March 22, 2018

TO: The Daily Times Group and Ocean City Today Group
FROM: Kelly Shannahan, Assistant Chief Administrative Officer

Please print the attached Notice of Introduction of Bill 18-3 in The Daily Times/Worcester County Times/Ocean Pines Independent and Ocean City Digest/Ocean City Today on March 29, 2018 and April 12, 2018. Thank you.

NOTICE OF INTRODUCTION OF BILL 18-3
WORCESTER COUNTY COMMISSIONERS

Take Notice that Bill 18-3 (County Government - County Ethics Law) was introduced by Commissioners Bertino, Bunting, Church, Elder, Lockfaw, Mitrecic and Purnell on March 20, 2018.

A fair summary of the bill is as follows:

Title CG5 - Ethics, Subtitle I - County Ethics Law. (Repeals and reenacts the Worcester County Public Ethics Law to comply with revisions to the State Ethics Law adopted by the Maryland General Assembly in 2017 as referenced in State Government Article, Subtitle 8, Annotated Code of Maryland. Specific sections of the County Ethics Law to be amended are referenced below.)

§ CG 5-104. Conflicts of interest. (Adds a new subparagraph 4 to the “Participation prohibitions” subsection to provide that this subsection does not apply to an individual who is a public official only as a member of a board and who receives minimal compensation; provides that a former regulated lobbyist who becomes a public official or employee may not participate for one calendar year in a matter for which the lobbyist previously assisted or represented another party for compensation in the matter; adds new provisions to the “Use of prestige of office” subsection to specify that an official or employee may not use their position, except as part of their official duties, to influence the award of a County contract to a specific person, may not initiate a solicitation for a person to retain a particular lobbyist, may not use public resources or title to solicit a regulated political contribution, and may not assist a party for compensation in a matter that is the subject of legislative action for one calendar year from the date the Commissioner leaves office.)
§ CG 5-105. Financial disclosure - local elected officials and candidates to be local elected officials.
(Adds a new subparagraph 5 to the “Public record” subsection to provide that for statements submitted on or after January 1, 2019, the Ethics Board may not provide public access to a portion of a statement that includes an individual’s home address; and adds a new provision to the “Contents of statement” subsection regarding “sources of earned income” to provide that for a statement filed on or after January 1, 2019, if the individual’s spouse is a regulated lobbyist, the individual must disclose the entity that has engaged the spouse for lobbying purposes.)

§ CG 5-106. Financial disclosure - employees and appointed officials. (Adds Deputy Department Heads, all Non-Classified employees that serve in a supervisory capacity and potentially other employees designated by resolution of the County Commissioners to the list of appointed officials and employees of Worcester County to which the financial disclosure rules and procedures of this section apply.)

A Public Hearing

will be held on Bill 18-3 at the Commissioners' Meeting Room, Room 1101 - Government Center, One West Market Street, Snow Hill, Maryland, on Tuesday, April 17, 2018 at 11:00 a.m.

This is only a fair summary of the bill. A full copy of the bill is posted on the Legislative Bulletin Board in the main hall of the Worcester County Government Center outside Room 1103, is available for public inspection in Room 1103 of the Worcester County Government Center and is available on the County Website at www.co.worcester.md.us.

THE WORCESTER COUNTY COMMISSIONERS
COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND

BILL 18-3

BY: Commissioners Bertino, Bunting, Church, Elder, Lockfaw, Mitrecic and Purnell
INTRODUCED: March 20, 2018

A BILL ENTITLED

AN ACT Concerning

County Government - County Ethics Law

For the purpose of repealing and reenacting the Worcester County Ethics Law to conform to amendments to the State Ethics Law passed by the Maryland General Assembly in 2017 as referenced in General Provisions Article, Title 5 Maryland Public Ethics Law, of the Annotated Code of Maryland.

Section 1. BE IT ENACTED BY THE COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND, that Title CG5 (Ethics) of the County Government Article of the Code of Public Local Laws of Worcester County, Maryland is hereby repealed and reenacted to read as follows:

Title CG5
ETHICS

SUBTITLE I
County Ethics Law

§ CG 5-101. Short title. This Subtitle may be cited as the Worcester County Public Ethics Law.

§ CG 5-102. Applicability. The provisions of this Subtitle apply to all Worcester County elected officials, employees, and appointees to boards and commissions of Worcester County.

§ CG 5-103. Ethics Board.

(a) Appointment. There is a Worcester County Ethics Board that consists of seven members appointed by the County Commissioners.

