

**ORDINANCE 22-05**

**AN ORDINANCE  
OF THE COUNCIL OF THE TOWN OF NORTH BEACH  
AMENDING CHAPTER 9, “ETHICS”, OF THE CODE OF THE TOWN OF  
NORTH BEACH TO INCORPORATE CHANGES REQUIRED BY STATE LAW  
TO CONFLICT OF INTEREST AND FINANCIAL DISCLOSURE PROVISIONS**

**WHEREAS**, pursuant to Md. Code Ann., Local Gov’t. Article, § 5-202 the Council of the Town of North Beach has the authority to pass such ordinances as it deems necessary to assure the good government of the Town; protect and preserve the Town’s rights, property, and privileges; and preserve peace and good order; and

**WHEREAS**, Md. Code Ann., Gen. Provisions. Art., Title 5, the Maryland Public Ethics Law, provides in § 5-807 that, each municipal corporation in the State shall enact provisions to govern the public ethics of local officials relating to conflicts of interest, financial disclosure, and lobbying; and

**WHEREAS**, pursuant to this authority, the Council of the Town of North Beach enacted Chapter 9 “Ethics” of the Code of the Town of North Beach; and

**WHEREAS**, the Maryland General Assembly passed legislation during its 2021 session that made various modifications to the State Ethics Law that require changes to local government ethics laws regarding conflicts of interest and financial disclosures for State elected officials that local governments must incorporate into their ethics ordinances; and

**WHEREAS**, the Council of the Town of North Beach desires to make the required amendments to the Town’s Public Ethics Ordinance to incorporate revisions to State law.

**Section 1. NOW THEREFORE BE IT ORDAINED AND ENACTED** by the Council of the Town of North Beach, that North Beach Town Code, Chapter 9, “Ethics,” § 9-2 Applicability; definitions,” shall be and hereby is amended as follows:

§ 9-2 Applicability; definitions.

- A. The provisions of this chapter apply to all Town elected officials, employees, and appointees to boards and commissions of the Town.
- B. As used in this chapter, the following terms shall have the meanings indicated:

\* \* \*

QUALIFIED RELATIVE

A spouse, parent, child, or sibling.

QUASI-GOVERNMENTAL ENTITY

AN ENTITY THAT IS CREATED BY STATE STATUTE, THAT PERFORMS A PUBLIC FUNCTION,  
AND THAT IS SUPPORTED IN WHOLE OR IN PART BY THE STATE BUT IS MANAGED PRIVATELY.

\* \* \*

**Section 2. BE IT FURTHER ORDAINED AND ENACTED** by the Council of the Town of North Beach, that North Beach Town Code, Chapter 9, “Ethics”, § 9-4, “Conflicts of Interest”, shall be and hereby is amended as follows:

§ 9-4 Conflict of Interest.

\* \* \*

C. Employment and financial interest restrictions.

(1) Except as permitted by regulation of the Commission when the interest is disclosed or when the employment does not create a conflict of interest or appearance of conflict, an official or employee may not:

(a) Be employed by or have a financial interest in any entity:

[1] Subject to the authority of the official or employee or the Town ~~agency, board, or commission~~ with which the official or employee is affiliated; or

[2] That is negotiating or has entered a contract with the ~~agency, board, or commission with which the official or employee is affiliated~~ TOWN; or

(b) Hold any other employment relationship that would impair the impartiality or independence of judgment of the official or employee

\* \* \*

G. Solicitation and acceptance of gifts.

\* \* \*

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

(a) Is doing business with or seeking to do business with the Town;

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- (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~~ TOWN;
- (d) Is a lobbyist with respect to matters within the jurisdiction of the official or employee;  
OR
- (E) IS AN ASSOCIATION OR ANY ENTITY ACTING ON BEHALF OF AN ASSOCIATION THAT IS ENGAGED ONLY IN REPRESENTING COUNTIES OR MUNICIPAL CORPORATIONS.

\* \* \*

H. Disclosure of confidential information. Other than in the discharge of official duties, an official or employee OR FORMER OFFICIAL OR EMPLOYEE may not disclose or use confidential information that the official or employee acquired by reason of the official's or employee's public position OR FORMER PUBLIC POSITION and that is not available to the public, for the economic benefit of the official or employee or that of another person.

I. AN OFFICIAL OR EMPLOYEE MAY NOT RETALIATE AGAINST AN INDIVIDUAL FOR REPORTING OR PARTICIPATING IN AN INVESTIGATION OF A POTENTIAL VIOLATION OF THE LOCAL ETHICS LAW OR ORDINANCE.

**Section 3. BE IT FURTHER ORDAINED AND ENACTED** by the Council of the Town of North Beach, that North Beach Town Code, Chapter 9, "Ethics", § 9-5, "Financial Disclosure: local elected officials and candidates to be local elected officials", shall be and hereby is amended as follows:

§ 9-5 Financial Disclosure: local elected officials and candidates to be local elected officials.

