officials to disclose receipts in excess of \$20.00 made to business entities substantially controlled by the elected officials and alter the due date for elected officials to file financial disclosure statements.

The bill proposes to amend the Ethics Code provisions on Financial Disclosure Statements for elected officials. The State Ethics Code requires local governments to enact local Ethics Codes. Md Ann. Code, Gen. Prov., §5-807. The State law contains specific provisions regarding the content of local ethics codes. §5-809 deals with local financial disclosure provisions. For elected officials, it requires that such provisions in local codes shall be similar to the provisions of Subtitle 6 of the state ethics law. In addition, in accordance with regulations adopted by the State Ethics Commission and consistent with the intent of the State law, local provisions may be modified to the extent necessary to make the provisions relevant to the prevention of conflicts of interest in the specific jurisdiction.

The regulations of the Ethics Commission are found in COMAR. COMAR 19A.04.02.01 provides that local ethics laws shall be similar or substantially similar to the Public Ethics Law and a county or municipality may adopt laws more stringent than the requirements of the State Public Ethics law. 19A.04.02.02 requires that local law shall include financial disclosure provisions for elected local officials and candidates that are equivalent to or exceeding the requirements for State officials. See also Gen. Prov. Art., Title 5, Subtitle 6. 19A.04.02.05 specifies that for financial disclosures the local law shall include financial disclosure requirements for elected local officials that are at least equivalent to the requirements in General Provisions Article, Title 5, Subtitle 6, Annotated Code of Maryland. In addition, it requires elected local officials to file a financial disclosure statements on or before April 30 of each year for the preceding calendar year. Finally, this provision states that the local law shall provide that





financial disclosure statements filed under the local law are public records and are available for public inspection and copying.

Under COMAR, the State Commission is responsible for reviewing and approving any amendments or additions to local law. Counties must submit new laws or amendments to the Commission. 19A.04.03.01. COMAR 19A.04.03.02 provides that county or municipality may submit proposed ethics provisions and amendments to the Commission for review and comment prior to final enactment. The Commission reviews the bill to determine if it meet the requirements of COMAR and the State Public Ethics Law. The Commission shall apply the criteria of COMAR 19A.04.02 and General Prov. Art., Title 5, Subtitle 8, Annotated Code of Maryland. If the Commission determines that a local law does not meet the requirements of this subtitle and State Government Article, Title 8, Annotated Code of Maryland, the Commission shall notify the county or municipality of the determination and Commission staff shall assist the local entity in developing local provisions that comply with these requirements. Id.

City Council Bill 19-0457 does in some respects contain more stringent requirements than State law on financial statements of local elected officials. The bill if approved by the City Council, however, should be reviewed by the State Commission to determine if a requirement that any the local elected official that has a 30% or more interest in an entity must report in their financial disclosure statement any transaction that results in payment of \$20 or more is consistent with the mandate in State law.. The Commission would determine if the bill is equivalent to or exceeds the provisions of Title 5, Subtitle 5 and 6 and whether the amendments are necessary to make the provisions relevant to prevention of conflicts of interest. See COMAR 19A.04.020.05

One issue that needs to be addressed is whether the bill is at least as stringent as the requirements of the General Provisions Art. Title 5, Subtitle 6 with respect to confidentiality. See COMAR 19A.04.02.05. Although Bill 19-0357 concerns financial disclosure statements and therefore must be consistent with the requirements of Subtitle 6. There is a provision in Subtitle 5 that resembles the bill more closely. It may be in Subtitle 5 instead of Subtitle 6 because the reporting is to the Joint Ethics Commission not the State Board via financial disclosure statement. Title 5, Sec. 5-514(b) governs reporting of sources of income by State legislators. As noted above, this section does not deal with reporting on financial disclosure statements but does require reporting to the Joint Ethics Committee for which the City has no counterpart other than the Ethics Board and the financial disclosure statements which are analogise. It may be instructive with respect weighing the interests of individuals in keeping their financial information confidential and the public's interest in knowing the transactions being made with entities owned by elected officials. Sec. 5-514(b)(1)(iii) requires that a legislator, who has a certain interest in an entity, must report the details of any transaction with a governmental entity of the State or local government involving consideration. That section also requires that the Department of Legislative Services may not post on the Internet information related to consideration received that was reported under subsection (b). Bill 19-0547 provides no such protection for the personal financial information of individual who happens to conduct business with an elected official-owned entity whose information the elected official must disclose in a



financial disclosure statement and which will be made available for public inspection. If this section were in Subtitle 6, local ethics laws would have to be at least as stringent as the State counterpart and provide for a similar confidentiality provision. Since the bill's disclosure requirement is similar, it may be prudent to consider providing protection for personal financial information in this context as provided in Sec. 5-514.

In addition, Sec. 5-606 prohibits the disclosure by the Ethics Commission and the Joint Ethics Committee of that portion of a financial disclosure statement that contains an individual's home address. Bill 19-0457 does not address this aspect of state law either and therefore is not substantially similar to the State public ethics law or consistent with the intent of the State law.

Another aspect of the confidentiality issue is that the information being collected under the bill is not the public official's information, it is the information of clients or customers of the business entity in which the elected official has an ownership interest. That transaction does not necessarily have any relevance to the elected official or unethical activity or conflicts of interest. It, therefore, does not comply with this State law requirement that local provisions be consistent with the intent of State law and necessary to make a provision relevant to the prevention of conflicts of interest. Language should be built in to narrow the scope of the disclosure to more closely tie it to discovery of conflicts.

The Law Department has several other concerns with the bill. First, the threshold for reporting is very low making this requirement very onerous to comply with. It is my understanding that an amendment may be introduced to increase this threshold. Second, there is no way for the public to know that their information is subject to public disclosure. Generally, there is no indication at the time of any given transaction that an entity is more than 30% owned by an elected official. Perhaps the bill should include a requirement that notice be given at the time of the transaction that it is subject to disclosure in the elected official's financial disclosure statement.

It is the position of the Law Department that the bill needs additional work to remedy the issues discussed in this report. Should those issues be resolved, the Law Department could approve the bill for form and legal sufficiency.

Sincerely yours,



Elena R. DiPietro  
Chief Solicitor





**Page 4 of 4**

**cc:   Andre M. Davis, City Solicitor  
Matthew Stegman, Mayor's Legislative Liaison  
Caylin Young, President's Legislative Liaison  
Ashlea Brown, Assistant Solicitor  
Victor Tervala, Chief Solicitor  
Hilary Ruley, Chief Solicitor  
Avery Aisenstark**





**CITY OF BALTIMORE**

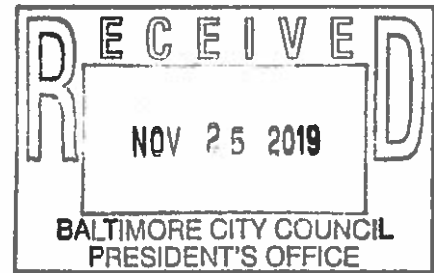
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Room 409, City Hall  
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Re: City Council Bill 19-0457 – Elected Officials – Financial Disclosure.

Dear President and City Council Members:

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The bill proposes to amend the Ethics Code provisions on Financial Disclosure Statements for elected officials. The State Ethics Code requires local governments to enact local Ethics Codes. Md Ann. Code, Gen. Prov., §5-807. The State law contains specific provisions regarding the content of local ethics codes. §5-809 deals with local financial disclosure provisions. For elected officials, it requires that such provisions in local codes shall be similar to the provisions of Subtitle 6 of the state ethics law. In addition, in accordance with regulations adopted by the State Ethics Commission and consistent with the intent of the State law, local provisions may be modified to the extent necessary to make the provisions relevant to the prevention of conflicts of interest in the specific jurisdiction.

The regulations of the Ethics Commission are found in COMAR. COMAR 19A.04.02.01 provides that local ethics laws shall be similar or substantially similar to the Public Ethics Law and a county or municipality may adopt laws more stringent than the requirements of the State Public Ethics law. 19A.04.02.02 requires that local law shall include financial disclosure provisions for elected local officials and candidates that are equivalent to or exceeding the requirements for State officials. See also Gen. Prov. Art., Title 5, Subtitle 6. 19A.04.02.05 specifies that for financial disclosures the local law shall include financial disclosure requirements for elected local officials that are at least equivalent to the requirements in General Provisions Article, Title 5, Subtitle 6, Annotated Code of Maryland. In addition, it requires elected local officials to file a financial disclosure statements on or before April 30 of each year for the preceding calendar year. Finally, this provision states that the local law shall provide that

*Comments*



financial disclosure statements filed under the local law are public records and are available for public inspection and copying.

