

Financial Disclosure Statement Form FAQ

Financial Disclosure Law

1. ***What is Financial Disclosure?*** Financial disclosure is the filing of a form, usually on an annual basis, disclosing certain financial interests that may relate to the conflict of interest provisions in the Law.
2. ***Where is the Financial Disclosure Law found?*** Maryland Code Ann. Title 5, Maryland Public Ethics Law, Subtitle 6. Financial Disclosure, §§5-601 through 5-611.
3. ***What is the purpose of the Financial Disclosure Law?*** Some of the purposes of the law are to:
 - provide public access to documents disclosing possible conflicts of interest;
 - provide access to documents that demonstrate to the public that financial interests are not hidden; and that, generally, officials and employees are not engaging in conflicts of interest.
4. ***Who is required to file a Financial Disclosure Statement (FDS) with the Ethics Commission?*** Members of City boards and commissions, all elected City officials, candidates for City office, and certain employees who are designated as public officials under standards set in the Law. The criteria for designation as a public official may take into consideration a variety of factors, including compensation, duties or both.

**If you have received notice that you must submit an annual
Financial Disclosure Statement, that indicates you are required to file a FDS.**

5. ***What information does the financial disclosure statement require?***
 - Interests held in real property;
 - interests in corporations and partnerships;
 - interests in non-corporate business entities that do business with the City;
 - gifts over \$20 in value or a series of gifts totaling more than \$100 received from a person doing business with the City, regulated by the City, or registered as a lobbyist;
 - offices, directorships, salaried employment or similar interests in business entities that do business with the City, held by the official or employee or their immediate family;
 - debts owed to persons doing business with or regulated by the filer's agency;
 - names and positions of family members who are employed by the City;

- the name of each place of salaried employment and identification of any business entity in which the official, employee or member of their immediate family was the sole or partial owner and from which income was earned.

6. ***Why am I required to file a financial disclosure statement providing information for the calendar year before I was an employee or a candidate?*** The law requires that a financial disclosure statement cover the calendar year immediately preceding the year of filing. As such, if you began City employment in 2024 in a position required to file financial disclosure, then you would need to file for the calendar year 2023 within 30 days of assuming the position.

Timing and Mechanics of Filing

How do I submit my Financial Disclosure Statement? You may either:

- Complete the FDS online and forward it to the Ethics Commission at

ethics@districtheights.org

- Place your completed FDS in a sealed envelope and hand-deliver it to the City Clerk at the Municipal Center.

What is the filing deadline? April 30th for incumbent employees and within 30 days of taking the position for new employees. (See Question 6 in previous section.) Candidates for office must, in the year of the election, file on or before the earlier of April 30 or the last day for the withdrawal of a candidacy under the Election Law Article.

What is the fee for filing a financial disclosure statement? There is no fee.

I left City service, or changed positions to one that is not required to file. Do I have to file a financial disclosure statement after leaving my position? You are required to file a statement for each year in which you hold a filing position and within 60 days after leaving your position. Therefore, you are required to file a statement, reflecting your financial interests from January 1st of the year in which you leave your position through the last day of your employment in that position. The statement must be filed within 60 days after you leave your position.

Must the financial disclosure statement be filed under oath? Yes. In submitting your FDS, you indicate that you swear or affirm under the penalties of perjury (on the Completion page).

What happens if I fail to file a financial disclosure statement by the deadline? The Ethics Commission may issue a complaint against you.

What is the sanction imposed for failing to file a financial disclosure statement? The Ethics Commission may assess late fees in the amount of \$5 per day up to a maximum of \$500 for each delinquent or late statement, issue a reprimand, and/or recommend censure, removal or other discipline.

Are financial disclosure statements publicly available? Yes. The individual inspecting the document must appear in person, present identification, and register his or her name, home address, and the identity of the person whose statement was inspected. By Law, the Commission redacts home addresses from all statements filed after January 1, 2019.

You will be notified if someone asks to see your form, including the name and home address of the person who requested your form and the date on which it was requested.

On Schedules G and H, what must a filer report concerning their spouse or dependent child? With regard to spouse, the filer must list the name and address of the spouse's employer from which income was earned and any business which the spouse owned during the reporting period wholly or partially from which income was earned. With regard to earned income by a dependent child, the filer needs to report this only if the source of the earned income was an entity that did business during the reporting period with or was regulated by the filer's agency. If the dependent child's earned income was from a source that was unrelated to (did not do business with or was not regulated by) the filer's agency, there is no requirement to report that source of earned income.

In simple language, what is an attributable interest? The easiest way to answer this is as follows: if your name is on the deed or the lease, the interest is direct. If you own part of a corporation or are in a partnership that owns real property and your interest in the corporation or partnership is 30% or more, your interest in the real property owned by that partnership or corporation is an attributable interest. Also, if the property is in another person's name (e.g. spouse) but you are responsible for the payments or contribute toward the payments, taxes or maintenance, the interest in that property is attributable.

The Ethics Commission has prepared these Financial Discloser FAQ's to provide general information about financial disclosure and to assist those required to file a FDS in completing their annual statements. The Commission encourages those with additional questions or in need of further assistance to contact the Commission directly at ethics@districtheights.org .