

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

House Bill 1193 (Delegate Hucker)
Environmental Matters

Ethics - Lobbying Registration - State and Local Government Entities and Associations

This bill repeals exemptions from regulation under the lobbying provisions of the Maryland Public Ethics Law for the following activities: (1) appearances as part of the official duties of a State or local government employee; and (2) appearances as part of the official duties of an officer, director, member, or employee of an association engaged exclusively in representing counties or municipal corporations, to the extent the appearance in each case is not on behalf of any other entity. The bill specifies, however, that provisions defining when a person becomes a “regulated lobbyist” and must register with the State Ethics Commission based on communications along with expenses, or earnings, as specified do not apply to a State employee who communicates with the employee’s governmental unit for the purpose of influencing executive action by the governmental unit if the person engages in no other acts during the reporting period that require registration.

Fiscal Summary

State Effect: Special fund revenues may increase due to collection of additional lobbyist registration fees. The extent of any increase, however, cannot be reliably estimated.

Local Effect: Local government finances are not materially affected.

Small Business Effect: None.

Analysis

Current Law: A “regulated lobbyist” is a person or entity required under the Maryland Public Ethics Law to register with the State Ethics Commission because the person or entity generally has made certain expenditures and/or received certain compensation to influence legislative or executive action. Among other specified reasons, a person or entity is a regulated lobbyist if the person or entity, for the purpose of influencing any legislative action or, as to the development or adoption of regulations or the development or issuance of an executive order, executive action:

- communicates with an official or employee of the Legislative Branch or Executive Branch in the presence of that official or employee and, exclusive of the personal travel or subsistence expenses of the entity or a representative of the entity, incurs expenses of at least \$500 or earns at least \$2,500 as compensation for all such communication and activities relating to the communication during the reporting period; or
- communicates with an official or employee of the Legislative Branch or Executive Branch and earns at least \$5,000 as compensation for all such communication and activities relating to the communication during the reporting period.

Certain activities, however, are exempt from regulation, including:

- appearances as part of the official duties of an elected or appointed official or employee of the State, a political subdivision of the State, or the United States, to the extent that the appearance is not on behalf of any other entity; and
- appearances as part of the official duties of an officer, director, member, or employee of an association engaged exclusively in representing counties or municipal corporations, to the extent that the appearance is not on behalf of any other entity.

State Fiscal Effect: Special fund revenues may increase to the extent the bill, by repealing exemptions from regulation under the lobbying provisions of the Maryland Public Ethics Law, causes an increase in lobbyist registrations. The registration fee for a regulated lobbyist is \$100, paid annually. It cannot be reliably estimated how many additional lobbyist registrations may result from the bill.

It appears that a State employee will not be able to register as a lobbyist due to a provision under the Maryland Public Ethics Law that states that if a regulated lobbyist is or becomes subject to regulation under the Maryland Public Ethics Law as an official or

employee (of State government), the regulated lobbyist must immediately terminate his or her registration and cease all activity that requires registration. As a result, the bill may cause State employees to limit their communication with the General Assembly or with agencies in the Executive Branch to avoid reaching a level of activity that causes them to be a regulated lobbyist and require registration.

Lobbyist registration fees are credited to the Lobbyist Registration Fund, which is used to defray the expenses of administering the lobbying provisions of the Maryland Public Ethics Law.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): State Ethics Commission, Department of Legislative Services

Fiscal Note History: First Reader - February 22, 2013
ncs/kdm

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