

LUDLOW ORDINANCE NO. 2025-11

AN ORDINANCE OF THE CITY OF LUDLOW, IN KENTON COUNTY, KENTUCKY, ADDING SECTION 40.29 TO THE CITY'S CODE OF ORDINANCES TO PROHIBIT FALSELY IMPUGNING THE REPUTATION OF EMPLOYEES, RESIDENTS, OR OFFICERS

WHEREAS, the City of Ludlow periodically reviews its Code of Ordinances to determine if any changes or updates need to be made;

WHEREAS, the currently existing Code of Ethics does not adequately address the conduct of City Council and City Employees; and

WHEREAS, the Ludlow City Council desires to amend the City's Code of Ordinances to address these shortcomings.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF LUDLOW, IN KENTON COUNTY, KENTUCKY, AS FOLLOWS:

SECTION 40.29 FALSELY IMPUGNING THE REPUTATION OF ANOTHER

An officer or employee may not falsely impugn the reputation of any resident, employee, or officer of this or any other jurisdiction. If an officer or employee believes their accusation to be true, and then learns that it was false, even in part, they should apologize in the same forum and manner where the accusations were made. A failure to apologize within a reasonable period of time after learning of the falseness of the accusations will create the presumption that the conduct was intentional.

Passed by the City Council this 11th day of September, 2025.

CITY OF LUDLOW, KENTUCKY

Sarah Thompson, Mayor

ATTEST: _____
Laurie Sparks, City Clerk

FIRST READING: _____

SECOND READING: _____

PUBLICATION: _____

EXHIBIT A

Proposed Text Amendments to the City of Ludlow's Code of Ordinances

Words to be added are **underlined**.

§ 40.01 TITLE.

This chapter shall be known and may be cited as the City of Ludlow Code of Ethics.
(`96 Code, § 39.01) (Ord. 1994-13, passed 10-27-1994)

§ 40.02 FINDINGS.

The City Council finds and declares that:

- (A) Public office and employment with the city are public trusts;
- (B) The vitality and stability of the government of the city depends upon the public's confidence in the integrity of its elected and appointed officers and employees; and
- (C) The government of the city has a duty to provide its citizens with standards by which they may determine whether public duties are being faithfully performed and to make its officers and employees aware of the standards which the citizenry rightfully expects them to comply with while conducting their public duties.

(`96 Code, § 39.02) (Ord. 1994-13, passed 10-27-1994)

§ 40.03 PURPOSE; AUTHORITY.

- (A) It is the purpose of this chapter to provide a method of assuring that standards of ethical conduct and financial disclosure requirements of the city shall be clearly established and uniform in nature.
- (B) It is further the purpose of this chapter to meet the requirements of KRS 65.003, as enacted by the 1994 Kentucky General Assembly.
- (C) This chapter is enacted under the power vested in the city by KRS 82.082 and pursuant to requirements of KRS 65.003 *et seq.*

(`96 Code, § 39.03) (Ord. 1994-13, passed 10-27-1994)

§ 40.04 DEFINITIONS.

For the purpose of this chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

BOARD OF ETHICS. The City of Ludlow Board of Ethics, which is created and vested by this chapter with the responsibility of enforcing the requirements of the city's code of ethics.

BUSINESS. Any corporation, partnership, sole proprietorship, firm, enterprise, franchise, association, organization, self-employed individual, holding company, joint stock company, receivership, trust, professional service corporation or any legal entity through which business is conducted for profit.

CANDIDATE. Any individual who seeks nomination or election to a city office. An individual is a candidate when the individual files a notification and declaration for

nomination for office with the county clerk or secretary of state, or is nominated for office by a political party, or files a declaration of intent to be a write-in candidate with the county clerk or secretary of state.

CITY. The City of Ludlow, Kentucky.

CITY AGENCY. Any board, commission, authority, non-stock corporation or other entity created, either individually or jointly, by the city.

EMPLOYEE. Any person, whether full-time or part-time, who is employed by or provides service to the city. The term *EMPLOYEE* shall not include any contractor or subcontractor or any of their employees.

FAMILY MEMBER. A spouse, parent, child, brother, sister, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent or grandchild.