Under COMAR, the State Commission is responsible for reviewing and approving any amendments or additions to local law. Counties must submit new laws or amendments to the Commission. 19A.04.03.01. COMAR 19A.04.03.02 provides that county or municipality may submit proposed ethics provisions and amendments to the Commission for review and comment prior to final enactment. The Commission reviews the bill to determine if it meet the requirements of COMAR and the State Public Ethics Law. The Commission shall apply the criteria of COMAR 19A.04.02 and General Prov. Art., Title 5, Subtitle 8, Annotated Code of Maryland. If the Commission determines that a local law does not meet the requirements of this subtitle and State Government Article, Title 8, Annotated Code of Maryland, the Commission shall notify the county or municipality of the determination and Commission staff shall assist the local entity in developing local provisions that comply with these requirements. Id.

City Council Bill 19-0457 does in some respects contain more stringent requirements than State law on financial statements of local elected officials. The bill if approved by the City Council, however, should be reviewed by the State Commission to determine if a requirement that any the local elected official that has a 30% or more interest in an entity must report in their financial disclosure statement any transaction that results in payment of \$20 or more is consistent with the mandate in State law.. The Commission would determine if the bill is equivalent to or exceeds the provisions of Title 5, Subtitle 5 and 6 and whether the amendments are necessary to make the provisions relevant to prevention of conflicts of interest. See COMAR 19A.04.020.05 One provision of the bill that stands out immediately as not similar to the State law and not necessary to prevent conflicts of interest is the filing deadline of January 31. COMAR 19A.04.02.05 clearly requires am April 30 filing deadline. See also Gen. Prov. Art. Sec. 5-809(c)(3)(ii). This requirement is mandatory under 19A.04002.05(B)(2) and Sec, 5-809. COMAR states in 19A.04.03.03 that the Commission may not grant a county a modification of the requirements of 19A.04.02 which includes the filing deadline.

Another issue raised by the bill is whether it is at least as stringent as the requirements of the General Provisions Art. Titles 5 and 6 with respect to confidentiality. See COMAR 19A.04.02.05. Title 5, Sec. 5-514(b) governs reporting of sources of income by State legislators. This section is not reporting on financial disclosure statements but does require reporting to the Joint Ethics Committee for which the City has no counterpart other than the Ethics Board and the financial disclosure statements which are analogist. Sec. 5-514(b)(1)(iii) requires that a legislator, who has a certain interest in an entity, must report the details of any transaction with a governmental entity of the State or local government involving consideration. That section also requires that the Department of Legislative Services may not post on the Internet information related to consideration received that was reported under subsection (b) of this Sec5-514. Bill 19-0547 provides no such protection for the personal financial information of individuals of who are not themselves government employees who are required to report under the law. Since local ethics laws must be at least as stringent as the State counterpart, the bill should provide for a





similar confidentiality provision. In addition, Sec. 5-606 prohibits the disclosure by the Ethics Commission and the Joint Ethics Committee of that portion of a financial disclosure statement that contains an individual's home address. Bill 19-0457 does not address this aspect of state law either and therefore is not substantially similar to the State public ethics law or consistent with the intent of the State law. Another aspect of the confidentiality issue is that the information being collected under the bill is not the public officials information, it is the information of client or customers of the business entity. That transaction does not necessarily have any relevance to the public servant or conflicts of interest. It, therefore, does not comply with the State law requirement that local provisions be consistent with the intent of State law and necessary to make a provision relevant to the prevention of conflicts of interest.

The Law Department has several other concerns with the bill. First, the threshold for reporting is very low making this requirement very onerous to comply with. It is my understanding that an amendment may be introduced to increase this threshold. Second, there is no way for the public to know that their information is subject to public disclosure. Generally, there is no indication at the time of any given transaction that an entity is more than 30% owned by an elected official.

It is the position of the Law Department that the bill needs additional work to remedy the issues discussed in this report. Should those issues be resolved, the Law Department could approve the bill for form and legal sufficiency.

Sincerely yours,



Elena R. DiPietro  
Chief Solicitor

cc: Andre M. Davis, City Solicitor  
Matthew Stegman, Mayor's Legislative Liaison  
Caylin Young, President's Legislative Liaison  
Ashlea Brown, Assistant Solicitor  
Victor Tervala, Chief Solicitor  
Hilary Ruley, Chief Solicitor  
Avery Aisenstark



CITY OF BALTIMORE



BOARD OF ETHICS  
OF BALTIMORE CITY

LINDA B. "LU" PIERSON, Chair  
AVERY AISENSTARK, Director  
626 City Hall  
Baltimore, Maryland 21202

November 20, 2019

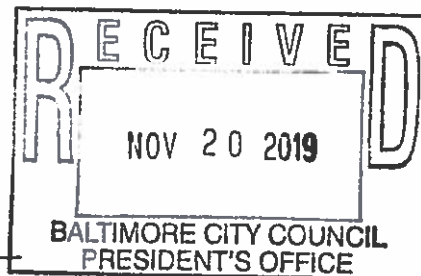
The Honorable President and Members  
of the Baltimore City Council  
Fourth Floor, City Hall  
Baltimore, Maryland 21202  
c/o Natawna Austin, Executive Secretary

**Re: Council Bill 19-0457 {"Elected Officials – Financial Disclosure"}**

You have referred Council Bill 19-0457 to the Ethics Board for its report and comments. The primary purpose of this bill is, in short, to provide that elected officials who own a substantial interest in a business entity must report on their financial disclosure the name and address of any person paying that entity \$20 or more during a given calendar year.

The Ethics Board takes no position on the bill's merits. The Board, however, is concerned that the \$20 reporting threshold established by the bill is unduly burdensome on both the elected official in compiling the information and the Board in collecting that information. The Board believes that imposing this requirement would place a chilling effect on individuals seeking public office or staying in public office. It is not too far-fetched to envision a scenario where an elected official is also a small-business owner. To require that individual to track and maintain each transaction of \$20 or greater would be a daunting, if not impossible, task.<sup>1</sup> The Board recommends amending the bill to establish a threshold that matches public interest and the need for transparency. Other states have accomplished this by setting a significantly higher dollar threshold or by setting the threshold as any payment that constitutes a certain percentage of all receipts to the business entity.

Finally, the Board defers to the Law Department on the question of whether certain professions, specifically those professions covered under the Health Information Portability and Accountability Act (HIPAA), would be able to legally disclose the names of all patients.



Very truly yours,

  
Tony DeFranco  
Deputy Ethics Counsel

<sup>1</sup>It is not lost on the Board that \$20 is also the threshold for reporting gifts under City law. However, gift reporting is limited only to gifts received from those doing business with the City. This bill contains no similar limitation. Moreover, the \$20 threshold for gifts is a threshold imposed on all local jurisdictions by State law.

*No position, defers to Law*







# City of Baltimore

City Council  
City Hall, Room 408  
100 North Holliday Street  
Baltimore, Maryland 21202

## Meeting Minutes - Final

### Judiciary Committee

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Tuesday, December 3, 2019

10:00 AM

Du Burns Council Chamber, 4th floor, City Hall

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Work Session: 19-0457

#### CALL TO ORDER

#### INTRODUCTIONS

#### ATTENDANCE

**Present** 5 - Eric T. Costello, John T. Bullock, Leon F. Pinkett III, Shannon Sneed, and Robert Stokes Sr.

**Absent** 2 - Mary Pat Clarke, and Edward Reisinger

#### ITEM SCHEDULED FOR WORKSESSION

##### 19-0457

##### **Elected Officials - Financial Disclosure**

For the purpose of requiring Baltimore City elected officials to disclose certain receipts made to business entities substantially controlled by the elected officials; altering the due date for elected officials to file financial disclosure statements; conforming related provisions; and providing for a special effective date.

**Sponsors:** Ryan Dorsey, President Brandon M. Scott, Zeke Cohen, Leon F. Pinkett, III, Kristerfer Burnett, Bill Henry

**A motion was made by Bullock, seconded by Pinkett, III, that this Ordinance be Recommended Favorably with Amendment. The motion carried by the following vote:**

**Yes:** 5 - Costello, Bullock, Pinkett III, Sneed, and Stokes Sr.

**Absent:** 2 - Clarke, and Reisinger

#### ADJOURNMENT



CITY OF BALTIMORE

BERNARD C. "JACK" YOUNG, Mayor



OFFICE OF COUNCIL SERVICES

LARRY E. GREENE, Director  
415 City Hall, 100 N. Holliday Street  
Baltimore, Maryland 21202  
410-396-7215 / Fax: 410-545-7596  
email: larry.greene@baltimorecity.gov

HEARING NOTES

Bill: 19-0457

Elected Officials - Financial Disclosure

Committee: Judiciary

Chaired by: Councilmember Eric T. Costello

Hearing Date: December 3, 2019

Time (Beginning): 10:40 a.m.