(b) Duties. The Ethics Board shall:

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

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

(3) Develop procedures and policies for the processing of complaints to make appropriate determinations regarding complaints filed by any person alleging violations of this Subtitle; and
(4) Conduct a public information program regarding the purposes and application of this Subtitle.

(c) Other duties and responsibilities. The Ethics Board shall have other duties and responsibilities as follows:

(1) The Ethics Board shall certify to the State Ethics Commission on or before October 1 of each year that the County is in compliance with the requirements of State Government Article, Title 15, Subtitle 8, Annotated Code of Maryland, as from time to time amended, for elected local officials.

(2) The Ethics Board shall determine if changes to this Subtitle are required to be in compliance with the requirements of State Government Article, Title 15, Subtitle 8, Annotated Code of Maryland, as from time to time amended, and shall forward any recommended changes and amendments to the Worcester County Commissioners for enactment.

(3) The Ethics Board may adopt other policies and procedures to assist in the implementation of the Ethics Board's programs established in this Subtitle.

(d) Staff support. The Worcester County Attorney shall advise the Ethics Board.

§ CG 5-104. Conflicts of interest.

(a) Qualified relative. In this section, "qualified relative" means a spouse, parent, child, or sibling.

(b) Applicability. All Worcester County elected officials, officials appointed to Worcester County boards and commissions subject to this Subtitle, and employees are subject to this section.

(c) Participation prohibitions. Except as permitted by Ethics Board regulation or opinion, an official or employee may not participate in:

(1) Except in the exercise of an administrative or ministerial duty that does not affect the disposition or decision of the matter, any matter in which, to the knowledge of the official or employee, the official or employee, or a qualified relative of the official or employee has an interest.

(2) Except in the exercise of an administrative or ministerial duty that does not affect the disposition or decision with respect to the matter, any matter in which any of the following is a party:

A. A business entity in which the official or employee has a direct financial interest of which the official or employee may reasonably be expected to know;

B. A business entity for which the official, employee, or a qualified relative of the official or employee is an officer, director, trustee, partner, or employee;

C. A business entity with which the official or employee or, to the knowledge of the official or employee, a qualified relative is negotiating employment or has any
arrangement concerning prospective employment.

D. If the contract reasonably could be expected to result in a conflict between the private interests of the official or employee and the official duties of the official or employee, a business entity that is a party to an existing contract with the official or employee, or which, to the knowledge of the official or employee, is a party to a contract with a qualified relative;

E. An entity, doing business with Worcester County, in which a direct financial interest is owned by another entity in which the official or employee has a direct financial interest, if the official or employee may be reasonably expected to know of both direct financial interests; or

F. A business entity that:

1. The official or employee knows is a creditor or obligee of the official or employee or a qualified relative of the official or employee with respect to a thing of economic value; and

2. As a creditor or obligee, is in a position to directly and substantially affect the interest of the official or employee or a qualified relative of the official or employee.

A person who is disqualified from participating under paragraphs (1) or (2) of this subsection shall disclose the nature and circumstances of the conflict and may participate or act if:

A. The disqualification leaves a body with less than a quorum capable of acting;

B. The disqualified official or employee is required by law to act; or

C. The disqualified official or employee is the only person authorized to act.

This subsection does not apply to an individual who is a public official only as a member of a board and who receives annual compensation that is less than 25% of the lowest annual compensation at County Grade level 19. A former regulated lobbyist who is or becomes subject to regulation under this title as a public official or employee may not participate in a case, contract, or other specific matter as a public official or employee for one calendar year after the termination of the registration of the former regulated lobbyist if the former regulated lobbyist previously assisted or represented another party for compensation in the matter.

The prohibitions of paragraph 1 and 2 of this subsection do not apply if participation is allowed by regulation or opinion of the Ethics Board.

(d) Employment and financial interest restrictions.

(1) Except as permitted by regulation of the Ethics Board when the interest is disclosed or when the employment does not create a conflict of interest or appearance of conflict, an official or employee may not:
A. Be employed by or have a financial interest in any entity:

1. Subject to the authority of the official or employee or the Worcester County agency, board, commission with which the official or employee is affiliated; or

2. That is negotiating or has entered into a contract with the agency, board, or commission with which the official or employee is affiliated; or

B. Hold any other employment relationship that would impair the impartiality or independence of judgment of the official or employee.