OFFICER. Any person, whether full-time or part-time, who is one of the following:

- (1) The Mayor;
- (2) A City Council member;
- (3) The City Administrator;
- (4) The City Clerk-Treasurer; and

(5) A Board of Adjustment, Park Board, Property Maintenance Board of Appeals or Civil Service Commission member.

(`96 Code, § 39.04) (Ord. 1994-13, passed 10-27-1994)

STANDARDS OF CONDUCT

§ 40.20 CONFLICT OF INTEREST IN GENERAL.

Every officer and employee of the city and every city agency shall comply with the following standards of conduct.

(A) No officer or employee shall have an interest in a business or engage in any business, transaction or activity, which is in substantial conflict with the proper discharge of the officer's or employee's public duties.

(B) No officer or employee shall intentionally use or attempt to use his or her official position with the city to secure unwarranted privileges or advantages for himself or herself or others.

(C) No officer or employee shall intentionally take or refrain from taking any discretionary action, agree to take or refrain from taking any disciplinary action or induce or attempt to induce any other officer or employee to take or refrain from taking any discretionary action, on any matter before the city in order to obtain a financial benefit for any of the following:

- (1) The officer or employee;
- (2) A family member;
- (3) An outside employer;
- (4) Any business in which the officer or employee or any family member has a financial interest; and/or
- (5) Any business with which the officer or employee or any family member is negotiating or seeking prospective employment or other business or professional relationship.

(D) No officer or employee shall be deemed in violation of any provision in this section if, by reason of the officer's or employee's participation, vote, decision, action or inaction, no financial benefit accrues to the officer or employee, a family member, an outside employer or a business as defined in divisions (C)(4) and (C)(5) of this section, as a member of any business, occupation, profession or other group, to any greater extent than any gain could reasonably be expected to accrue to any other member of the business, occupation, profession or other group.

(E) (1) Every officer or employee who has a prohibited financial interest which the officer or employee believes or has reason to believe may be affected by his or her participation, vote, decision or other action taken within the scope of his or her public duties shall disclose the precise nature and value of the interest, in writing, to the City Council or city agency served by the officer or employee, and the disclosure shall be entered on the official record of the proceedings of the City Council.

(2) The officer or employee shall refrain from taking any action with respect to the matter that is subject to disclosure.

(`96 Code, § 39.20) (Ord. 1994-13, passed 10-27-1994) Penalty, see § 40.99

§ 40.21 CONFLICT OF INTEREST IN CONTRACTS.

Every officer and employee of the city and every city agency shall comply with the following standards of conduct regarding contracts:

(A) No officer or employee of the city or any city agency shall directly or through others undertake, execute, hold or enjoy, in whole or in part, any contract made, entered into, awarded or granted by the city or a city agency, except as follows:

(1) The prohibition in division (A) of this section shall not apply to contracts entered into before an elected officer was elected to office, before an appointed officer was appointed to a city or city agency office, or before an employee was hired by the city or a city agency. However, if any contract entered into by a city or city agency officer or employee before he or she was elected to office, was appointed to office, or was hired as an employee, is renewable after he or she is elected to office, assumes the appointed office or is hired as an employee, then the prohibition in division (A) of this section shall apply to the renewal of the contract.

(2) The prohibition in division (A) of this section shall not apply if the contract is awarded after public notice and competitive bidding unless the officer or employee is authorized to participate in establishing the contract specifications, awarding the contract or managing contract performance after the contract is awarded. If the officer or employee has any of the authorities set forth in the preceding sentence, then the officer or employee shall have no interest in the contract unless the requirements set forth in division (A)(3) of this section are satisfied.

(3) The prohibition in division (A) of this section shall not apply in any case where the following requirements are satisfied:

(a) The specific nature of the contract transaction and the nature of the officer's or employee's interest in the contract are publicly disclosed at a meeting of the City Council or city agency.

(b) The disclosure is made a part of the official record of the City Council or city agency before the contract is executed.

(c) A finding is made by the City Council or city agency that the contract with the officer or employee is in the best interests of the public and the city or city agency because of price, limited supply or other specific reasons.

(d) The finding is made a part of the official record of the City Council or city agency before the contract is executed.

(B) (1) Any violation of this section shall constitute a Class A misdemeanor, and upon conviction, the court may void any contract entered into in violation of this section.