Time (Ending): 11:15 a.m.

Location: Clarence "Du" Burns Council Chamber

Total Attendance: Approximately 20 people

Committee Members in Attendance:

Eric Costello      John Bullock      Leon Pinkett  
Shannon Sneed      Robert Stokes

Bill Synopsis in the file? .....	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> N/A
Attendance sheet in the file? .....	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> N/A
Agency reports read? .....	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> N/A
Hearing televised or audio-digitally recorded? .....	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO	<input type="checkbox"/> N/A
Certification of advertising/posting notices in the file? .....	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input checked="" type="checkbox"/> N/A
Evidence of notification to property owners? .....	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input checked="" type="checkbox"/> N/A
Final vote taken at this hearing? .....	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> N/A
Motioned by: .....	Councilmember Bullock		
Seconded by: .....	Councilmember Pinkett		
Final Vote: .....	Fav. with Amendments		

Major Speakers

(This is not an attendance record.)

Elena DiPietro, Law Department  
Tony DeFranco, Ethics Board

Major Issues Discussed

1. Chairman Costello called the hearing to order and noted that Councilwoman Clarke had recused herself.



2. Councilman Dorsey explained his proposed amendment (attached). He noted that it was meant to replace one of the amendments adopted during the Committee's November 26, 2019 hearing on the bill (Amendment 1) and that it also incorporates suggestions from the Greater Baltimore Committee.
3. The committee voted to reconsider Amendment 1 from the November 26, 2019 hearing and to replace it with the new amendment proposed by Councilman Dorsey.
4. The committee discussed Amendment 3 from the November 26, 2019 hearing. Tony DeFranco explained that the amendment would delay the effective date of the bill until it is approved by the State Ethics Commission.
5. Committee members asked the following questions:
  - a. Has anyone asked the State Ethics Commission for an opinion on whether it would approve this bill? Tony DeFranco informally consulted with the Commission. The Commission noted that it goes beyond the requirements of State law but did not say whether it would have any objections.
  - b. Are candidates for elected office required to file financial disclosures by January 30 as well? Candidates are required to submit financial disclosure statements when they file to run for office. The additional disclosure requirements in the bill would not apply to candidates. The Law Department and the Department of Legislative Reference will confirm that candidates must file financial disclosures before the primary election and report to the Committee before the December 5, 2019 Council meeting.
6. The Committee discussed whether the bill could be amended to make the requirements for incumbent elected officials and candidates for office the same. Tony DeFranco explained that many candidates for the upcoming election have already filed their financial disclosures and that changing the requirements now could be unfair and create confusion. He also noted that extending the new disclosure requirements in the bill to candidates could conflict with State law.

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#### Further Study

Was further study requested?

☒ Yes   ☐ No

If yes, describe.

The Law Department and the Department of Legislative Reference will confirm that candidates must file financial disclosures before the primary election and report to the Committee before the December 5, 2019 Council meeting.

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#### Committee Vote:

E. Costello: .....	Yea
M. Clarke: .....	Absent
J. Bullock: .....	Yea
L. Pinkett: .....	Yea
E. Reisinger: .....	Absent
S. Sneed: .....	Yea
R. Stokes: .....	Yea





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Matthew L. Peters, Committee Staff

Date: December 3, 2019

Cc: Bill File  
OCS Chrono File



AMENDMENTS TO COUNCIL BILL 19-0457  
(1<sup>st</sup> Reader Copy)

By: Councilmember Dorsey  
{To be offered to the Judiciary Committee}

Amendment No. 1

On page 1, in line 4, strike "officials", insert "official or the elected official's spouse"; and, on page 2, strike lines 20 through 24, in their entireties and substitute:

"(B) SCOPE OF SECTION.

THIS SECTION ONLY APPLIES TO PAYMENTS RECEIVED FROM ANY PERSON THAT THE ELECTED OFFICIAL KNOWS OR SHOULD KNOW WAS:

- (1) A LOBBYIST;
- (2) A PERSON REGULATED BY THE CITY; OR
- (3) A PERSON DOING BUSINESS WITH THE CITY.

(C) DISCLOSURE OF CERTAIN PAYMENTS.

(1) ELECTED OFFICIALS HOLDING A SUBSTANTIAL INTEREST IN 1 ENTITY.

IF THE ELECTED OFFICIAL OR THE ELECTED OFFICIAL'S SPOUSE HAS A SUBSTANTIAL INTEREST IN A BUSINESS ENTITY, THE STATEMENT MUST INCLUDE THE NAME AND ADDRESS OF ANY PERSON DESCRIBED IN SUBSECTION (B) OF THIS SECTION WHO, DURING THE REPORTING PERIOD, PAID THAT ENTITY:

- (I) \$1,000 OR MORE IN THE AGGREGATE; OR
- (II) AN AMOUNT THAT IN THE AGGREGATE CONSTITUTES 5% OR MORE OF THE GROSS INCOME OF THAT ENTITY, IF THE GROSS INCOME IF THAT ENTITY IS LESS THAN \$20,000.





(2) ELECTED OFFICIALS HOLDING A SUBSTANTIAL INTEREST IN MULTIPLE ENTITIES.

IF THE ELECTED OFFICIAL OR THE ELECTED OFFICIAL'S SPOUSE HAS A SUBSTANTIAL INTEREST IN MULTIPLE BUSINESS ENTITIES, THE STATEMENT MUST INCLUDE THE NAME AND ADDRESS OF ANY PERSON DESCRIBED IN SUBSECTION (B) OF THIS SECTION, WHO DURING THE REPORTING PERIOD, PAID THOSE ENTITIES:

(I) \$1,000 OR MORE IN THE AGGREGATE; OR

(II) AN AMOUNT THAT IN THE AGGREGATE CONSTITUTES 5% OR MORE OF THE GROSS INCOME OF THOSE ENTITIES, IF THE GROSS INCOME OF THOSE BUSINESS ENTITIES IS LESS THAN \$20,000.”.





## Baltimore City Council Committee Hearing Attendance Record

Subject: Ordinance - Elected Officials - Financial Disclosure	Bill #: 19-0457
Committee: Judiciary	Chair: Eric Costello
Date: Tuesday, December 3, 2019	Time: 10:00 AM
Location: Clarence "Du" Burns Council Chamber	

**PLEASE PRINT CLEARLY**

**CHECK HERE TO TESTIFY**



			Testify	What is your position on this bill?		Lobbyist: Are you registered in the City?*	
First Name	Last Name	Address / Organization / Email		For	Against	Yes	No
John	Doe	400 N. Holliday St. Johndoenbmore@yahoo.com	✓	✓	✓	✓	✓

\*NOTE: IF YOU ARE COMPENSATED OR INCUR EXPENSES IN CONNECTION WITH THIS BILL, YOU MAY BE REQUIRED BY LAW TO REGISTER WITH THE CITY ETHICS BOARD AS A LOBBYIST. REGISTRATION CAN BE DONE ONLINE AND IS A SIMPLE PROCESS. FOR INFORMATION VISIT: [HTTPS://ETHICS.BALTIMORECITY.GOV/](https://ethics.baltimorecity.gov/) OR CALL: 410-396-4730



# City of Baltimore

City Council  
City Hall, Room 408  
100 North Holliday Street  
Baltimore, Maryland 21202

## Meeting Agenda - Final

### Judiciary Committee

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Tuesday, December 3, 2019

10:00 AM

Du Burns Council Chamber, 4th floor, City Hall

---

Work Session: 19-0457

#### **CALL TO ORDER**

#### **INTRODUCTIONS**

#### **ATTENDANCE**

#### **ITEM SCHEDULED FOR WORKSESSION**

19-0457

Elected Officials - Financial Disclosure

For the purpose of requiring Baltimore City elected officials to disclose certain receipts made to business entities substantially controlled by the elected officials; altering the due date for elected officials to file financial disclosure statements; conforming related provisions; and providing for a special effective date.