(2) This prohibition does not apply to:

A. An official or employee who is appointed to a regulatory or licensing authority pursuant to a statutory requirement that persons subject to the jurisdiction of the authority be represented in appointments to the authority;

B. Subject to other provisions of law, a member of a board or commission in regard to a financial interest or employment held at the time of appointment, provided the financial interest or employment is publicly disclosed to the appointing authority and the Ethics Board;

C. An official or employee whose duties are ministerial, if the private employment or financial interest does not create a conflict of interest or the appearance of a conflict of interest, as permitted by and in accordance with regulations adopted by the Ethics Board; or

D. Employment or financial interests allowed by regulation of the Ethics Board if the employment does not create a conflict of interest or the appearance of a conflict of interest or the financial interest is disclosed.

(c) Post-employment limitations and restrictions.

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

(2) Until the conclusion of the next regular session that begins after the elected official leaves office, a former member of the Worcester County Commissioners may not assist or represent another party for compensation in a matter that is the subject of legislative action.

(f) Contingent compensation. Except in a judicial or quasi-judicial proceeding, an official or employee may not assist or represent a party for contingent compensation in any matter before or involving Worcester County.
(g) Use of prestige of office.

(1) An official or employee may not intentionally use the prestige of office or public position:

A. For the private gain of that official or employee or the private gain of another.

B. To influence, except as part of the official duties of the official or employee or as a usual and customary constituent service without additional compensation, the award of a County contract to a specific person.

(2) An official may not directly or indirectly initiate a solicitation for a person to retain the compensated services of a particular regulated lobbyist or lobbying firm.

(3) A public official or employee may not use public resources or the title of the public official or employee to solicit a political contribution that is regulated in accordance with the State Election Law article.

In this paragraph, "legislative action" does not include testimony or other advocacy in an official capacity as a member of the County Commissioners before a unit of State or local government.

A. A former member of the County Commissioners may not assist or represent another party for compensation in a matter that is the subject of legislative action for one calendar year from the date the Commissioner leaves office.

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

(h) Solicitation and acceptance of gifts.

(1) An official or employee may not solicit any gift.

(2) An official or employee may not directly solicit or facilitate the solicitation of a gift, on behalf of another person, from an individual regulated lobbyist.

(3) An official or employee may not knowingly accept a gift, directly or indirectly, from a person that the official or employee knows or has the reason to know:

A. Is doing business with or seeking to do business with the Worcester County office, agency, board, or commission with which the official or employee is affiliated;

B. Has financial interests that may be substantially and materially affected, in a manner distinguishable from the public generally, by the performance or nonperformance of the official duties of the official or employee;

C. Is engaged in an activity regulated or controlled by the official's or employee's governmental unit; or
D. Is a lobbyist with respect to matters within the jurisdiction of the official or employee.

(4) Paragraph (5) of this subsection does not apply to a gift:

A. That would tend to impair the impartiality and the independence of judgment of the official or employee receiving the gift;

B. Of significant value that would give the appearance of impairing the impartiality and independence of judgment of the official or employee; or

C. Of significant value that the recipient official or employee believes or has reason to believe is designed to impair the impartiality and independence of judgment of the official or employee.

(5) Notwithstanding paragraph (3) of this subsection, an official or employee may accept the following:

A. Meals and beverages consumed in the presence of the donor or sponsoring entity;

B. Ceremonial gifts or awards that have insignificant monetary value;

C. Unsolicited gifts of nominal value that do not exceed $20 in cost or trivial items of informational value;

D. Reasonable expenses for food, travel, lodging, and scheduled entertainment of the official or the employee at a meeting which is given in return for the participation of the official or employee in a panel or speaking engagement at the meeting;

E. Gifts of tickets or free admission extended to an elected local official to attend a charitable, cultural, or political event, if the purpose of this gift or admission is a courtesy or ceremony extended to the elected official's office;

F. A specific gift or class of gifts that the Ethics Board exempts from the operation of this subsection upon a finding, in writing, that acceptance of the gift or class of gifts would not be detrimental to the impartial conduct of the business of Worcester County and that the gift is purely personal and private in nature;

G. Gifts from a person related to the official or employee by blood or marriage, or any other individual who is a member of the household of the official or employee; or

H. Honoraria for speaking to or participating in a meeting, provided that the offering of the honorarium is not related in any way to the official's or employee's official position.

(i) Disclosure of confidential information. Other than in the discharge of official duties, an official or employee may not disclose or use confidential information, that the official or employee
acquired by reason of the official's or employee's public position and that is not available to the public, for the economic benefit of the official or employee or that of another person.

(j) **Participation in procurement.**

(1) An individual or a person that employs an individual who assists a Worcester County agency in the drafting of specifications, an invitation for bids, or a request for proposals for a procurement may not submit a bid or proposal for that procurement or assist or represent another person, directly or indirectly, who is submitting a bid or proposal for the procurement.

