

Legislation Text

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Amending Chapter 20-600 of The Philadelphia Code (“Standards of Conduct and Ethics”) to amend definitions, further address conflict of interest and related rules, and revise disqualification and notification rules, all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Chapter 20-600 of The Philadelphia Code is hereby amended as follows:

CHAPTER 20-600. STANDARDS OF CONDUCT AND ETHICS

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§ 20-601. Definitions.

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(6.1) *City-related non-profit.* Any not-for-profit entity established by the City, such as the Delaware River Waterfront Corporation, Community Behavioral Health, the Philadelphia Housing Development Corporation, and the Philadelphia Industrial Development Corporation.

* * *

(8) Family member. A parent, spouse, life partner, child, [brother, sister] *sibling*, [or] like relative-in-law, or *romantic partner*.

(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*.

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(15.1) *Member of a Business.* A board member, director, partner, manager, owner, operator, trustee, or officer of a business; a holder of more than a 5% interest in a business; or a paid employee of or independent contractor of a business.

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(16.1) *Non-City employment.* Payment for services rendered to any person other than the City.

* * *

(20) Person. A business, individual, corporation, non-profit, union, association, firm, partnership,

committee, political committee, club, or other organization or group of [persons] *individuals other than a governmental entity or a City-related non-profit.*

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§ 20-610. Statement of Financial Interests.

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(2) The statement of financial interests filed pursuant to this Section shall be signed under penalty of perjury and include the following information for the prior calendar year with regard to the filer:

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(e) The name of any person who is the direct or indirect source of *gross* income totaling in the aggregate five hundred dollars (\$500) or more. Any filer whose salary is paid out of the City Treasury, not including members of boards and commission who receive compensation on a per-meeting basis, shall additionally report the amount of *gross* income received from any direct or indirect source of income totaling more than five thousand dollars (\$5,000), *and a description of the basis for the receipt of the income, including source and chronology.* Election not to receive a salary that is fixed by Charter or ordinance shall not relieve a filer from their obligations pursuant to this subsection. However, this subsection shall not be construed to require the divulgence of confidential information protected by statute or existing professional codes of ethics.

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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) *No officer or employee shall take official action if the officer or employee knows, or should know, that any of the following have a financial interest in that official action:*

- (a) *the officer or employee;*
- (b) *a family member of the officer or employee;*
- (c) *a business of which the officer or employee is a member;*
- (d) *a business of which a family member of the officer or employee is a member;*
- (e) *a business partner or the equivalent of the officer or employee;*
- (f) *any person that pays the officer or employee as an employee, independent contractor, or consultant, or any parent, subsidiary, or otherwise affiliated entity of that person.*

- (2) *No officer or employee shall use City resources for the financial benefit of any of the persons listed in 20-607(1).*
- (3) *No officer or employee shall hold or accept any non-City employment that is incompatible with the officer or employee's official responsibilities or that would require the officer or employee's disqualification from matters so central or critical to the performance of the individual's City duties that the individual's ability to perform those duties would be substantially impaired.*
- (4) *An approval in writing provided by the head of the department or agency, or designee thereof, for whom an officer or employee works stating that non-City employment will not violate the prohibition of Subsection 20-607.1(1) shall preclude a determination of a violation of that Subsection.*
- (5) *An officer or employee shall not take any official action on a matter if a person who employs such officer or employee as an employee, independent contractor, or consultant, or any political committee affiliated with such person, or an agent of any of the foregoing, has sought to influence the officer or employee on that matter.*
- (6) *No officer or employee shall subsequently financially benefit from any official action taken by the officer or employee, either while holding City office or employment or within two years after separation from City office or employment.*
- (7) *No officer or employee shall take official action during the first year of the officer or employee's City service or employment if the individual knows, or should know, that a business of which the individual was a member during the one-year period before the start of such City service or employment has a financial interest in that official action.*
- (8) *An officer or employee shall file a disclosure as provided in Section 20-608 if the officer or employee knows, or should know, that taking official action on a particular matter would violate one or more of the prohibitions set forth in this Section.*
- (9) *Large-Class Exception. Reserved.*
- (10) *The compensation by any public or not-for-profit schools or universities of any officers or employees for teaching paid at the same rate and in the same manner as adjunct, part-time, seasonal, or other similarly situated faculty at that entity shall not give rise to a conflict of interest under 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) *When an officer or employee knows, or should know, that taking official action would violate one or more of the prohibitions set forth in Section 20-607, the officer or employee shall:*
 - (a) *withdraw from any official 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) A disclosure required by Section 20-608(1)(b) shall be in writing and set forth:

(a) the nature of the duties of the officer or employee;

(b) the nature of the financial interest or relationship that gives rise to the potential conflict;

(c) the official action requiring the officer or employee's recusal; and

(d) the date of the disqualification of the officer or employee from any such official action.

(3) An officer or employee shall submit the disclosure prior to any City action being taken on the matter that gives rise to the conflict and within 24 hours of when the officer or employee knew or should have known of the conflict. In the case of legislation of which a member of Council was not previously aware, the Councilmember shall submit disclosure within 24 hours of public notice that action may be taken on that legislation.

(4) An officer or employee shall provide the required disclosure to the head of the department, branch of City government, or designee thereof with a copy by postal mail or email to the Board's General Counsel. An officer or employee who is the head of an agency or branch of government shall provide the disclosure to the officer or employee to whom the individual reports, or, if there is no such officer or employee, to the next highest-ranking member of the 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 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 then withdraw from the hearing or meeting during the time period when the agency or body addresses the matter.