

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

Revised

Senate Bill 315

(Senator Raskin, *et al.*)

Education, Health, and Environmental Affairs

Environmental Matters

**Public Ethics Laws - Elected Local Officials and Board of Education Members -
Requirements**

This bill requires that county and municipal conflict of interest and financial disclosure provisions for elected local officials be equivalent to or exceed State requirements, subject to specified modifications/exceptions. Local boards of education are required to adopt similar public ethics regulations applicable to school board members. The bill establishes related requirements of the local ethics commission or appropriate entity and of the enacted or adopted provisions/regulations.

Fiscal Summary

State Effect: General fund expenditures increase by \$15,000 in FY 2011 and \$25,000 in FY 2012 for the State Ethics Commission to hire a part-time contractual employee to assist in reviewing local ethics laws and regulations. Revenues are not affected.

(in dollars)	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	15,000	25,000	0	0	0
Net Effect	(\$15,000)	(\$25,000)	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Any costs incurred by local governments to comply with the bill are expected to be minimal and handled with existing resources.

Small Business Effect: None.

Analysis

Bill Summary: The bill specifies that county and municipal conflict of interest and financial disclosure provisions for elected local officials must be equivalent to or exceed

State conflict of interest and financial disclosure requirements, subject to specified modifications and an existing authorization of the State Ethics Commission to exempt certain municipalities from the Maryland Public Ethics Law, or to modify the requirements applicable to the municipality. The bill also requires local boards of education to adopt conflict of interest and financial disclosure regulations applicable to school board members that are equivalent to or exceed State requirements, subject to specified modifications.

The provisions/regulations must require that elected local officials and school board members file financial disclosure statements on or before April 30 of each year. The local ethics commission or appropriate entity of each county and municipality also must certify to the State Ethics Commission on or before October 1 of each year that the county or municipality is in compliance with the requirements for elected local officials.

For the purpose of enacted financial disclosure provisions, “elected local official” includes a candidate for elective office as a local official. Similarly, financial disclosure regulations applicable to school board members must also be applicable to a candidate for election to a school board, if the school board is elected.

Current Law: Under the Maryland Public Ethics Law, each county and municipality must enact provisions to govern the public ethics of local officials relating to conflicts of interest, financial disclosure, and lobbying. The conflict of interest provisions enacted by a county or municipality must be similar to State conflict of interest requirements but may be modified to the extent necessary to make the provisions relevant to the prevention of conflicts of interest in that jurisdiction. The financial disclosure provisions enacted by a county or municipality generally must also be similar to State requirements but must be modified to the extent necessary to make provisions relevant to the prevention of conflicts of interest in that jurisdiction. For the purpose of the financial disclosure provisions, “local official” includes a candidate for elective office as a local official if the holder of the office is designated as a local official. The State Ethics Commission may exempt a municipality, board, or board member from the Maryland Public Ethics Law, or modify the requirements applicable to the municipality, board, or board member, under specified circumstances due to the size of the municipality or nature of the board.

Local boards of education may adopt conflict of interest and financial disclosure regulations applicable to school board members and officials and employees of the school system. The conflict of interest and financial disclosure regulations adopted by a school board generally must be similar to State requirements but may be modified to the extent necessary to make the regulations relevant to the prevention of conflicts of interest in the school system. If a school board does not adopt conflict of interest and financial disclosure regulations, the provisions enacted by the county apply. A school board must submit adopted regulations to the State Ethics Commission for review and approval or disapproval.

Pursuant to the Maryland Public Ethics Law, the State Ethics Commission has adopted by regulation model provisions for local governments that relate to conflicts of interest, financial disclosure, and regulation of lobbying. Commission regulations also set forth minimum elements that should be addressed by a county or municipal ethics law in order for the law to be viewed as similar or substantially similar to State public ethics laws and provide for commission review of local ethics laws and amendments or additions.

Background: As provided for in State law and regulations, the State Ethics Commission currently reviews the ethics laws and ordinances of all counties and municipalities required to have ethics ordinances and also reviews local board of education ethics regulations. According to the commission, a substantial portion of counties, municipalities, and local boards of education do not have ethics laws, ordinances, or regulations that meet the standards set in the bill.

State Fiscal Effect: General fund expenditures are expected to increase by approximately \$15,000 in fiscal 2011 and \$25,000 in fiscal 2012 for the State Ethics Commission to hire a part-time contractual employee for a portion of fiscal 2011 and the full 12 months in fiscal 2012. The contractual employee is needed temporarily due to an expected increase in requests to review newly established or revised county and municipal ethics laws and local board of education regulations.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland State Department of Education, State Ethics Commission, Allegany and Harford counties, Baltimore City, City of Rockville, Maryland Association of Counties, Maryland Municipal League, Department of Legislative Services

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