(2) The Ethics Board may establish exemptions from the requirements of this section for providing descriptive literature, sole source procurements, and written comments solicited by the procuring agency.

§ CG 5-105. **Financial disclosure - local elected officials and candidates to be local elected officials.**

(a) **Financial disclosure statements.**

(1) This section applies to all local elected officials and candidates to be local elected officials.

(2) Except as provided in subsection (b) of this section, a local elected official or a candidate to be a local elected official shall file the financial disclosure statement required under this section:

   A. On a form provided by the Ethics Board;

   B. Under oath or affirmation; and

   C. With the Ethics Board.

(3) **Deadlines for filing statements.**

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

   B. An individual who is appointed to fill a vacancy in an office for which a financial disclosure statement is required and who has not already filed a financial disclosure statement shall file a statement for the preceding calendar year within 30 days after appointment.

   C. An individual who, other than by reason of death, leaves an office for which a statement is required shall file a statement within 60 days after leaving the office.

   1. The statement shall cover:

      (i) The calendar year immediately preceding the year in which the
individual left office, unless a statement covering that year has already been filed by the individual; and

(ii) The portion of the current calendar year during which the individual held the office.

(b) Candidates to be local elected officials.

(1) Except for an official who has filed a financial disclosure statement under another provision of this section for the reporting period, a candidate to be an elected local official shall file under a financial disclosure statement each year beginning with the year in which the certificate of candidacy is filed through the year of the election.

(2) A candidate to be an elected local official shall file a statement required under this section:

A. In the year the certificate of candidacy is filed, no later than the filing of the certificate of candidacy;

B. In the year of the election, on or before the earlier of April 30 or the last day for the withdrawal of candidacy; and

C. In all other years for which a statement is required, on or before April 30.

(3) A candidate to be an elected official:

A. May file the statement required under §CG 5-105(b)(2)(A) hereof with the Worcester County Board of Election Supervisors with the certificate of candidacy or with the Ethics Board prior to filing the certificate of candidacy; and

B. Shall file the statements required under §CG 5-105(b)(2)(B) and (C) hereof with the Ethics Board.

(4) If a candidate fails to file a statement required by this section after written notice is provided by the Ethics Board or Board of Election Supervisors at least 20 days before the last day for the withdrawal of candidacy, the candidate is deemed to have withdrawn the candidacy.

(5) The Ethics Board or Board of Election Supervisors may not accept any certificate of candidacy unless a statement has been filed in proper form.

(6) Within 30 days of the receipt of a statement required under this section, the Board of Election Supervisors shall forward the statement to the Ethics Board or the office designated by the Ethics Board.

(c) Public record.

(1) The Ethics Board or office designated by the Ethics Board shall maintain all financial disclosure statements filed under this section.
(2) Financial disclosure statements shall be made available during normal office hours for examination and copying by the public subject to reasonable fees and administrative procedures established by the Ethics Board.

(3) If an individual examines or copies a financial disclosure statement, the Ethics Board or the office designated by the Ethics Board shall record:

A. The name and home address of the individual reviewing or copying the statement; and

B. The name of the person whose financial disclosure statement was examined or copied.

(4) Upon request by the official or employee whose financial disclosure statement was examined or copied, the Ethics Board or the office designated by the Ethics Board shall provide the official with a copy of the name and home address of the person who reviewed the official's financial disclosure statement.

(5) For statements submitted on or after January 1, 2019, the Ethics Board may not provide public access to a portion of a statement that includes an individual's home address that the individual has identified as the individual's home address.

(d) Retention requirements. The Ethics Board or the office designated by the Ethics Board shall retain financial disclosure statements for four years from the date of receipt.

(c) Contents of statement.

(1) Interests in real property.

A. A statement filed under this section shall include a schedule of all interests in real property wherever located.

B. For each interest in real property, the schedule shall include:

1. The nature of the property and the location by street address, mailing address, or legal description of the property;

2. The nature and extent of the interest held, including any conditions and encumbrances on the interest;

3. The date when, the manner in which, and the identity of the person from whom the interest was acquired;

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

5. If any interest was transferred, in whole or in part, at any time during the reporting period, a description of the interest transferred, the nature and amount of the consideration received for the interest, and the identity of
the person to whom the interest was transferred; and

6. The identity of any other person with an interest in the property.

(2) Interests in corporations and partnerships.

A. A statement filed under this section shall include a schedule of all interests in any corporation, partnership, limited liability partnership, or limited liability corporation, regardless of whether the corporation or partnership does business with Worcester County.

