

RHODE ISLAND ETHICS COMMISSION

Advisory Opinion No. 2025-10

Approved: February 11, 2025

Re: Lynn Underwood Ceglie

QUESTION PRESENTED:

The Petitioner, a member of the Newport City Council, a municipal elected position, requests an advisory opinion regarding whether she is prohibited by the Code of Ethics from participating in city council discussions and decision-making relating to an application currently pending before the city council brought by the Newport Tourism Marketing Management Authority, a municipal agency, seeking to create a tourism improvement district, given that the Petitioner serves as the city council's liaison to the Newport Tourism Marketing Management Authority.

RESPONSE:

It is the opinion of the Rhode Island Ethics Commission that the Petitioner, a member of the Newport City Council, a municipal elected position, is not prohibited by the Code of Ethics from participating in city council discussions and decision-making relating to an application currently pending before the city council brought by the Newport Tourism Marketing Management Authority, a municipal agency, seeking to create a tourism improvement district, notwithstanding that the Petitioner serves as the city council's liaison to the Newport Tourism Marketing Management Authority.

The Petitioner is a member of the Newport City Council. Originally elected in November 2014, she is currently serving her sixth consecutive two-year term. She states that in 2017, pursuant to the provisions of the District Management Authorities Act enacted by the General Assembly in 2001,¹ the city council, assisted by Discover Newport,² created the

¹ R.I. Gen. Laws § 45-59-1, *et seq.*

² “Discover Newport is a non-profit destination management organization dedicated to the promotion of the City of Newport and its eight surrounding townships in Newport and Bristol Counties, Rhode Island including Barrington, Bristol, Jamestown, Little Compton, Middletown, Newport, Portsmouth, Tiverton and Warren as premiere destination for business and leisure travel.” See <https://www.discovernewport.org/about-us/> (last visited Jan. 30, 2025).

Newport Tourism Marketing Management District (district) and the Newport Tourism Marketing Management Authority (authority). The Petitioner explains that, at its inception, the district consisted of all lodging properties in Newport consisting of 20 rooms or more. She adds that in 2021, the district, which was originally established to exist for a three-year period, was renewed for a second three-year term. She informs that the district was also amended at that time to include all lodging properties in Newport consisting of 18 rooms or more. The Petitioner states that the authority is tasked with stimulating tourism in the district.

The Petitioner explains that the authority is composed of approximately 20 members, including representatives of the lodging properties constituting the district, plus two people from Discover Newport. She further explains that the authority funds the district's goal of stimulating tourism by assessing and collecting a flat fee of \$1.50 per room, per night, to be paid from the fees charged to guests by the lodging properties that constitute the district's membership. The Petitioner identifies the authority as a municipal agency.

The Petitioner states that in January 2023, she was appointed by the former chairperson of the city council, who also held the title of mayor, to be the city council's liaison to the authority. The Petitioner represents that she attends most of the authority's meetings, at which she makes note for the city council of the plans intended by the authority's members. She adds that she occasionally advocates for the city's interest, and offers by way of example her suggestion that a jitney bus run from the train station in Kingston through Newport. The Petitioner emphasizes that her role on the authority is limited to that of liaison to the city council and that she is not a voting member of the authority.

The Petitioner states that the members of the authority have decided that, rather than seek another three-year renewal of the district and the authority, they will instead allow it to be dissolved and seek permission from the city council to create a new tourism improvement district pursuant to the provisions of the Tourism Improvement Districts Act adopted by the General Assembly in 2022.³ She explains that when the terms of the district and the authority expire this year, so will the Petitioner's role as the city council's liaison to the authority. The Petitioner represents that, similar to the District Management Authorities Act, the Tourism Improvement Districts Act allows municipalities to create tourism improvement districts comprised of all lodging properties in a particular district consisting of 18 rooms or more. She further represents that, just as the authority did for the district under the District Management Authorities Act, an owners' association will be authorized to assess a fee to be paid from the nightly fees charged to guests by the lodging properties making up the tourism improvement district under the Tourism Improvement Districts Act. The Petitioner explains that the funds collected by the owners' association will be used to promote tourism, just like the funds previously collected by the authority were. The

³ R.I. Gen. Laws § 45-59.1-3, *et seq.*

Petitioner points out that, unlike districts and authorities created pursuant to the District Management Authorities Act which existed for a three-year term and were available to only certain Rhode Island municipalities, the tourism and improvement districts and owners' associations created pursuant to the Tourism Improvement Districts Act will exist for a ten-year term and be available to all Rhode Island municipalities. The Petitioner further represents that unlike the authority, which is a municipal agency, the owners' association that manages a tourism improvement district will be a private, non-profit corporation whose membership will not include municipal officials in the capacity of liaison, or otherwise.