Sponsors:

Ryan Dorsey, President Brandon M. Scott, Zeke Cohen, Leon F. Pinkett, III, Kristerfer Burnett, Bill Henry

#### **ADJOURNMENT**

**THIS MEETING IS OPEN TO THE PUBLIC**





# City of Baltimore

City Council  
City Hall, Room 408  
100 North Holliday Street  
Baltimore, Maryland 21202

## Meeting Minutes - Final

### Judiciary Committee

---

Tuesday, November 26, 2019

10:00 AM

Du Burns Council Chamber, 4th floor, City Hall

---

19-0457  
CHARM TV 25

#### **CALL TO ORDER**

#### **INTRODUCTIONS**

#### **ATTENDANCE**

**Present** 5 - Eric T. Costello, John T. Bullock, Leon F. Pinkett III, Edward Reisinger, and Shannon Sneed  
**Absent** 2 - Mary Pat Clarke, and Robert Stokes Sr.

#### **ITEM SCHEDULED FOR PUBLIC HEARING**

19-0457

##### **Elected Officials - Financial Disclosure**

For the purpose of requiring Baltimore City elected officials to disclose certain receipts made to business entities substantially controlled by the elected officials; altering the due date for elected officials to file financial disclosure statements; conforming related provisions; and providing for a special effective date.

**Sponsors:** Ryan Dorsey, President Brandon M. Scott, Zeke Cohen, Leon F. Pinkett, III, Kristerfer Burnett, Bill Henry

Hearing Recessed.



CITY OF BALTIMORE

BERNARD C. "JACK" YOUNG, Mayor



OFFICE OF COUNCIL SERVICES

LARRY E. GREENE, Director  
415 City Hall, 100 N. Holliday Street  
Baltimore, Maryland 21202  
410-396-7215 / Fax: 410-545-7596  
email: larry.greene@baltimorecity.gov

HEARING NOTES

Bill: 19-0457

Elected Officials - Financial Disclosure

Committee: Judiciary

Chaired by: Councilmember Eric T. Costello

Hearing Date: November 26, 2019

Time (Beginning): 10:30 a.m.

Time (Ending): 11:05 a.m.

Location: Clarence "Du" Burns Council Chamber

Total Attendance: Approximately 25 people

Committee Members in Attendance:

Eric Costello                      John Bullock                      Leon Pinkett

Edward Reisinger              Shannon Sneed

Bill Synopsis in the file? .....	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> N/A
Attendance sheet in the file? .....	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> N/A
Agency reports read? .....	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> N/A
Hearing televised or audio-digitally recorded? .....	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> N/A
Certification of advertising/posting notices in the file? .....	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input checked="" type="checkbox"/> N/A
Evidence of notification to property owners? .....	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input checked="" type="checkbox"/> N/A
Final vote taken at this hearing? .....	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO	<input type="checkbox"/> N/A
Motioned by: .....	N/A		
Seconded by: .....	N/A		
Final Vote: .....			

Major Speakers

(This is not an attendance record.)

Elena DiPietro, Law Department  
Tony DeFranco, Ethics Board

Major Issues Discussed

1. Chairman Costello called the hearing to order, introduced the committee members in attendance, and noted that Councilwoman Clarke had recused herself.



2. Councilman Dorsey explained the bill and its purpose. He noted that financial disclosures are meant to promote honesty and transparency, and that this bill will ensure that the public knows who is paying businesses owned by elected officials. Councilman Dorsey also explained that the January filing deadline for elected officials will allow the public to review the officials' financial disclosures prior to primary elections.
3. The representative from the Department of Finance stated that it does not object to the bill.
4. Tony DeFranco noted that the Ethics Board raised concerns in its report, but that it supports the bill with Councilman Dorsey's proposed amendment.
5. Elena DiPietro explained that the Law Department's written report contained an error regarding the filing deadline change and that the Law Department will submit a revised report on the bill to correct the error. She further noted that the bill must go to the State Ethics Commission for review, but not necessarily before it is enacted. Ms. DiPietro also explained concerns regarding privacy and the need to exempt information that is protected from disclosure by law.
6. Members of the public testified in support of the bill. Commenters noted that it will lead to greater transparency and help discourage arrangements like those related to Healthy Holly. One person suggested extending the bill to include unelected officials and close family members (similar to other provisions in the Ethics Code).
7. Councilman Henry asked if the Ethics Board suggested an alternative to the \$20 threshold. Tony DeFranco stated that it did not have a specific recommendation but that the threshold should be proportionate. Councilman Henry noted that \$20 is the threshold for reporting gifts and even if that is not enough to influence someone it is better to be transparent.
8. The committee considered and adopted Amendments 1 and 2 (see attached). Chairman Costello stated that the committee would not consider Amendments 3 and 4 during this hearing.
9. Chairman Costello asked the Department of Legislative Reference to review the Greater Baltimore Committee's suggestions and draft an amendment for the Judiciary Committee to consider.

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### Further Study

Was further study requested?

☒ Yes   ☐ No

If yes, describe.

1. The Law Department will submit a revised report on the bill.
2. The Department of Legislative Reference will review the Greater Baltimore Committee's suggestions and draft an amendment for the Judiciary Committee to consider.

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### Committee Vote:

E. Costello: .....

M. Clarke: .....

J. Bullock: .....

L. Pinkett: .....

E. Reisinger: .....

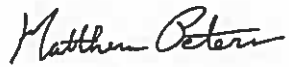
S. Sneed: .....

R. Stokes: .....





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Matthew L. Peters, Committee Staff

Date: November 26, 2019

Cc: Bill File  
OCS Chrono File



AMENDMENTS TO COUNCIL BILL 19-0457  
(1" Reader Copy)

By: ~~Councilmember Dorsey~~  
{To be offered to the Judiciary Committee}

Amendment No. 1

On page 2, after line 20, insert "(1) ELECTED OFFICIALS HOLDING A SUBSTANTIAL INTEREST IN 1 ENTITY."; and, on that same page, in line 23, strike "PAYING" down through and including "PERIOD" in line 24 and substitute:

"WHO, DURING THE REPORTING PERIOD, PAID THAT ENTITY:

(I) \$5000 OR MORE IN THE AGGREGATE; OR

(II) AN AMOUNT THAT IN THE AGGREGATE CONSTITUTES 10% OR MORE OF THE GROSS INCOME OF THAT ENTITY, IF THE GROSS INCOME IF THAT ENTITY IS LESS THAN \$50,000."

and, on that same page, after line 24, insert:

"(2) ELECTED OFFICIALS HOLDING A SUBSTANTIAL INTEREST IN MULTIPLE ENTITIES.

IF THE ELECTED OFFICIAL HAS A SUBSTANTIAL INTEREST IN MULTIPLE BUSINESS ENTITIES, REGARDLESS OF WHETHER ANY OF THOSE BUSINESS ENTITIES DO BUSINESS WITH THE CITY, THE STATEMENT MUST INCLUDE THE NAME AND ADDRESS OF ANY PERSON, WHO DURING THE REPORTING PERIOD, PAID THOSE ENTITIES:

(1) \$5,000 OR MORE IN THE AGGREGATE; OR

(2) AN AMOUNT THAT IN THE AGGREGATE CONSTITUTES 10% OR MORE OF THE GROSS INCOME OF THOSE ENTITIES, IF THE GROSS INCOME OF THOSE BUSINESS ENTITIES IS LESS THAN \$50,000."



**DLR DRAFT I 25Nov19**

**DLR DRAFT I 25Nov19**

**AMENDMENTS TO COUNCIL BILL 19-0457  
(1" Reader Copy)**

By:  
{To be offered to the Judiciary Committee}

**Amendment No. ~~X~~ 2**

On page 2, after line 24, insert:

**"(C) CONFIDENTIAL INFORMATION.**

**NOTHING IN THIS SECTION IS MEANT TO REQUIRE THE DISCLOSURE OF ANY  
INFORMATION THAT IS OTHERWISE CONFIDENTIAL BY LAW."**



**DLR DRAFT I 25Nov19**

**DLR DRAFT I 25Nov19**

**AMENDMENTS TO COUNCIL BILL 19-0457  
(1" Reader Copy)**

By:

{To be offered to the Judiciary Committee}

**Amendment No. ~~X~~ 3**

On page 3, in line 2, strike "enacted" and substitute "approved by the State Ethics Commission as required by COMAR 19A.04.03.02".