B. For each interest reported under this paragraph, the schedule shall include:

1. The name and address of the principal office of the corporation, partnership, limited liability partnership, or limited liability corporation;

2. The nature and amount of the interest held, including any conditions and encumbrances on the interest;

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

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

   (i) The date when, the manner in which, and the identity of the person from whom the interest was acquired; and

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

C. An individual may satisfy the requirement to report the amount of the interest held under item (B)(2) of this paragraph by reporting, instead of a dollar amount:

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

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

(3) Interests in business entities doing business with Worcester County.

A. A statement filed under this section shall include a schedule of all interests in any business entity that does business with Worcester County, other than interests reported under paragraph (2) of this subsection.
B. For each interest reported under this paragraph, the schedule shall include:

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

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

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

4. With respect to any interest acquired during the reporting period:
   (i) The date when, the manner in which, and the identity of the person from whom the interest was acquired; and
   (ii) The nature and the amount of the consideration given in exchange for the interest or, if acquired other than by purchase, the fair market value of the interest at the time acquired.

(4) Gifts.

A. A statement filed under this section shall include a schedule of each gift in excess of $20 in value or a series of gifts totaling $100 or more received during the reporting period from or on behalf of, directly or indirectly, any one person who does business with or is regulated by Worcester County.

B. For each gift reported, the schedule shall include:

1. A description of the nature and value of the gift; and

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

(5) Employment with or interests in entities doing business with Worcester County.

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

B. For each position reported under this paragraph, the schedule shall include:

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

2. The title and nature of the office, directorship, or salaried employment held and the date it commenced; and
3. The name of each Worcester County agency with which the entity is involved.

(6) Indebtedness to entities doing business with Worcester County.

A. A statement filed under this section shall include a schedule of all liabilities, excluding retail credit accounts, to persons doing business with Worcester County owed at any time during the reporting period:

1. By the individual; or

2. By a member of the immediate family of the individual if the individual was involved in the transaction giving rise to the liability.

B. For each liability reported under this paragraph, the schedule shall include:

1. The identity of the person to whom the liability was owed and the date the liability was incurred;

2. The amount of the liability owed as of the end of the reporting period;

3. The terms of payment of the liability and the extent to which the principal amount of the liability was increased or reduced during the year; and

4. The security given, if any, for the liability.

(7) A statement filed under this section shall include a schedule of the immediate family members of the individual employed by Worcester County in any capacity at any time during the reporting period.

(8) Sources of earned income.

A. A statement filed under this section shall include a schedule of the name and address of each place of employment and of each business entity of which the individual or a member of the individual's immediate family was a sole or partial owner and from which the individual or member of the individual's immediate family received earned income, at any time during the reporting period.

B. A minor child's employment or business ownership need not be disclosed if the agency that employs the individual does not regulate, exercise authority over, or contract with the place of employment or business entity of the minor child.

C. For a statement filed on or after January 1, 2019, if the individual's spouse is a regulated lobbyist, the individual must disclose the entity that has engaged the spouse for lobbying purposes.

(9) A statement filed under this section may also include a schedule of additional interests or information that the individual making the statement wishes to disclose.
(f) Interests. For the purposes of §CG 5-105(e)(1), (2), and (3) hereof, the following interests are considered to be the interests of the individual making the statement:

(1) An interest held by a member of the individual's immediate family, if the interest was, at any time during the reporting period, directly or indirectly controlled by the individual.

(2) An interest held by a business entity in which the individual held a 30% or greater interest at any time during the reporting period.

(3) An interest held by a trust or an estate in which, at any time during the reporting period:
   A. The individual held a reversionary interest or was a beneficiary; or
   B. If a revocable trust, the individual was a settlor.

(g) Ethics board review.

(1) The Ethics Board shall review the financial disclosure statements submitted under this section for compliance with the provisions of this section and shall notify an individual submitting the statement of any omissions or deficiencies.

(2) The Worcester County Ethics Board may take appropriate enforcement action to ensure compliance with this section.

§ CG 5-106. Financial disclosure - employees and appointed officials.

(a) Applicability. This section only applies to the following appointed officials and employees: Chief Administrative Officer, Assistant Chief Administrative Officer, County Attorney, all Department Heads, all Deputy Department Heads, all Non-Classified employees that serve in a supervisory capacity, all members of the Planning Commission, Board of Zoning Appeals, Shoreline Commission, Board of Electrical Examiners and any other board, commission or agency that the County Commissioners may designate by future resolution.

(b) Filing requirements. A statement filed under this section shall be filed with the Ethics Board under oath or affirmation.

