

Department of Legislative Services  
Maryland General Assembly  
2013 Session

**FISCAL AND POLICY NOTE**

House Bill 574 (Delegate W. Miller, *et al.*)  
Health and Government Operations

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**Office of the Inspector General - Establishment**

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This constitutional amendment creates the office of the Inspector General, which is to be an elected position. To be eligible for the office of Inspector General, an individual must be at least 25 years old and a resident of the State. The individual also may not have held another elected office in the State within two years before the election for Inspector General is held. The Inspector General must (1) investigate allegations of fraud and waste in the Executive Branch; (2) conduct audits of the Executive Branch; and (3) have any powers and perform any duties provided by law by the General Assembly.

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**Fiscal Summary**

**State Effect:** None. It is assumed that the potential for increased costs to include any constitutional amendments proposed by the General Assembly on the ballot at the next general election will have been anticipated in the State Board of Elections' budget.

**Local Effect:** None. It is assumed that the potential for increased costs to notify voters of any constitutional amendments proposed by the General Assembly, and to include any proposed constitutional amendments on the ballot at the next general election will have been anticipated in local boards of elections' budgets.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** The Inspector General is to receive the salary established by law. The term of the office is four years and until the successor qualifies and takes office. The term must begin on the third Wednesday in January in the year following the election of

the Inspector General. An individual who has served two consecutive popular elective terms of office as Inspector General is ineligible for the term immediately following the second of the two consecutive terms.

The Inspector General is subject to removal from office by the General Assembly for incompetency, malfeasance in office, or willful neglect of duty. The General Assembly may provide by law for the impeachment of the Inspector General. The process for impeachment must be consistent with constitutional provisions.

If a vacancy occurs in the office of Inspector General due to death, resignation, removal from office, or other disqualification, the vacancy must be filled (1) if occurring more than two years before the expiration of the Inspector General's term, through a special election held in a manner provided by the General Assembly by law or (2) if occurring two years or less before the expiration of the Inspector General's term, through the appointment of a successor by the General Assembly. A successor must be appointed on joint ballot by the Senate and the House at the next regular or special session of the General Assembly following the creation of the vacancy. An individual who has held the office of Inspector General may not be a candidate in an election held in the State within four years of leaving the office.

**Current Law/Background:** There is no State Office of the Inspector General, although some State agencies, including the Department of Health and Mental Hygiene, the Department of Human Resources, and the Department of Public Safety and Correctional Services have Inspectors General. Some local jurisdictions, including Montgomery County and Baltimore City, also have Inspectors General.

Inspectors General are common at the federal level, although they are appointed and not elected. According to the Council of the Inspectors General on Integrity and Efficiency, there are 73 offices of Inspector General in federal cabinets and agencies provided in statute. The Inspector General Act of 1978, as amended by the Inspector General Reform Act of 2008, sets forth the following missions of Inspectors General: (1) conduct independent and objective audits, investigations, and inspections; (2) prevent and detect waste, fraud, and abuse; (3) promote economy, effectiveness, and efficiency; (4) review pending legislation and regulation; and (5) keep the agency director and Congress fully and currently informed.

Inspectors General at the federal level are appointed without regard to their political affiliation. The President nominates Inspectors General at cabinet-level departments and major agencies, subject to Senate confirmation. These Inspectors General may only be removed by the President. Agency directors may appoint and remove Inspectors General at other designated entities. Both houses of Congress must be notified if an Inspector General is removed in either case. Although Inspectors General are under the general

supervision of an agency director or deputy, neither a director nor a deputy may prevent or prohibit an Inspector General from conducting an audit or investigation. Inspectors General are authorized to (1) have direct access to all records and information of the agency; (2) have access to the agency directors; (3) conduct such investigations and issue such reports as are deemed appropriate; (4) issue subpoenas for information and documents outside the agency; (5) administer oaths for taking testimony; and (6) hire and control their own staff and resources.

**State Fiscal Effect:** State costs of printing absentee and provisional ballots may increase to the extent inclusion of the proposed constitutional amendment on the ballot at the next general election would result in a need for a larger ballot card size or an additional ballot card for a given ballot (the content of ballots varies across the State, depending on the offices, candidates, and questions being voted on). Any increase in costs, however, is expected to be relatively minimal, and it is assumed that the potential for such increased costs will have been anticipated in the State Board of Elections' budget. Pursuant to Chapter 564 of 2001 (HB 1457), the State Board of Elections shares the costs of printing paper ballots with the local boards of elections.

**Local Fiscal Effect:** Local boards of elections' printing and mailing costs may increase to include information on the proposed constitutional amendment with specimen ballots mailed to voters prior to the next general election and to include the proposed amendment on absentee and provisional ballots. It is assumed, however, that the potential for such increased costs will have been anticipated in local boards of elections' budgets.

**Additional Comments:** The Department of Legislative Services estimates that establishing and staffing a newly created Office of the Inspector General may cost approximately \$621,300 in fiscal 2015, reflecting a January 1, 2015 start date for the office. Annual expenditures increase to approximately \$2 million by fiscal 2018. This estimate reflects the cost of hiring eight additional employees in the first year, in addition to the elected Inspector General position, to carry out the functions of the office. Future year expenditures account for the cost of hiring six additional employees in fiscal 2017 to reflect an increase in workload once the office begins receiving additional complaints and performing more audits and investigations. A more detailed description of the potential costs for a newly established Office of the Inspector General is provided in the fiscal and policy note for HB 570.

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### **Additional Information**

**Prior Introductions:** HB 819 of 2012 received an unfavorable report from the Health and Government Operations Committee. Its cross file, SB 700, was heard by the Senate Budget and Taxation Committee but received no further action.

**Cross File:** None.

**Information Source(s):** Governor's Office, Department of Health and Mental Hygiene, Maryland Insurance Administration, State Prosecutor's Office, Council of the Inspectors General on Integrity and Efficiency, Department of Legislative Services

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