DLR DRAFT I 25Nov19

DLR DRAFT I 25Nov19

AMENDMENTS TO COUNCIL BILL 19-0457  
(1" Reader Copy)

By:  
{To be offered to the Judiciary Committee}

Amendment No. ~~X~~ 4

On page 2, in line 22 strike "REGARDLESS OF WHETHER THAT ENTITY DOES BUSINESS WITH THE CITY,"; and, on that same page, in line 24, after "PERIOD", insert:

"THAT THE ELECTED OFFICIAL KNOWS OR HAS REASON TO KNOW IS:

(I) A LOBBYIST;

(II) A PERSON REGULATED BY THE CITY; OR

(III) A PERSON DOING BUSINESS WITH THE CITY."






## Baltimore City Council Committee Hearing Attendance Record

Subject: Ordinance - Elected Officials - Financial Disclosure	Bill #: 19-0457
Committee: Judiciary	Chair: Eric Costello
Date: Tuesday, November 26, 2019	Time: 10:00 AM
Location: Clarence "Du" Burns Council Chamber	

**PLEASE PRINT CLEARLY**

**CHECK HERE TO TESTIFY**



PLEASE PRINT CLEARLY				What is your position on this bill?		Lobbyist: Are you registered in the City?*	
<u>CHECK HERE TO TESTIFY</u>			 <u>Testify</u>	For	Against	Yes	No
First Name	Last Name	Address / Organization / Email					
John	Doe	400 N. Holliday St. Johndoenbmore@yahoo.com	✓	✓	✓	✓	✓
Tierra	Bradford	18 E Preston Street TBradford@CommonCause.org	✓	✓		✓	
Deborah <del>Pat</del>	Mason	2500 Erdman Ave masonexpat@aol.com	✓	✓			✓
Patricia	Schulthess	8 Upland Rd. Unit 45 Baltimore, 21210	✓	✓			

\*NOTE: IF YOU ARE COMPENSATED OR INCUR EXPENSES IN CONNECTION WITH THIS BILL, YOU MAY BE REQUIRED BY LAW TO REGISTER WITH THE CITY ETHICS BOARD AS A LOBBYIST. REGISTRATION CAN BE DONE ONLINE AND IS A SIMPLE PROCESS. FOR INFORMATION VISIT: [HTTPS://ETHICS.BALTIMORECITY.GOV/](https://ethics.baltimorecity.gov/) OR CALL: 410-396-4730



# POSITION STATEMENT

## **POSITION STATEMENT PRESENTED TO THE BALTIMORE CITY COUNCIL'S JUDICIARY COMMITTEE**

### **COUNCIL BILL 19-0457– ELECTED OFFICIALS – FINANCIAL DISCLOSURE**

**November 26, 2019**

**DONALD C. FRY  
PRESIDENT & CEO  
GREATER BALTIMORE COMMITTEE**

The Greater Baltimore Committee (GBC), a 501(c)(4) regional, nonprofit organization and its membership have been keenly focused on issues relating to economic growth and job creation since its inception. Over the past 64 years, the GBC has advocated for policies such as creating an effective and reliable transportation system, increasing the quality of our school system, improving public safety, encouraging business growth and entrepreneurship, and expanding access to workforce training and job opportunities. We have also advocated for increased accountability and transparency in government.

**Council Bill 19-0457 – Elected Officials – Financial Disclosure**, is one of many bills under consideration by the council intended to increase transparency in government operations. As drafted, Council Bill 19-0457 would alter the financial disclosure filing deadline for elected officials from April 30 to January 30 and implement a new requirement for elected officials related to source of income. The elected official would be required to disclose the name and address of any person paying an entity with which the elected official holds a substantial interest the sum of \$20 or more in the aggregate during the reporting period. A substantial interest is defined in the bill as holding an equity interest of 30% or more in a business entity.

The GBC understands that the bill sponsor is submitting an amendment to increase the \$20 threshold to \$5,000, or 10% or more of the gross income of an entity with gross income less than \$50,000. If an elected official holds a substantial interest in multiple business entities, the amendment would also require the same disclosure if those amounts are reached across the business entities.

The GBC believes that the sponsor's amendment is critical to the bill. As introduced, the bill would have instituted a complex and onerous reporting. The proposed threshold is much more reasonable, and would result in increased transparency in city government.

The GBC requests that the committee also consider one additional amendment. In the "Real Property" and "Business Entities" sections of the city's ethics law, an interest is attributable to the public servant and must be reported if it is 1) held by a spouse, parent, child or sibling of the public servant and 2) is directly or indirectly controlled by the public servant. The GBC would recommend similar provisions to these sections of law by requiring an elected official to report the names and addresses of those paying \$5,000 or more to an entity in which the spouse of the elected official holds a substantial interest and that is directly or indirectly controlled by the public servant. The committee may also want to consider including entities in which dependent children of the elected official hold a substantial interest.

For these reasons, the GBC respectfully requests the committee report out Council Bill 19-0457 favorably with the suggested amendments.

**GREATER BALTIMORE COMMITTEE**

111 South Calvert Street • Suite 1700 • Baltimore, Maryland • 21202-6180

(410) 727-2820 • [www.gbc.org](http://www.gbc.org)



**Testimony, Bill #19-0378 and Bill #19-0457**  
**Before the Baltimore City Council Judiciary Committee**  
**26 November 2019**  
**Deborah Mason**

Good morning, Chairman Costello and members of the Judiciary Committee. Thank you very much for the opportunity to testify this morning.

My name is Deborah Mason, and I am a resident of Baltimore City. It is my honor to testify in support of two proposed changes to the current law regarding ethics in the City government. I believe that both bills are necessary to help prevent another humiliating stain to the City like the "Healthy Holly" scandal.

I doubt that it is necessary to remind the members of the Committee of the particulars of that sad episode in the City's history. Suffice it to say, every aspect of the Healthy Holly tarnished the reputation of the City, its government, and its citizens. We were the butt of a national joke. Worse, we were left to wonder what deals were made as compensation for these payments and what City resources were squandered as a result.

In response to that scandal, I wrote an opinion article published in *The Sun*, in which I pointed out how fortunate Baltimore was that it had an active local press. The local media brought to light former Mayor Pugh's self-dealing. Without the diligence of the *The Brew* and *The Sun*, it is quite possible that interested parties would still be buying non-existent copies of a poorly written literary equivalent of three-card monte.

However, it is unwise and unnecessary to rely upon the local press to ensure the ethical behavior of Baltimore's elected officials. The press has only so many resources to spend upon investigative journalism; furthermore, it is unlikely that "Healthy Holly" is a unique example of unethical self-dealing, although it is by far the most notorious. No. The City needs to take responsibility for ensuring that its officials act as ethical public servants who are concerned with the public interest, and not their own.

Therefore, I wholeheartedly support Bill # 19-0378, which appoints the Inspector General to be the Executive Director of the Board of Ethics. Having the Board of Ethics headed and staffed by the independent office of the Inspector General will assure the citizens of Baltimore of its fairness and impartiality.

I also support Bill 19-0457, which requires elected officials to report any payments greater than an aggregated amount of \$20 made to a business entity in which they have a thirty percent or greater interest, even if that entity does not do business with the city. This amendment would go a long way towards preventing the kinds of payments made in the "Healthy Holly" scandal. However, I wonder if it goes far enough. Non-elected City officials currently are not allowed to have an interest in entities governed by or doing business with the City, but I am not aware of any reporting requirements similar to the one provided for by the proposed legislation. Similarly, since payments to family members could benefit a public official, it might be prudent for the official to report any such business entity in which a close relative has a substantial interest. Such reporting is similar to financial disclosure / conflict of interest requirements in private industry, including Northrop Grumman, whose disclosure form I have attached to my testimony. I would therefore urge the committee to consider amending 19-0457 to require elected *and* non-elected officials to make these disclosures for themselves and their family members.

With those provisos, I support the proposed legislation as necessary to the creation of a more open and ethical City government.

Thank you.





# DISCLOSURE OF CONFLICTS OF INTEREST AND CERTIFICATE OF STANDARDS OF BUSINESS CONDUCT

Form C-196 (1-18) Page 1 of 4

**NORTHROP GRUMMAN**

LAST NAME		FIRST NAME		M.I.
EMPLOYEE NO.	COMPANY ELEMENT -Select One-		DIVISION (IF APPLICABLE)	

It is the responsibility of each employee to recognize and use best efforts to avoid any situation that would create an actual, potential or even perceived conflict of interest between the employee's interests and the interests of the company. See CO No. G201, Conflicts of Interest, for more information.