(c) Deadline for filing. On or before April 30 of each year during which an official or employee holds office, an official or employee shall file a statement disclosing gifts received during the preceding calendar year from any person that contracts with or is regulated by Worcester County, including the name of the donor of the gift and the approximate retail value at the time of receipt.

(d) Disclosure of conflicts of interest. An official or employee shall disclose employment and interests that raise conflicts of interest or potential conflicts of interest in connection with a specific proposed action by the employee or official sufficiently in advance of the action to provide adequate disclosure to the public.

(e) Maintenance of records. The Ethics Board shall maintain all disclosure statements filed under this section as public records available for public inspection and copying as provided in §CG 5-105(e) and (d) (Financial disclosure - local elected officials and candidates to be local elected officials) of this Subtitle, as from time to time amended.
§ CG 5-107. Lobbying.

(a) **Applicability.** A person shall file a lobbying registration statement with the Ethics Board if the person:

(1) Personally appears before a Worcester County official or employee with the intent to influence that person in performance of the official duties of the official or employee; and

(2) In connection with the intent to influence, expends or reasonably expects to expend in a given calendar year in excess of $350.00 on food, entertainment, or other gifts for officials or employees of Worcester County.

(b) **Deadline for filing.** A person shall file a registration statement required under this section on or before the later of January 15 of the calendar year or within 5 days after first performing an act that requires registration in the calendar year.

(c) **Registration statement.**

(1) The registration statement shall identify:
   
   A. The registrant;
   
   B. Any other person on whose behalf the registrant acts; and
   
   C. The subject matter on which the registrant proposes to make appearances specified in subsection (a) of this section.

(2) The registration statement shall cover a defined registration period not to exceed one calendar year.

(d) **Annual report.** Within 30 days after the end of any calendar year during which a person was registered under this section, the person shall file a report with the Ethics Board disclosing:

(1) The value, date, and nature of any food, entertainment, or other gift provided to a Worcester County official or employee; and

(2) If a gift or series of gifts to a single official or employee exceeds $50.00 in value, the identity of the official or employee.

(e) **Maintenance of records.** The Ethics Board shall maintain the registrations and reports filed under this section as public records available for public inspection and copying for four years after receipt by the Ethics Board.

§ CG 5-108. Exemptions and modifications.

(a) **Exemptions and modifications.** The Ethics Board may grant exemptions and modifications to the provisions of §§CG 5-104 (Conflicts of interest) and CG 5-106 (Financial disclosure - employees and appointed officials) of this Subtitle, as from time to time amended, to employees and to
appointed members of Worcester County Boards and Commissions, when the Ethics Board finds that an exemption or modification would not be contrary to the purposes of this Subtitle, and the application of this Subtitle would:

(1) Constitute an unreasonable invasion of privacy; and

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

§ CG 5-109. Enforcement.

(a) Late fees; cease and desist orders. The Ethics Board may:

(1) Assess a late fee of $2 per day up to a maximum of $250 for a failure to timely file a financial disclosure statement required under §CG 5-105 (Financial disclosure - local elected officials and candidates to be local elected officials) or CG 5-106 (Financial disclosure - employees and appointed officials) of this Subtitle, as from time to time amended;

(2) Assess a late fee of $10 per day up to a maximum of $250 for a failure to file a timely lobbyist registration or lobbyist report required under §CG 5-107 (Lobbying) of this Subtitle, as from time to time amended; and

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

(b) Actions on violations.

(1) Upon a finding of a violation of any provision of this Subtitle, the Ethics Board may:

A. Issue an order of compliance directing the respondent to cease and desist from the violation;

B. Issue a reprimand; or

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

(2) If the Ethics Board finds that a respondent has violated §CG 5-107 (Lobbying) of this Subtitle, as from time to time amended, the Ethics Board may:

A. Require a respondent who is a registered lobbyist to file any additional reports or information that reasonably related to the information that is required under §CG 5-107 (Lobbying) of this Subtitle, as from time to time amended;

B. Impose a fine not exceeding $5,000 for each violation; and

C. Suspend the registration of an individual registered lobbyist if the Ethics Board finds that the lobbyist has knowingly and willfully violated §CG 5-107 (Lobbying) of this Subtitle, as from time to time amended, or has been convicted of a criminal offense arising from lobbying activities.
(c) Judicial actions.

(1) Upon request by the Ethics Board, the Worcester County Attorney may file a petition for injunctive or other relief in the circuit court of Worcester County, or in any other court having proper venue for the purpose of requiring compliance with the provisions of this Subtitle.

(2) Actions by the court.