The Petitioner states that there is currently pending before the city council an application brought by the authority seeking to create a tourism improvement district. She reiterates that she will not be a member of the private owners' association expected to manage the anticipated tourism improvement district. It is under this set of facts that the Petitioner seeks guidance from the Ethics Commission regarding whether she may participate in city council discussions and decision-making relating to the above-described application currently pending before the city council.

Under the Code of Ethics, a public official may not participate in any matter in which she has an interest, financial or otherwise, that is in substantial conflict with the proper discharge of her duties in the public interest. R.I. Gen. Laws § 36-14-5(a). A substantial conflict of interest exists if a public official has reason to believe or expect that she, any person within her family, her business associate, or any business by which she is employed or which she represents will derive a direct monetary gain or suffer a direct monetary loss by reason of her official activity. R.I. Gen. Laws § 36-14-7(a). The Code of Ethics also prohibits a public official from participating in a matter when her business associate, or a person authorized by her business associate, appears or presents evidence or arguments before the public official's municipal agency. 520-RICR-00-00-1.2.1(A)(2) & (3) Additional Circumstances Warranting Recusal (36-14-5002). A "business associate" is defined as "a person joined together with another person to achieve a common financial objective." R.I. Gen. Laws § 36-14-2(3). A "person" is defined as "an individual or a business entity." § 36-14-2(7). A business is defined as "a sole proprietorship, partnership, firm, corporation, holding company, joint stock company, receivership, trust or any other entity recognized in law through which business for profit or not for profit is conducted." § 36-14-2(2).

The Ethics Commission has indicated that the Code of Ethics does not consider a public body to be a "business" or the relationship between a public official and a public body to be that of "business associates." Therefore, the Ethics Commission has in the past allowed public officials to participate in matters that would directly financially impact another public agency. For example, in Advisory Opinion 2024-27, the Ethics Commission opined that a member of the Middletown Planning Board, who was also a member of the Middletown Public Schools Building Committee, was not prohibited by the Code of Ethics from

participating in planning board discussions and decision-making on matters in which he had participated and voted on as a member of the building committee because he was not a business associate of either the planning board or the building committee. See also A.O. 2011-29 (opining that a member of the Portsmouth Planning Board, who was also a civil engineer for the Rhode Island Department of Transportation (RIDOT), could participate and vote on a development proposal pending before the planning board, notwithstanding that in her capacity as a RIDOT civil engineer she had been reviewing the same property to ensure that the state's property interests were protected); A.O. 2007-14 (opining that a member of the North Kingstown Town Council, who was also a member of the Quonset Development Corporation (QDC), both public bodies, could participate in and vote on a development proposal pending before the QDC, even though he had previously considered and voted on the same matter when it was before the town council).

Here, the Petitioner represents that the current authority is a municipal agency which, as noted above, does not fit within the definition of "business associate" under the Code of Ethics. Further, even if the authority was a private organization, the Petitioner's role as its city council liaison does not amount to a "business association" because the Petitioner's non-voting liaison position affords her no ability to affect the authority's financial objectives. See, e.g., A.O. 2023-11 (opining that a member of the Woonsocket City Council, who in his private capacity was a non-voting, ex officio member of the board of directors of the Downtown Woonsocket Collaborative, a private non-profit organization, was not prohibited from participating in the city council's discussions and decision-making relative to the collaborative, because the petitioner, as a non-voting member of the collaborative's board of directors, was not in a position to affect the financial objectives of that organization and, therefore, was not a business associate of the collaborative). Accordingly, based on the Petitioner's representations, and consistent with the applicable provisions of the Code of Ethics and prior advisory opinions issued, it is the opinion of the Ethics Commission that the Petitioner is not prohibited by the Code of Ethics from participating in city council discussions and decision-making relating to an application currently pending before the city council brought by the authority.

This Advisory Opinion is strictly limited to the facts stated herein and relates only to the application of the Rhode Island Code of Ethics. Under the Code of Ethics, advisory opinions are based on the representations made by, or on behalf of, a public official or employee and are not adversarial or investigative proceedings. Finally, this Commission offers no opinion on the effect that any other statute, regulation, ordinance, constitutional provision, charter provision, or canon of professional ethics may have on this situation.

Code Citations:

§ 36-14-2(2)

§ 36-14-2(3)

§ 36-14-2(7)

§ 36-14-5(a)

§ 36-14-7(a)

520-RICR-00-00-1.2.1 Additional Circumstances Warranting Recusal (36-14-5002)

Related Advisory Opinions:

A.O. 2024-27

A.O. 2023-11

A.O. 2014-14

A.O. 2011-29

A.O. 2007-14

Keywords:

Business Associate