In those situations related to **Questions 1-8** where an actual, potential, or perceived conflict of interest cannot be avoided, even with best efforts, you are required to promptly disclose this potential conflict of interest to your supervisor and identify the facts on page 4 of this form that you believe may constitute a conflict.

In those situations related to **Questions 9-10** where an actual, potential, or perceived conflict of interest exists, you are required to provide the relevant information pertaining to the question on this form. A member of Human Resources or Employee Relations will contact you regarding any information you provide. The information will be handled in a confidential, need-to-know basis.

Many actual, potential, or perceived conflict of interest situations will not be specifically covered by a question on this form. Use Question 7 to disclose and describe any and all such conflicts that do not specifically fall within the scope of any of the other questions on this form.

No research is required of you in answering the questions. Answer each question to the best of your knowledge.

**DEFINITIONS** (see CO No. G201 and, CTM H200 USHR 2-24 Relatives and Personal Relationships in the Workplace, for more information)

<b>BUSINESS COURTESY</b>	Anything of value provided to, or by, a Business Associate or Government Official for which the donor is not reimbursed the fair market value by the recipient or his or her employer.
<b>CLOSE PERSONAL RELATIONSHIP</b>	Intimate or sexual relationship or cohabitation with a non-FAMILY MEMBER or RELATIVE.
<b>CONFLICT OF INTEREST</b>	A personal or business interest, activity or relationship of an employee, or his/her FAMILY MEMBER, involving another person or entity that impairs or appears to impair, the employee's ability to act in the Company's best interests.
<b>BUSINESS ASSOCIATE</b>	Any person or entity that has established, or is actively seeking to establish, a business relationship with, or is a competitor of, the Company including the entity's parent companies, subsidiaries, partners' affiliates, and their employees, officers and directors.
<b>DIRECT CHAIN OF COMMAND</b>	Manager has a reporting relationship with an employee, either as a direct report, at a lower level within the manager's organization or within the manager's organization as a matrix employee. This includes all levels of reporting in the manager's organization, not just the manager's immediate direct reports.
<b>FAMILY MEMBER</b>	Any of the following: parent (father or mother), spouse (wife or husband), sibling (sister or brother), child, domestic partner, parent or child of domestic partner, grandparent, grandchild, in-law (father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law), and step-relations (stepfather, stepmother, stepsister, stepbrother, stepchild, half-sister, half-brother), or anyone else that lives with an employee on a permanent basis.
<b>MATRIX REPORTING RELATIONSHIP</b>	Employee in a DIRECT CHAIN OF COMMAND to one manager while under the additional authority of another manager outside the DIRECT CHAIN OF COMMAND to typically support a program, project, function, etc.
<b>RELATIVE</b>	Any person related by blood or marriage or adoption, or a legal guardian, domestic partner, or significant other.
<b>SPHERE OF INFLUENCE</b>	A situation, other than a DIRECT CHAIN OF COMMAND, where a member of management has the authority to make or influence decisions or actions with respect to an employee, including but not limited to: pay, performance reviews, hiring, promotion, demotion, discipline, or discharge.



C196 1X2

# DISCLOSURE OF CONFLICTS OF INTEREST AND CERTIFICATE OF STANDARDS OF BUSINESS CONDUCT

Form C-198 (1-18) Page 2 of 4

If you answer YES to Questions 1-4, provide the person's relationship to you; the business entity and location, and their position with that business; provide your Northrop Grumman job responsibilities and state whether you make management decisions, or participate in the selection of or evaluate the performance of any BUSINESS ASSOCIATE. Indicate if you and the individual named are working on the same program.

QUESTION	YES	NO
1. Are you or any FAMILY MEMBER an employee, officer, or director of a BUSINESS ASSOCIATE, such that any of your job functions, decisions and/or responsibilities to the company could possibly involve or be influenced by the BUSINESS ASSOCIATE or by any of its employees, officers or directors?	<input type="checkbox"/>	<input type="checkbox"/>
2. Do you or any FAMILY MEMBER own, directly or indirectly, a substantial financial interest (as defined in a, b, c) in any BUSINESS ASSOCIATE'S business entity?		
A. Ten percent or more of the individual's net worth, excluding deposits in banks, trust companies, or savings and loan associations	<input type="checkbox"/>	<input type="checkbox"/>
B. At least a five percent interest in a publicly-traded company	<input type="checkbox"/>	<input type="checkbox"/>
C. Any interest in a non-publicly-traded company.	<input type="checkbox"/>	<input type="checkbox"/>

If you answer YES to Questions 3 A-D, provide the information requested above and also indicate what was received, the purpose of the BUSINESS COURTESY, and the estimated value.

QUESTION	YES	NO
3. During the last year, have you or any FAMILY MEMBER received, directly or indirectly, from a BUSINESS ASSOCIATE any of the following with a value in excess of US\$20 or equivalent?		
A. Any travel or entertainment?	<input type="checkbox"/>	<input type="checkbox"/>
B. Any gifts, gratuities, or anything of value?	<input type="checkbox"/>	<input type="checkbox"/>
C. Any cash, free or discounted services, or free or discounted use of facilities? Note: This does not include discounted services offered by Northrop Grumman Employee Services.	<input type="checkbox"/>	<input type="checkbox"/>
D. Any compensation, commissions, fees, services, honorariums, or payments of any kind?	<input type="checkbox"/>	<input type="checkbox"/>

If you answer YES to Question 4, provide the information requested above and also provide the circumstances of the transaction.

QUESTION	YES	NO
4. Has a debtor/creditor relationship existed at any time in the last year between you or any FAMILY MEMBER and a BUSINESS ASSOCIATE? (Excludes loan/credit transactions from banks, credit unions or other similar financial institution at current market rates).	<input type="checkbox"/>	<input type="checkbox"/>

If you answer YES to Question 5, explain the information revealed or used, to whom, and under what circumstances.

QUESTION	YES	NO
5. Have you directly or indirectly revealed Company proprietary information to any unauthorized persons or have you used company proprietary information in any way to promote your own business or personal interests?	<input type="checkbox"/>	<input type="checkbox"/>

If you answer YES to Question 6, explain the information received or revealed, from/to whom, and under what circumstances. Indicate if you reported this to the Law Department or Ethics Office.

QUESTION	YES	NO
6. Have you improperly received or revealed bid and proposal information or proprietary or source selection information pertaining to a competitor of Northrop Grumman?	<input type="checkbox"/>	<input type="checkbox"/>

If you answer YES to Question 7, explain the interest or arrangement and provide a brief description of your Northrop Grumman job responsibilities.

QUESTION	YES	NO
7. Do you or any FAMILY MEMBER have any other situation, interest, or arrangement that may otherwise result in an actual or perceived CONFLICT OF INTEREST that has not been described above?	<input type="checkbox"/>	<input type="checkbox"/>



C196 1X2

# DISCLOSURE OF CONFLICTS OF INTEREST AND CERTIFICATE OF STANDARDS OF BUSINESS CONDUCT

Form C-196 (1-18) Page 3 of 4

If you answer YES to **Question 8**, explain the interest or arrangement and provide a brief description of your Northrop Grumman job responsibilities.

QUESTION	YES	NO
8. Do you or any FAMILY MEMBER have any other interest or arrangement that may not align with the Northrop Grumman Standards of Business Conduct?	<input type="checkbox"/>	<input type="checkbox"/>

If you answer YES to **Question 9**, use the space immediately following the question to provide the person's first and last name, the Sector they work for, and their relationship to you; provide whether the potential conflict is related to a DIRECT CHAIN OF COMMAND or SPHERE OF INFLUENCE, and describe how you and your FAMILY MEMBER or RELATIVE interface with each other and/or report in the organization. If you need to identify more than one FAMILY MEMBER or RELATIVE, please indicate as such.

QUESTION	YES	NO
9. Do you have a FAMILY MEMBER or RELATIVE who is a Northrop Grumman employee: <ul style="list-style-type: none"><li>• In your upward or downward DIRECT CHAIN OF COMMAND, or</li><li>• In a MATRIX REPORTING RELATIONSHIP, or</li><li>• Within a SPHERE OF INFLUENCE?</li></ul>	<input type="checkbox"/>	<input type="checkbox"/>
PROVIDE INFORMATION REGARDING YOUR FAMILY MEMBER OR RELATIVE		

If you answer YES to **Question 10**, use the space immediately following the question to provide the person's first and last name, the Sector they work for, and whether it is a current or prior/past CLOSE PERSONAL RELATIONSHIP; provide whether the potential conflict is related to a DIRECT CHAIN OF COMMAND or SPHERE OF INFLUENCE, and describe the nature of the CLOSE PERSONAL RELATIONSHIP and how you interface with each other and/or report in the organization. If you need to identify more than one CLOSE PERSONAL RELATIONSHIP, please indicate as such.