A. The court may:

   1. Issue an order to cease and desist from the violation;

   2. Except as provided in subparagraph (B) of this paragraph, void an official action taken by an official or employee with a conflict of interest prohibited by this Subtitle when the action arises from or concerns the subject matter of the conflict and if the legal action is brought within 90 days of the occurrence of the official action, if the court deems voiding the action to be in the best interest of the public; or

   3. Impose a fine of up to $5,000 for any violation of the provisions of this Subtitle, with each day upon which the violation occurs constituting a separate offense.

B. A court may not void any official action appropriating public funds, levying taxes, or providing for the issuance of bonds, notes, or other evidences of public obligations.

(d) Other enforcement actions. In addition to any other enforcement provisions in this Subtitle, a person who the Ethics Board or a court finds has violated this Subtitle:

   (1) Is subject to termination or other disciplinary action; and

   (2) May be suspended from receiving payment of salary or other compensation pending full compliance with the terms of an order of the Ethics Board or a court.

(e) Disciplinary action. A Worcester County official or employee found to have violated this Subtitle is subject to disciplinary or other appropriate personnel action, including removal from office, disciplinary action, suspension of salary, or other sanction.

(f) Lobbying violations. Violation of §CG 5-107 (Lobbying) of this Subtitle, as from time to time amended, shall be a misdemeanor subject to a fine of up to $10,000 and/or imprisonment of up to one year.

(g) Public information. A finding of a violation of this Subtitle by the Ethics Board is public information.
Section 2. BE IT FURTHER ENACTED BY THE COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND, that this Bill shall take effect forty-five (45) days from the date of its passage.

PASSED this __________ day of ________________________, 2018.

ATTEST:

Harold L. Higgins
Chief Administrative Officer

COUNTY COMMISSIONERS OF
WORCESTER COUNTY, MARYLAND

Diana Purnell, President

Theodore J. Elder, Vice President

Anthony W. Bertino, Jr.

Madison J. Bunting, Jr.

James C. Church

Merrill W. Lockfaw, Jr.

Joseph M. Mitrecic

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To: County Commissioners  
From: Maureen Howarth  
Date: February 28, 2018  
Re: Amendments to the Ethics Code

I received a letter from the State Ethics Commission requiring the County to amend our Ethics Code based on 2017 changes to the State Ethics Code. The needed changes are incorporated into the attached legislative bill.

Additionally, I amended the applicability of Section 5-106 “Financial disclosure of employees and appointed officials” to require the reporting of gifts and conflicts of interest by deputy directors and all employees holding a supervisory position.

I request that the legislative bill be introduced and set for public hearing.
October 3, 2017

Maureen F.L. Howarth
County Attorney
Worcester County
One West Market Street, Room 1103
Snow Hill, MD 21863

Re: Local Government Ethics Update

Dear Mr. Howarth:

As you are aware, there were significant changes mandated to county and municipal ethics laws and county boards of education ethics regulations by legislation (SB315 – Chapter 277 of the Acts of 2010) enacted during the 2010 General Assembly session. The law became effective October 1, 2010. Counties and municipalities required to adopt a local ethics law must include conflict of interest and financial disclosure provisions for local elected officials that are at least equivalent to the State’s provisions; financial disclosure provisions for candidates for local elected office that are at least equivalent to State provisions; conflict of interest and financial disclosure provisions for local employees and appointed officials that are similar to State provisions; and local lobbying provisions that are substantially similar to State provisions. The State Ethics Commission previously approved the Worcester County local Ethics Law as being in compliance with Subtitle 8 of the Maryland Public Ethics Law (Md. Code Ann., Gen. Prov., Title 5 (Supp. 2016)).

We are writing to notify the Worcester County that the requirements under the State Ethics Law are changing. House Bill 879, enacted during the 2017 Legislative session, made multiple modifications to the State Ethics Law, some of which will change the requirements for local government ethics laws. Those changes include additional disclosures for State elected officials that local governments must incorporate into their Ethics Ordinances for their elected officials. However, a number of changes relax certain of the financial disclosure requirements, particularly for debt and stock holding disclosures, and make home addresses confidential from public disclosure. We have included an attachment describing the changes that need to be included in the new drafts of Ethics Law, highlighting the additional provisions that must be included in a law to be compliant with State law, and the changes that relax some requirements and may be adopted if desired by the City. In addition, we have also included our new model laws with the changes.
highlighted on our website. Most of the changes take effect October 1, 2017 and our regulations implementing these changes are in the approval process.

