



# THE PRINCE GEORGE'S COUNTY GOVERNMENT


## Office of Audits and Investigations

September 20, 2022

### FISCAL AND POLICY NOTE

TO: Robert J. Williams, Jr.  
Council Administrator

William M. Hunt  
Deputy Council Administrator

FROM: Josh Hamlin   
Director of Budget and Policy Analysis

RE: Policy Analysis and Fiscal Impact Statement  
CB-095-2022, Code of Ethics Revisions

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**CB-095-2022** (*Proposed and presented by:* The Chair of the Council at the request of the County Executive)

Assigned to the Government Operations and Fiscal Policy (GOFP) Committee

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**AN ACT CONCERNING CODE OF ETHICS** for the purpose of complying with newly adopted changes to the State Ethics Law that include new definitions, prohibited gifts, certain disclosures, prohibiting retaliation and generally conforming with State requirements passed by the Maryland General Assembly.

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### Fiscal Summary

#### Direct Impact:

*Expenditures:* None.

*Revenues:* None.

#### Indirect Impact:

None likely.

### **Legislative Summary:**

CB-095-2022, proposed by the Chair at the request of the County Executive, was presented on September 13, 2022, and referred to the Government Operations and Fiscal Policy (GOFP) Committee. CB-095-2022 would amend the County's Code of Ethics to align with changes mandated by the General Assembly in 2021. Among the changes CB-095-2022 would make are:

- adding a definition for quasi-governmental agency;
- prohibiting the receipt of gifts from an association or entity engaged only in representing counties or municipal corporations;
- prohibiting retaliation against an individual for reporting or participating in an investigation relating to a possible ethics violation;
- prohibiting the Board of Ethics from allowing public inspection of certain information;
- requiring disclosure of certain information regarding contractual relationships with the University of Maryland Medical System, State or local government, or a quasi-governmental entity; and
- adding members of the Police Accountability Board and Administrative Charging Committees as persons required to submit Financial Disclosure Statements.

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### **Current Law/Background:**

Each Maryland county is required to enact its own public ethics law governing public ethics of local officials relating to: (1) conflicts of interest; (2) financial disclosure; and (3) lobbying. These local ethics laws must be submitted to the State Ethics Board each year by October 1 with certification that they are in compliance with the State law provisions.<sup>1</sup>

The County's Code of Ethics is contained in Subtitle 2, Division 17 of the County Code.<sup>2</sup> In very general terms, the Code of Ethics prohibits certain conduct (*i.e.*, acceptance of certain gifts, outside employment, etc.), mandates the disclosure by certain public employees and officials of financial information, business interests, and contractual relationships, and regulates lobbying of public officials. The Code of Ethics is enforced by the County Board of Ethics, with support from the Office of Ethics and Accountability.<sup>3</sup>

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### **Resource Personnel:**

- Rhonda L. Weaver, County Attorney
- Robin Barnes-Shell, Director, Office of Ethics and Accountability

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<sup>1</sup> [MD Code, General Provisions, § 5-807. Public ethics laws required](#)

<sup>2</sup> [Subtitle 2 – Administration, Division 17 – Code of Ethics.](#)

<sup>3</sup> [Prince George's County Board of Ethics](#)

### Discussion/Policy Analysis:

As noted above, CB-095-2022 would make several changes to the Code of Ethics. The substantive changes that the Bill would make are described below (new language in italics):

1. The Bill would prohibit an official or employee from knowingly accepting any gift, directly or indirectly, from any person that he knows or has reason to know *is an association or any entity acting on behalf of an association that is engaged only in representing counties or municipal corporations.* (page 3, lines 1-2)
2. The Bill would prohibit an official or employee from retaliating *against an individual for reporting or participating in an investigation of a potential violation of the local ethics law or ordinance.* (page 3, lines 9-11)
3. *Members of the Police Accountability Board and members of the Administrative Charging Committee* would be required to file financial disclosure statements. (page 3, lines 19-20)
4. While financial disclosure statements are public records generally subject to public inspection, under CB-095-2022, *the Board [of Ethics] shall not provide public access to information related to consideration received from: (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<sup>4</sup> of the State or local government in the State.* (page 4, lines 21-26)
5. The Bill would require the disclosure, in a financial disclosure statement of a financial or contractual *relationship with University of Maryland Medical System, State or Local Government, or Quasi-Governmental Entity,* in accordance with MD Code, General Provisions, § 5-607(j)(1).<sup>5</sup> (page 5, lines 10-24)
6. Financial disclosure statements would provide that *an individual who is required to disclose the name of a business . . . shall disclose any other names that the business is trading or doing business as.* (page 5, lines 29-30)
7. The Bill would modify the interests subject to disclosure on financial disclosure statements to require disclosure of: (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; and (2) (i) *a business entity in which the individual held a 10% or greater interest* (under current law, a filer must disclose a business entity in which the individual held a 30% interest or greater) and (ii) *a business entity in which the individual directly or indirectly, through an interest in one or a combination of other business entities, holds a 10% or greater interest.* In addition, specified interests of business entities in which the individual has at least a 10% interest would be considered interests attributable to the individual for purposes of financial disclosure. (page 6, lines 6-31)

As noted in the transmittal letter, the Bill's proposed changes were submitted to and reviewed by the State Ethics Commission (SEC) in June 2022. The SEC approved the proposed changes to the

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<sup>4</sup> Per the definition added at page 2, lines 6-8 of the Bill, A "quasi-governmental entity" means an entity that is created by State statute that performs a public function, and that is supported in whole or in part by the State but is managed privately.

<sup>5</sup> MD Code, General Provisions, § 5-607(j)(1)

ethics ordinance as being: (1) at least equivalent to State law for local employees for conflict-of-interest provisions; and (2) at least equivalent to State law for financial disclosure provisions for local elected officials and candidates for local elected office. The SEC also determined that the conflict of interest, financial disclosure, and lobbying provisions County Ethics Ordinance is similar to the provisions of the Maryland Public Ethics Law for conflict of interest and financial disclosure provisions applicable to local elected officials, local employees and local appointed officials. The lobbying provisions of the Prince George's County Ethics Ordinance are also substantially similar to the provisions of the Maryland Public Ethics Law.<sup>6</sup>

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**Fiscal Impact:**

*Direct Impact*

Enactment of CB-095-2022 should have no direct fiscal impact on the County.

*Indirect Impact*

Enactment of CB-095-2022 should have no indirect fiscal impact on the County.

*Appropriated in the Current Fiscal Year Budget*

N/A

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**Effective Date of Proposed Legislation:**

The proposed Bill shall take effect forty-five (45) calendar days after it becomes law.

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If you require additional information, or have questions about this fiscal impact statement, please call me.

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<sup>6</sup> Letter from State Ethics Commission dated June 16, 2022 (Attachment to CB-095-2022)