QUESTION	YES	NO
10. Do you currently have or have had in the past a CLOSE PERSONAL RELATIONSHIP with a Northrop Grumman employee: <ul style="list-style-type: none"><li>• In your upward or downward DIRECT CHAIN OF COMMAND, or</li><li>• In a MATRIX REPORTING RELATIONSHIP, or</li><li>• Within a SPHERE OF INFLUENCE?</li></ul>	<input type="checkbox"/>	<input type="checkbox"/>
PROVIDE INFORMATION REGARDING THE CLOSE PERSONAL RELATIONSHIP		



C196 1X2



C196 1X2

# DISCLOSURE OF CONFLICTS OF INTEREST AND CERTIFICATE OF STANDARDS OF BUSINESS CONDUCT

Form C-196 (1-18)\* Page 4 of 4

## CERTIFICATION

I have read, understand my responsibilities, and have and will comply with the Standards of Business Conduct.

EMPLOYEE SIGNATURE	DATE
IMMEDIATE MANAGEMENT SIGNATURE IF ANY QUESTION FROM 1 TO 8 IS ANSWERED YES	DATE
ADDITIONAL INFORMATION FOR ANY QUESTION FROM 1 TO 8 THAT IS ANSWERED YES	
MANAGEMENT ASSESSMENT OF ANY QUESTION FROM 1 TO 8 THAT IS ANSWERED YES	



C196 1X2



**Maryland**

*Holding Power Accountable*

121 Cathedral Street  
Annapolis, MD 21401  
443.906.0442

[www.commoncause.org](http://www.commoncause.org)

November 26, 2019

**Testimony on CB19-0457  
Elected Officials – Financial Disclosures  
Judiciary Committee**

**Position: Favorable**

Common Cause Maryland supports CB19-0457 which would help to prevent conflicts of interest for Baltimore City elected officials by requiring they disclose their private business clients and customers.

The need for heightened transparency in Baltimore City government has never been more urgent. CB19-0457 aims to close a loophole that allowed former Mayor Pugh to profit thousands of dollars without public knowledge. These business dealings also created a conflict of interests as many of her clients included companies with business before the Council. As the City works to build the public trust in local government, transparency is going to be vital. Most importantly, financial disclosure builds the public's confidence in elected officials. Public confidence which we believe is necessary to increase civic engagement.

Financial Disclosure enables the public to evaluate potential conflicts of interest and can potentially deter corruption as well. CB19-0457 will allow the public to see who is giving money to support the businesses of elected officials and will allow the public to determine whether this financial relationship is possibly impacting the decisions made by elected officials.

Our elected officials make laws that touch lives and livelihoods, including their own. It is only fair that the public know as much as possible about who is trying to influence decisions being made by Baltimore City elected officials.

An ethical and transparent government is critical to ensure that special interests do not hold special influence, and for building voter trust and confidence in the political process. CB19-0457 is a critical piece of the solution, and we urge a favorable report.





# City of Baltimore

City Council  
City Hall, Room 408  
100 North Holliday Street  
Baltimore, Maryland 21202

## Meeting Agenda - Final

### Judiciary Committee

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Tuesday, November 26, 2019

10:00 AM

Du Burns Council Chamber, 4th floor, City Hall

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19-0457

#### **CALL TO ORDER**

#### **INTRODUCTIONS**

#### **ATTENDANCE**

#### **ITEM SCHEDULED FOR PUBLIC HEARING**

19-0457

Elected Officials - Financial Disclosure

For the purpose of requiring Baltimore City elected officials to disclose certain receipts made to business entities substantially controlled by the elected officials; altering the due date for elected officials to file financial disclosure statements; conforming related provisions; and providing for a special effective date.

**Sponsors:**

Ryan Dorsey, President Brandon M. Scott, Zeke Cohen, Leon F. Pinkett, III, Kristerfer Burnett, Bill Henry

#### **ADJOURNMENT**

**THIS MEETING IS OPEN TO THE PUBLIC**







## BILL SYNOPSIS

Committee: Judiciary

Bill 19-0457

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### Elected Officials - Financial Disclosure

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**Sponsor:** Councilmember Dorsey, et al

**Introduced:** October 7, 2019

**Purpose:**

For the purpose of requiring Baltimore City elected officials to disclose certain receipts made to business entities substantially controlled by the elected officials; altering the due date for elected officials to file financial disclosure statements; conforming related provisions; and providing for a special effective date.

**Effective:** The date it is enacted

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### AGENCY REPORTS

Board of Ethics	No position
City Solicitor	
Department of Finance	

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### ANALYSIS

**Current Law**

Article 8, subtitle 7 of the Baltimore City Code establishes requirements related to financial disclosure statements. Covered public servants, including elected officials and certain City employees, must generally file the required statements for the preceding calendar year by April 30 of each year.

Subtitle 7 requires covered public servants to disclose sources of earned income for themselves and for each of their spouse and children. If a public servant, their spouse, or child



are sole or partial owners of a business entity and received earned income from that business entity during the reporting period, the public servant must disclose the name and address of that business entity. Public servants are generally not required to identify the business entity's sources of income (e.g. the businesses customers, clients, etc.). However, if the individual's spouse is a lobbyist, they must identify any entity that has engaged the spouse for lobbying purposes.

### **Bill Summary**

The bill amends § 7-2 of Article 8 of the Baltimore City Code to require each elected official to file their financial disclosure statement by January 30 of each year, rather than April 30 of each year.

The bill also adds a new § 7-28 that requires each elected official to disclose the sources of income for certain business entities. If the elected official holds an equity interest of 30 percent or more in a business entity, regardless of whether that entity does business with the City, the official's financial disclosure statement must include the name and address of any person who pays the entity \$20 or more in the aggregate during the reporting period.

In order for an elected official who owns 30 percent or more of a business entity to comply, the business entity would need to collect the name and address of each person who does business with it and track their spending to know when they have crossed the \$20 threshold. Laws, regulations, and professional rules that protect privacy and confidentiality, such as the Health Information Portability and Accountability Act (HIPAA) and the Maryland Attorneys' Rules of Professional Conduct, could conflict with the requirement for an elected official to disclose the names and addresses of people paying them for services in some circumstances.

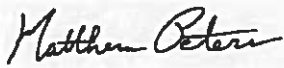
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### **ADDITIONAL INFORMATION**

**Fiscal Note:** None

**Information Source(s):** Baltimore City Code, Reporting Agencies, Bill 19-0457.

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Analysis by:   
Analysis Date: November 22, 2019

Direct Inquiries to: (410) 396-1268



**CITY OF BALTIMORE  
COUNCIL BILL 19-0457  
(First Reader)**

Introduced by: Councilmember Dorsey, President Scott, Councilmembers Henry, Burnett,  
Pinkett, Cohen

Introduced and read first time: October 7, 2019

Assigned to: Judiciary Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Department of Finance, Board of Ethics

**A BILL ENTITLED**

**AN ORDINANCE concerning**

**Elected Officials – Financial Disclosure**

**FOR the purpose of requiring Baltimore City elected officials to disclose certain receipts made to business entities substantially controlled by the elected officials; altering the due date for elected officials to file financial disclosure statements; conforming related provisions; and providing for a special effective date.**

**BY authority of**

**General Provisions Article  
Section 5-809(b)(2)  
Maryland Code**

**BY repealing and re-ordaining, with amendments**

**Article 8 - Ethics  
Section(s) 7-2(a), 7-27 (catchline)  
Baltimore City Code  
(Edition 2000)**

**BY renumbering current**

**Article 8 - Ethics  
Section 7-28 to Section 7-29  
Baltimore City Code  
(Edition 2000)**

**BY adding**

**Article 8 - Ethics  
Section(s) 7-28  
Baltimore City Code  
(Edition 2000)**

**SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE, That the Laws of Baltimore City read as follows:**

EXPLANATION: CAPITALS indicate matter added to existing law.  
[Brackets] indicate matter deleted from existing law.

**Council Bill 19-0457**

**Baltimore City Code**

**Article 8. Ethics**

**Subtitle 7. Financial Disclosure**

***PART I. GENERAL PROVISIONS***

**§ 7-2. General filing requirements.**

(a) *Annual filing required.*

(1) *IN GENERAL.*

Except as otherwise specified in this subtitle, each statement must be filed with the Ethics Board on or before April 30 of each year.