Commission staff is available to provide guidance and assistance to the Worcester County as you work through updating your law to incorporate the new changes. Please do not hesitate to contact us should you have any questions regarding the new local government ethics law requirements. As a reminder, any and all future changes to the ethics ordinance must be submitted to the Commission for review and approval in compliance with Subtitle 8 of the Maryland Public Ethics Law and COMAR 19A.04.

Finally, Section §5-807(b) of the Public Ethics Law requires each local jurisdiction to file the Local Government Ethics Law Annual Certification by October 1 of each year. Given the timing of these legislative changes, we do not anticipate 2017 certifications will include any of the changes discussed above. Our office has already received the Worcester County’s certification for 2017. Please contact our office if you have any questions regarding this matter.

Sincerely,

[Signature]

Jennifer K. Allgair
General Counsel

Enclosures
Changes that must be adopted for local government compliance with the requirements of Subtitle 8 of the Public Ethics Law or COMAR 19A.04:

1. 5-504(d)(2). Precludes Governor, Lieutenant Governor, AG, Comptroller, Treasurer or a Member of the General Assembly from lobbying (legislative matters) for one calendar year after leaving office. Needs to be added to the conflict of interest section covering local elected officials.

2. 5-606(a)(3). Effective January 1, 2019, Commission may not provide public access to the portion of a financial disclosure statement that includes an individual's home address as identified by the individual (i.e. the Commission must redact the information before making it publicly available). Applies to all statements, whether posted on the Internet or viewable only in the Office. Home addresses should be redacted from public disclosure. Local employees and elected officials don't have to worry about the public being able to see their home address on their filings submitted after January 1, 2019.

Changes that must be adopted for local government compliance with the requirements of Subtitle 8 of the Public Ethics Law or COMAR 19A.04, for those local governments with lobbying provisions:

1. 5-501(a-1). Adds new subsection prohibiting former lobbyists who become a public official or State employee (i.e. take job with the State) from participating in a case, contract or other specific matter for 1 calendar year after terminating their registrations if they previously assisted or represented another party in the matter (a “reverse” post-employment restriction for lobbyists). Does not apply to uncompensated or minimally compensated (less than 25% of grade 16) board/commission members or elected officials. ONLY FOR JURISDICTIONS WITH LOBBYING PROVISIONS. Needs to be added the conflict of interest provisions to cover employees compensated over a certain amount.

2. 5-607(i). Adds another category to Schedule H – for a statement filed on or after January 1, 2019, if the filer's spouse is a regulated lobbyist, must disclose the entity that has engaged the spouse to lobby. ONLY FOR JURISDICTIONS WITH LOBBYING PROVISIONS. Requires spouses of lobbyists to disclose the entities that engage the lobbyist spouse on their annual disclosure filings.

Changes that may be adopted if the local government chooses:

1. 5-101(t). Removes “exchange-traded funds” from the definition of “interest”. An ETF is a diversified collection of assets (like a mutual fund) that trades on an exchange (like a stock). Now, as is the case with mutual funds, financial disclosure filers will no longer have to disclose interests they hold in ETFs.

2. 5-506. Adds three specific circumstances that constitute violation of the prestige of office provision (influencing the award of a State or local contract to a specific person; initiating a solicitation for a person to retain the compensated services of a particular lobbyist or firm; using public resources or title to solicit a political contribution regulated in accordance with the Election Law Article). In the last situation, employees and public officials may not use title or public resources, State officials may not use public
resources. The State Ethics Commission has already interpreted these kinds of actions to be in violation of the prestige of office provision. Local governments are able to include these specific circumstances in their law if they would like or any other for clarifying purposes.

3. 5-607(g). Changes the Schedule F disclosure (indebtedness to entities doing business with the State) to indebtedness to entities doing business with or regulated by the individual's governmental unit. Instead of disclosing all indebtedness to entities doing business with the local government, only debts with entities doing business with the specific governmental unit must be disclosed by filers.

4. 5-606(a)(2). Effective January 1, 2019, Ethics Commission must provide Internet access, through an online registration program, to financial disclosure statements submitted by State officials, candidates for office as State officials, and Secretaries of a principal department of the Executive Branch. Local governments can now decide to put the local disclosure forms online for public viewing.

5. 5-704. Codifies disclosure requirements for lobbyists who serve on State boards and commissions. Also codifies a requirement for such a lobbyist who is disqualified from participating in a specific matter to file a statement of recusal with the board or commission. ONLY FOR JURISDICTIONS WITH LOBBYING PROVISIONS. Requires lobbyists who serve on local boards to submit disclosure forms that mirror the forms for local elected officials.