



City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

BILL NO. 160514

Introduced May 19, 2016

Councilmember Henon

**Referred to the
Committee on Law and Government**

AN ORDINANCE

Amending Chapter 20-600 of The Philadelphia Code, entitled “Standards of Conduct and Ethics,” to restate and revise conflict of interest prohibitions and related provisions and provisions pertaining to public disclosure of conflicts of interest, all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Section 20-601 of The Philadelphia Code is hereby amended as follows:

§ 20-601. Definitions.

* * *

(5) Business. Any corporation, partnership, sole proprietorship, firm, enterprise, franchise, association, organization, self-employed individual, holding company, joint stock company, receivership, trust or legal entity [organized for profit], *but not including a government agency or a City-controlled non-profit entity.*

* * *

(6.1) *City-controlled non-profit entity.* A *not-for-profit entity created by a City official for the purpose of supporting City programs that is controlled by a governing board more than 50% of whose members hold their position by virtue of their City office or as a result of an appointment or nomination by a City officer, such as the Philadelphia Industrial Development Corporation and the Philadelphia Housing Development Corporation.*

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(15.1) Member of a Business. A person is a member of a business if he or she is a board member, director, partner, manager, trustee or officer of the business or if he or she is being paid by the business for work as an employee or independent contractor.

* * *

(9) Financial Interest. An interest involving money or its equivalent or an interest involving any right, power or privilege that has economic value, *but not including a de minimis interest.*

* * *

SECTION 2. Section 20-607 of The Philadelphia Code, entitled “Conflict of Interest,” is deleted in its entirety and replaced with the following:

§ 20-607. Conflicts of Interest.

(1) A City officer or employee shall not:

(a) take official action if he or she knows, or should know, that he or she has a financial interest in that official action; or

(b) use City resources for his or her financial benefit or for the financial benefit of a family member or a business of which the City officer or employee, or a family member of the City officer or employee, is a member or employee, unless the manner in which such City resources are used is part of the performance of the City officer’s or employee’s job duties.

(2) A City officer or employee shall not take official action if he or she knows, or should know, that:

(a) his or her family member has a financial interest in that official action;

(b) a business of which the City officer or employee is a member or employee has a financial interest in that official action;

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(c) a business of which a family member of the City officer or employee is a member or employee has a financial interest in that official action; or

(d) his or her equity partner, co-owner, or the equivalent, in a privately held business, has a financial interest in that official action.

(3) No City officer or employee, while a City officer or employee or within two years of his or her separation from City office or employment, shall acquire a financial interest in any official action he or she has taken while a City officer or employee.

(4) A City officer or employee shall not take official action during the year after the start of his or her City service or employment if he or she knows, or should know, that a for-profit business of which he or she was an employee or paid officer, manager, or director during the one-year period before the start of such City service or employment has a financial interest in that official action.

(5) Nothing in this Section shall prohibit a City officer or employee from taking official action that affects the financial interest of an individual or business if such official action affects the financial interests of the general public or of a broad and large class of persons or businesses in the same manner and to a similar degree as it affects the financial interest of the person or business. In such circumstances, the City officer or employee is not required to follow the disclosure and disqualification process set forth in Code Section 20-608.

(6) A City officer or employee shall file a disclosure as provided in Section 20-608 whenever he or she knows, or should know, that he or she is in a position to take official action that would violate one or more of the prohibitions set forth in this Section.

SECTION 3. Section 20-608 of The Philadelphia Code, entitled “Public Disclosure and Disqualification,” is deleted in its entirety and replaced with the following:

§ 20-608. Public Disclosure and Disqualification.

(1) Whenever a City officer or employee knows, or should know, that he or

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she will be in a position to take official action that would violate one or more of the prohibitions set forth in Section 20-607, he or she shall:

(a) remove himself or herself from any City action involving the matter that gives rise to the conflict, including discussions or meetings with other City officers or employees; and

(b) make a disclosure as set forth in this Section.

(2) *The disclosure shall be in writing and shall set forth the nature of the officer's or employee's duties and the nature of the financial interest or relationship that gives rise to the potential conflict. It shall also state the officer's or employee's intention to disqualify himself or herself from any such official action.*

(3) *The officer or employee shall provide the disclosure to the head or chair of the officer's or employee's agency or body with a copy by postal mail or email to the Board's General Counsel. City officers and employees who are the head of the agency or body for which they work shall provide the disclosure to the City officer or employee to whom they report, or, if there is no such officer or employee, to the next highest ranking member of their agency or body with a copy by postal mail or email to the Board's General Counsel.*

(4) *If a City agency or body of which the officer or employee is a member will consider a matter with respect to which a disclosure is required pursuant to this Section at a public hearing or meeting at which the officer or employee is present, the officer or employee shall, in addition to complying with subsection (1) above, state the fact of the conflict at the hearing or meeting and remove himself or herself from the hearing or meeting during the time period when the agency or body addresses the matter.*

Explanation:

[Brackets] indicate matter deleted.
Italics indicate new matter added.