\* \* \*

C. Public Record.

\* \* \*

(6) THE COMMISSION OR THE OFFICE DESIGNATED BY THE COMMISSION SHALL NOT PROVIDE PUBLIC ACCESS TO INFORMATION RELATED TO CONSIDERATION RECEIVED FROM:

(i) THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM;

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(II) A GOVERNMENTAL ENTITY OF THE STATE OR A LOCAL GOVERNMENT IN THE STATE; OR

(III) A QUASI-GOVERNMENTAL ENTITY OF THE STATE OR A LOCAL GOVERNMENT IN THE STATE.

\* \* \*

E. Contents of statement.

\* \* \*

(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 the Town OR FROM AN ASSOCIATION, OR ANY ENTITY ACTING ON BEHALF OF AN ASSOCIATION THAT IS ENGAGED ONLY IN REPRESENTING COUNTIES OR MUNICIPAL CORPORATIONS.

(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 the Town.

(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 the Town.

(b) For each position reported under this subsection, the schedule shall include:

- [1] The name and address of the principal office of the business entity; AND
- [2] The title and nature of the office, directorship, or salaried employment held and the date it commenced; ~~and~~
- ~~[3] The name of each Town agency with which the entity is involved.~~

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\* \* \*

(9) RELATIONSHIP WITH UNIVERSITY OF MARYLAND MEDICAL SYSTEM, STATE OR LOCAL GOVERNMENT, OR QUASI-GOVERNMENTAL ENTITY.

(I) AN INDIVIDUAL SHALL DISCLOSE THE INFORMATION SPECIFIED IN GENERAL PROVISIONS ARTICLE §5-607(J)(1), ANNOTATED CODE OF MARYLAND, FOR ANY FINANCIAL OR CONTRACTUAL RELATIONSHIP WITH:

(A) THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM;

(B) A GOVERNMENTAL ENTITY OF THE STATE OR LOCAL GOVERNMENT IN THE STATE; OR

(C) A QUASI-GOVERNMENTAL ENTITY OF THE STATE OR LOCAL GOVERNMENT IN THE STATE.

(II) FOR EACH FINANCIAL OR CONTRACTUAL RELATIONSHIP REPORTED, THE SCHEDULE SHALL INCLUDE:

(A) A DESCRIPTION OF THE RELATIONSHIP;

(B) THE SUBJECT MATTER OF THE RELATIONSHIP; AND

(C) THE CONSIDERATION.

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

F. For the purposes of § 9-5G ~~[EIH]~~ (1) and (2) of this section, 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, BY:

(A) A BUSINESS ENTITY IN WHICH THE INDIVIDUAL HELD A 10% OR GREATER INTEREST;

(B) A BUSINESS ENTITY DESCRIBED IN SECTION (A) OF THIS SUBSECTION IN WHICH THE BUSINESS ENTITY HELD A 25% OR GREATER INTEREST;

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(C) A BUSINESS ENTITY DESCRIBED IN SECTION (B) OF THIS SUBSECTION IN WHICH THE BUSINESS ENTITY HELD A 50% OR GREATER INTEREST; AND

(D) A BUSINESS ENTITY IN WHICH THE INDIVIDUAL DIRECTLY OR INDIRECTLY, THOUGH AN INTEREST IN ONE OR A COMBINATION OF OTHER BUSINESS ENTITIES HOLDS A 10% OR GREATER INTEREST.

(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. REQUIRED INFORMATION REGARDING AN IDENTIFIED BUSINESS. AN INDIVIDUAL WHO IS REQUIRED TO DISCLOSE THE NAME OF A BUSINESS UNDER THIS SECTION SHALL DISCLOSE ANY OTHER NAMES THAT THE BUSINESS IS TRADING AS OR DOING BUSINESS AS.

H. Review and enforcement.

\* \* \*

**Section 4. BE IT FURTHER ORDAINED** that, the Town Clerk is directed to promptly transmit a copy of this Ordinance following its adoption to the Maryland State Ethics Commission to request its approval of the contents hereof.

**Section 5. BE IT FURTHER ORDAINED** by the Council of the Town of North Beach, that this Ordinance shall become effective twenty (20) days after approval by the Mayor or passage by the Council over the Mayor's veto, provided that a fair summary of the ordinance shall be posted in the Town Hall and the Town's webpage and sent out via the Town's listserv, and a message shall be sent by text message to residents subscribing to the Town's text message alert system, if any, that an ordinance is available for review on the Town's webpage.

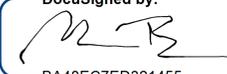
**AND, BE IT FURTHER ORDAINED**, that this Ordinance shall become effective on the 30th day of November, 2022, after having been read at two successive Town Council meetings pursuant to Section 19-311 of the Town Charter.

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READ AND ADOPTED THIS 10<sup>th</sup> day of November, 2022.

By order of the Mayor and Council

DocuSigned by:  
  
BA48EC7ED321455...

Mike Benton, Mayor

ATTEST:

DocuSigned by:  
  
C27B36186BC34BC...

Stacy Milor, Town Clerk

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