(2) *ELECTED OFFICIALS.*

ELECTED OFFICIALS MUST FILE THE STATEMENT REQUIRED BY THIS SUBTITLE ON OR BEFORE JANUARY 30 OF EACH YEAR.

***PART III. CONTENTS OF STATEMENTS***

**§ 7-27. Sources of [earned] income: EARNED INCOME.**

....

**§ 7-28. SOURCES OF INCOME: SUBSTANTIAL INTERESTS OF ELECTED OFFICIALS.**

(A) *SUBSTANTIAL INTEREST DEFINED.*

IN THIS SECTION, "SUBSTANTIAL INTEREST" MEANS HOLDING AN EQUITY INTEREST OF 30% OR MORE IN A BUSINESS ENTITY.

(B) *DISCLOSURE OF CERTAIN PAYMENTS REQUIRED.*

IF THE ELECTED OFFICIAL HAS A SUBSTANTIAL INTEREST IN A BUSINESS ENTITY, REGARDLESS OF WHETHER THAT ENTITY DOES BUSINESS WITH THE CITY, THE STATEMENT MUST INCLUDE THE NAME AND ADDRESS OF ANY PERSON PAYING THAT ENTITY \$20 OR MORE IN THE AGGREGATE DURING THE REPORTING PERIOD.

**§ 7-29. [§ 7-28.] Additional information.**

The statement may include a schedule of additional interests or information that the public servant chooses to disclose.

**SECTION 2. AND BE IT FURTHER ORDAINED,** That the catchlines contained in this Ordinance are not law and may not be considered to have been enacted as a part of this or any prior Ordinance.

**Council Bill 19-0457**

1       **SECTION 3. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the date it is  
2       enacted.





**INTRODUCTORY\***

**CITY OF BALTIMORE  
COUNCIL BILL \_\_\_\_\_**

APPROVED FOR FORM  
STYLE, AND TEXTUAL SUFFICIENCY

TD- 1077/19  
DEPT LEGISLATIVE REFERENCE

Introduced by: Councilmember Dorsey

**A BILL ENTITLED**

**AN ORDINANCE concerning**

**Elected Officials – Financial Disclosure**

**FOR the purpose of requiring Baltimore City elected officials to disclose certain receipts made to business entities substantially controlled by the elected officials; altering the due date for elected officials to file financial disclosure statements; conforming related provisions; and providing for a special effective date.**

**BY authority of**

General Provisions Article  
Section 5-809(b)(2)  
Maryland Code

**BY repealing and re-ordinating, with amendments**

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[Brackets] indicate matter deleted from existing law

\* WARNING: THIS IS AN UNOFFICIAL, INTRODUCTORY COPY OF THE BILL.  
THE OFFICIAL COPY CONSIDERED BY THE CITY COUNCIL IS THE FIRST READER COPY.

**Baltimore City Code**

**Article 8. Ethics**

**Subtitle 7. Financial Disclosure**

***PART I. GENERAL PROVISIONS***

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***PART III. CONTENTS OF STATEMENTS***

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**(B) *DISCLOSURE OF CERTAIN PAYMENTS REQUIRED.***

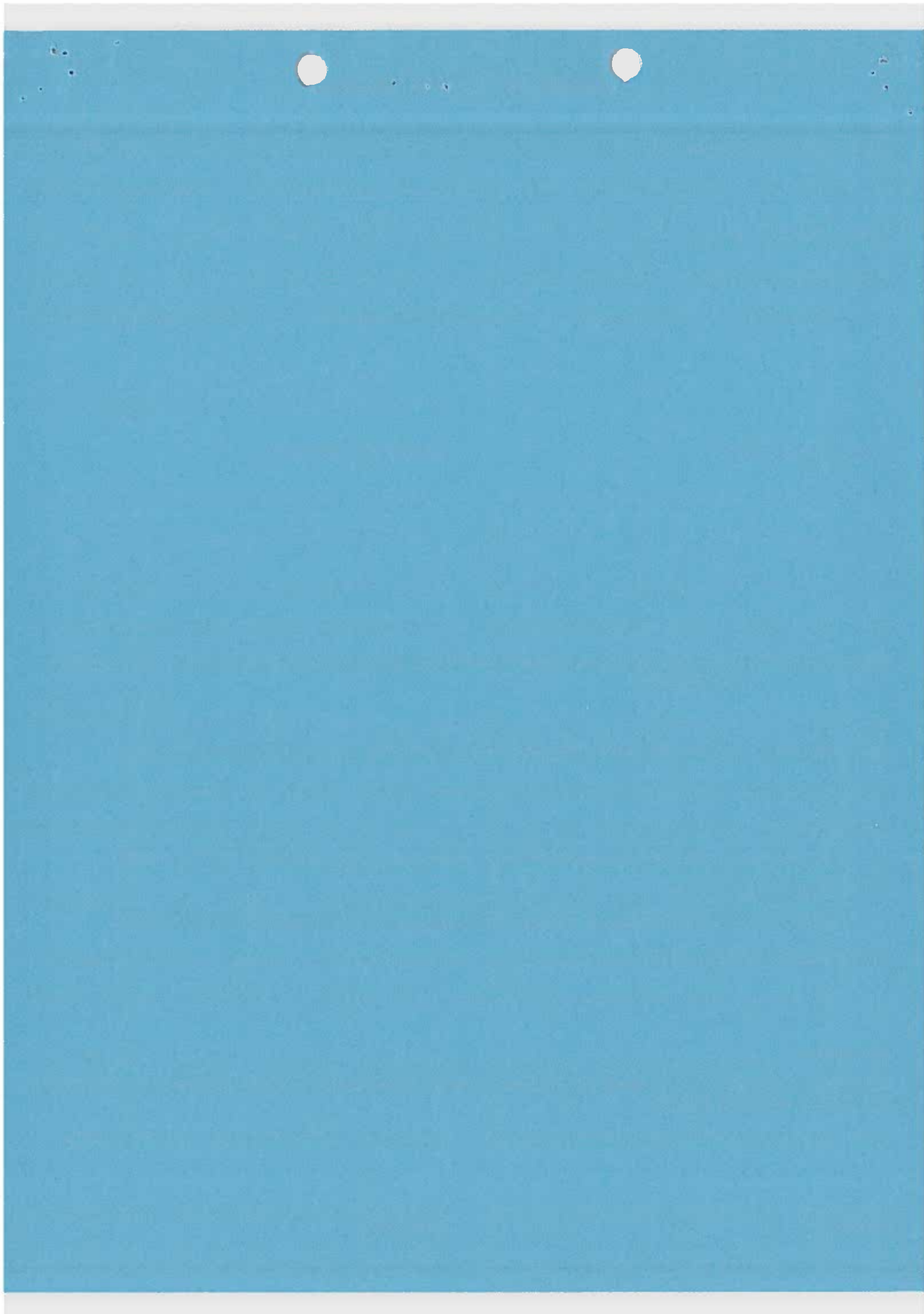
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The statement may include a schedule of additional interests or information that the public servant chooses to disclose.

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**SECTION 3. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the date it is enacted.



ACTION BY THE CITY COUNCIL

OCT 07 2019  
20

FIRST READING (INTRODUCTION) \_\_\_\_\_

PUBLIC HEARING HELD ON Nov. 26, 2019 , Dec. 3, 2019 (Voter Session) 20

COMMITTEE REPORT AS OF Dec. 5, 2019 20

\_\_\_\_ FAVORABLE \_\_\_\_ UNFAVORABLE ☒ FAVORABLE AS AMENDED \_\_\_\_ WITHOUT RECOMMENDATION

E. V. Lutz

Chair

COMMITTEE MEMBERS:

COMMITTEE MEMBERS:

SECOND READING: The Council's action being favorable (unfavorable), this City Council bill was (was not) ordered printed for Third Reading on:

DEC 05 2019

☒ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING \_\_\_\_\_ DEC 05 2019

\_\_\_\_ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING (ENROLLED) \_\_\_\_\_ 20

\_\_\_\_ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING (RE-ENROLLED) \_\_\_\_\_ 20

WITHDRAWAL \_\_\_\_\_ 20

There being no objections to the request for withdrawal, it was so ordered that this City Council Ordinance be withdrawn from the files of the City Council.

\_\_\_\_\_  
President

\_\_\_\_\_  
Chief Clerk