(2) Additionally, a violation of this section shall be grounds for removal from office or employment with the city in accordance with any applicable provisions of state law and ordinances, rules or regulations of the city.

(`96 Code, § 39.21) (Ord. 1994-13, passed 10-27-1994) Penalty, see § 40.99

§ 40.22 RECEIPT OF GIFT.

No officer or employee of the city or any city agency shall, directly or indirectly through any other person or business, solicit or accept any gift having a fair market value of more than \$100, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise or any other form, under circumstances in which it could reasonably be inferred that the gift was intended to influence or could reasonably be expected to influence the officer or employee in the performance of his or her public duties.

(`96 Code, § 39.22) (Ord. 1994-13, passed 10-27-1994) Penalty, see § 40.99

§ 40.23 USE OF CITY PROPERTY, EQUIPMENT AND PERSONNEL.

No officer or employee of the city shall use or permit the use of any city time, funds, personnel, equipment or other personal or real property for the private use of any person unless:

(A) The use is specifically authorized by a stated city policy; or

(B) The use is available to the general public and then only to the extent and upon the terms that such use is available to the general public.

(`96 Code, § 39.23) (Ord. 1994-13, passed 10-27-1994) Penalty, see § 40.99

§ 40.24 REPRESENTATION OF INTERESTS BEFORE CITY GOVERNMENT.

Every officer and employee of the city and every city agency shall comply with the following standards of conduct regarding representation of interests before city government:

(A) No officer or employee of the city or any city agency shall represent any person or business, other than the city, in connection with any cause, proceeding, application or other matter pending before the city or any city agency.

(B) Nothing in this section shall prohibit any officer or employee from representing himself or herself in matters concerning his or her own interests.

(C) No elected officer shall be prohibited by this section from making any inquiry for information on behalf of a constituent, if no compensation, reward or other thing of value is promised to, given to or accepted by the officer, whether directly or indirectly, in return for the inquiry.

(`96 Code, § 39.24) (Ord. 1994-13, passed 10-27-1994) Penalty, see § 40.99

§ 40.25 MISUSE OF CONFIDENTIAL INFORMATION.

No officer or employee of the city or any city agency shall use or disclose information acquired in the course of his or her official duties, if the primary purpose of the use or disclosure is to further his or her personal financial interest or that of another person or business. Information shall be deemed confidential, if it is not subject to disclosure pursuant to the Kentucky Open Records Act, KRS 61.800 to 61.884, at the time of its use or disclosure.

(`96 Code, § 39.25) (Ord. 1994-13, passed 10-27-1994) Penalty, see § 40.99

§ 40.26 POST-EMPLOYMENT RESTRICTION.

No officer or employee of the city or any city agency shall appear or practice before the city or any city agency with respect to any matter on which the officer or employee personally worked while in the service of the city or city agency for a period of one year after the termination of the officer's or employee's service with the city or city agency.

(`96 Code, § 39.26) (Ord. 1994-13, passed 10-27-1994) Penalty, see § 40.99

§ 40.27 HONORARIA.

(A) No officer or employee of the city or city agency shall accept any compensation, honorarium or gift with fair market value greater than \$100 in consideration of an appearance, speech or article unless the appearance, speech or article is both related to the officer's or employee's activities outside of municipal service and is unrelated to the officer's or employee's service with the city.

(B) Nothing in this section shall prohibit an officer or employee of the city or any city agency from receiving and retaining from the city or on behalf of the city actual and reasonable out-of-pocket expenses incurred by the officer or employee in connection with an appearance, speech or article, provided that the officer or employee can show by clear and convincing evidence that the expenses were incurred or received on behalf of the city or city agency and primarily for the benefit of the city or city agency and not primarily for the benefit of the officer or employee or any other person.

(`96 Code, § 39.27) (Ord. 1994-13, passed 10-27-1994) Penalty, see § 40.99

§ 40.28 NEPOTISM PROHIBITED.

(A) No officer or employee of the city or a city agency shall advocate, recommend or cause the:

(1) Employment;

(2) Appointment;

(3) Promotion;

(4) Transfer; or

(5) Advancement of a family member to an office or position of employment with the city or a city agency.

(B) No officer or employee of the city or a city agency shall supervise or manage the work of a family member.

(C) No officer or employee shall participate in any action relating to the employment or discipline of a family member, except that this prohibition shall not prevent an elected or, appointed official from voting on or participating in the development of a budget which includes compensation for a family member, provided that the family member is included only as a member of a class of persons or a group, and the family member benefits to no greater extent than any other similarly situated member of the class or group.

(D) The prohibitions in this section shall not apply to any relationship or situation that would violate the prohibition, but which existed prior to adoption of this chapter.

(`96 Code, § 39.50) (Ord. 1994-13, passed 10-27-1994) Penalty, see § 40.99

40.29 FALSELY IMPUGNING THE REPUTATION OF ANOTHER

An officer or employee may not falsely impugn the reputation of any resident, employee, or officer of this or any other jurisdiction. If an officer or employee believes their accusation to be true, and then learns that it was false, even in part, they should apologize in the same forum and manner where the accusations were made. A failure to apologize within a reasonable period of time after learning of the falseness of the accusations will create the presumption that the conduct was intentional.

(Ord. 2025-11, passed _____) Penalty, see § 40.99

FINANCIAL DISCLOSURE

§ 40.40 WHO MUST FILE.

The following classes of officers and employees of the city and city agencies shall file an annual statement of financial interests with the Board of Ethics:

- (A) Elected city officials;
- (B) Candidates for elected city office;
- (C) Members of the Board of Ethics created by this chapter; and

(D) Nonelected officers and employees of the city or any city agency who are authorized to make purchases of materials or services, or award contracts, leases or agreements involving the expenditure of more than \$10,000.

(`96 Code, § 39.40) (Ord. 1994-13, passed 10-27-1994; Am. Ord. 1995-3, passed 4-13-1995) Penalty, see § 40.99

§ 40.41 WHEN TO FILE STATEMENTS; AMENDED STATEMENTS.

All those listed under § 40.40 shall follow the provisions below with regard to filing of the disclosure statement.

(A) (1) All statements of financial interest shall be filed no later than 5:00 p.m. on February 3 of each year, provided that an officer or employee newly-appointed to fill an office or position of employment with the city or a city agency shall file his or her initial statement no later than 30 days after the date of the appointment.

(2) A candidate for city office shall file his or her initial statement no later than 30 days after the date on which the person becomes a candidate for city office.

(B) The Board of Ethics may grant a reasonable extension of time for filing a statement of financial interests for good cause shown.

(C) In the event there is a material change in any information contained in a financial statement that has been filed with the Board, the officer or employee shall, no later than

30 days after becoming aware of the material change, file an amended statement with the Board.

(`96 Code, § 39.41) (Ord. 1994-13, passed 10-27-1994) Penalty, see § 40.99

§ 40.42 FORM OF THE STATEMENT OF FINANCIAL INTERESTS.

(A) The statement of financial interests shall be filed on a form prescribed by the Board of Ethics or the administrative official designated by the Board of Ethics. The Board or the designated administrative official shall deliver a copy of the form to each officer and employee required to file the statement, by first class mail or hand delivery, no later than January 3 of each year.

(B) The failure of the Board, or the designated administrative official, to deliver a copy of the form to any officer or employee shall not relieve the officer or employee of the obligation to file the statement.

(`96 Code, § 39.42) (Ord. 1994-13, passed 10-27-1994)

§ 40.43 CONTROL AND MAINTENANCE OF THE STATEMENTS OF FINANCIAL INTERESTS.

The following provisions shall apply to all those required to file financial statements with the Board of Ethics.

(A) The Board of Ethics shall be the official custodian of the statements of financial interests and shall have control over the maintenance of the statements of financial interests. The statements of financial interests shall be maintained by the Board of Ethics or the administrative official designated by the Board of Ethics as the custodian as public documents, available for public inspection immediately upon filing.

(B) A statement of financial interests shall be retained by the Board or the designated administrative official for a period of five years after filing; provided that, upon the expiration of three years after a person ceases to be an officer or employee of the city or a city agency, the Board shall cause to be destroyed any statements of financial interests or copies of those statements filed by the person.

(`96 Code, § 39.43) (Ord. 1994-13, passed 10-27-1994)

§ 40.44 CONTENTS OF THE FINANCIAL INTERESTS STATEMENT.

The following provisions shall apply to the financial interest statements filed.

(A) The statement of financial interests shall include the following information for the preceding calendar year:

(1) The name, current business address, business telephone and home phone address of the filer;

(2) The title of the filer's office or position of employment;

(3) The occupation of the filer and filer's spouse;

(4) Information that identifies each source of income of the filer exceeding \$5,000 during the preceding calendar year and the nature of the income (e.g., salary, commission, dividends, retirement fund distribution and the like);

(5) The name and address of any business located within the state in which the filer had at any time during the preceding calendar year an interest of \$10,000 at fair market value or 5% ownership interest or more;

(6) The name and address of any business located outside of the state, if the business has engaged in any business transactions with the city during the past three years, or which is anticipated to engage in any business transactions with the city, in which the filer had, at any time during the preceding calendar year, an interest of \$10,000 at fair market value or 5% ownership or more;

(7) Each source by name and address of gifts of honoraria having an aggregate fair market value of \$100 or more from any single source, excluding gifts received from family members, received by the filer during the preceding calendar year; and

(8) The name and address of any creditor owed more than \$10,000, except debts arising from the purchase of a primary residence or the purchase of consumer goods which are bought or used primarily for person, family or household purposes.

(B) Nothing in this section shall be construed to require any officer or employee to disclose any specific dollar amounts nor the names of individual clients or customers of businesses listed as sources of income.

(`96 Code, § 39.44) (Ord. 1994-13, passed 10-27-1994)

§ 40.45 NONCOMPLIANCE WITH FILING REQUIREMENT.

The Board of Ethics or the designated administrative official shall notify, by certified mail, each person required to file a statement of financial interests who fails to file the statement by the due date, files an incomplete statement or files a statement in a form other than that prescribed by the Board. The notice shall specify the type of failure or delinquency, shall establish a date by which the failure or delinquency shall be remedied and shall advise the person of the penalties for a violation.

(`96 Code, § 39.45) (Ord. 1994-13, passed 10-27-1994) Penalty, see § 40.99

§ 40.99 PENALTY.

(A) Except when another penalty is specifically set forth in this chapter, any officer or employee of the city or any city agency who is found by the Board of Ethics to have violated any provision of this chapter shall be deemed guilty of a civil offense and may be subject to a civil fine imposed by the Board of Ethics not to exceed \$1,000, which may be recovered by the city in a civil action in the nature of debt if the offender fails to pay the penalty within a prescribed period of time.

(B) In addition to all other penalties which may be imposed under this chapter, any officer or employee of the city or any city agency who is found by the Board of Ethics to have violated any provision of this chapter shall forfeit to the city or the city agency an amount equal to the economic benefit or gain which the officer or employee is determined by the Board to have realized as a result of the violation. The amount of any forfeiture may be recovered by the city in a civil action in the nature of debt, if the offender fails to pay the amount of the forfeiture within a prescribed period of time.

(C) In addition to all other penalties which may be imposed under this chapter, a finding by the Board of Ethics that an officer or employee of the city or any city agency is guilty of a violation of this chapter shall be sufficient cause for removal, suspension, demotion or other disciplinary action by the Mayor or city agency, or by any other officer or agency having the power of removal or discipline. Any action to remove or discipline any officer or employee for a violation of this chapter shall be taken in accordance with all applicable ordinances and regulations of the city and all applicable laws of the commonwealth.

(D) (1) Any person who fails or refuses to file the statement or who fails or refuses to remedy a deficiency in the filing identified in the notice under division (A) of this section within the time period established in the notice shall be guilty of a civil offense and shall be subject to a civil fine imposed by the Board in an amount not to exceed \$25 per day, up to a maximum total civil fine of \$500. Any civil fine imposed by the Board under this section may be recovered by the city in a civil action in the nature of debt if the offender fails or refuses to pay the penalty within a prescribed period of time.

(2) Any person who intentionally files a statement of financial interests which he or she knows to contain false information or intentionally omits required information shall be guilty of a Class A misdemeanor.

(`96 Code, § 39.99) (Ord. 1994-13, passed 10-27-1994)