

Department of Legislative Services  
Maryland General Assembly  
2013 Session

FISCAL AND POLICY NOTE  
Revised

House Bill 1397

(Delegate Bobo)(Chair, Workgroup to Conduct a Review  
of Disclosure Requirements of the Public Ethics Laws)

Environmental Matters

Education, Health, and Environmental Affairs

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**Public Ethics - Public Officials, Local Governments, and Lobbyists - Training,  
Reporting, and Enforcement**

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This bill makes various changes to the Maryland Public Ethics Law relating to (1) ethics provisions of school boards; (2) reporting of employment and business interests by legislators; (3) lobbyist training on ethics law requirements; (4) former public officials that register as lobbyists; (5) local government and school board noncompliance with ethics law requirements; and (6) the scope and duration of a workgroup to conduct a review of disclosure requirements of the Maryland Public Ethics Law as it applies to State and local governments.

The bill takes effect June 1, 2013.

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**Fiscal Summary**

**State Effect:** The bill's changes can be implemented with existing resources.

**Local Effect:** None.

**Small Business Effect:** None.

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## Analysis

### **Bill Summary:**

#### *Model Provisions for School Boards*

The State Ethics Commission must adopt, by regulation, model provisions for school boards that relate to conflicts of interest, financial disclosure, and regulation of lobbying. The model provisions may be adopted by any school board or imposed on a school board in accordance with specified provisions of the Maryland Public Ethics Law.

#### *Legislative Reporting Requirements – Employment and Business Interests*

Under legislative reporting requirements that are subject to online public disclosure, the bill replaces a requirement that a legislator report specified employment and business interest information of the legislator or legislator's spouse to the Joint Committee on Legislative Ethics with a requirement that the legislator report to the committee specified information related to employment and sources of earned income of the legislator and the legislator's spouse included in the legislator's financial disclosure statement filed with the State Ethics Commission. The bill, however, prohibits information related to an address for an employer or business entity of a legislator's spouse from being posted on the Internet.

#### *Lobbyist Training Course Requirement*

A regulated lobbyist must complete a training course provided by the State Ethics Commission at least once in each year in which the lobbyist is registered with the commission, replacing a requirement that the course be attended by a regulated lobbyist at least once in any two-year period in which the lobbyist is registered. A regulated lobbyist who violates the training course requirement is also made subject to a fine of up to \$5,000 and, for a knowing and willful violation, suspension of registration.

#### *Former Public Official Registering as a Lobbyist*

An individual who registers as a regulated lobbyist and was a public official in the Executive or Legislative Branch at any point in the prior two years must, within 45 days of initially registering after being a public official, seek advice from the State Ethics Commission regarding the application of the Maryland Public Ethics Law to the individual. The requirement, however, does not apply to an individual who was a public official only as an uncompensated member of a State board or commission.

### *Local Government and School Board Noncompliance with Ethics Law Requirements*

The State Ethics Commission is authorized to issue an order directing a county, municipality, or school board to comply with provisions of the Maryland Public Ethics Law governing ethics laws or regulations of local governments and school boards. This authority, as well as existing authority of the commission to petition a circuit court for appropriate relief to compel compliance by local governments, however, only applies where the local government or school board has not complied and also has not made good-faith efforts toward compliance. The commission is also given authority to petition a circuit court for appropriate relief to compel compliance by a school board.

### *Workgroup to Conduct a Review of Disclosure Requirements of the Public Ethics Law*

The bill amends Chapter 620 of 2012 (SB 920), which established a workgroup to perform a comprehensive and coordinated review of the disclosure requirements of the Maryland Public Ethics Law as it applies to State and local governments. The bill extends the focus of the workgroup to include review of any aspect of administration of the Maryland Public Ethics Law. The deadline for the workgroup to submit any recommended legislation is extended from December 31, 2012, to December 31, 2014. The termination date of the provisions of Chapter 620 relating to the workgroup is also extended by two years to May 31, 2015.

### **Current Law:**

#### *Model Ethics Provisions*

The State Ethics Commission must adopt, by regulation, model provisions for local governments that relate to conflicts of interest, financial disclosure, and regulation of lobbying. The model provisions may be adopted by any local jurisdiction or imposed on a local jurisdiction in accordance with specified provisions of the Maryland Public Ethics Law.

#### *Legislative Reporting Requirements*

A legislator must report specified information relating to conflicts of interest to the Joint Committee on Legislative Ethics at the times and in the manner required by the committee, including, among other things, any primary employment or business interest and the employer of the legislator or the spouse of the legislator, except for being employed as a legislator. However, a legislator, on written advice of the Counsel to the Joint Committee on Legislative Ethics, is not required to report any information if doing so would violate standards of client confidentiality or professional conduct. A report must be filed electronically and the Department of Legislative Services (DLS) must

compile the reports, make the reports available for public inspection as provided in the Public Information Act, and, as to reports filed on or after January 1, 2013, make the reports freely available to the public on the Internet through an online registration program. DLS, however, may not post on the Internet reported information related to consideration received.

#### *Lobbyist Training Course Requirement*

The State Ethics Commission must provide a training course for regulated lobbyists and prospective regulated lobbyists at least twice each year, with one course conducted in January, on relevant provisions of the Maryland Public Ethics Law. A regulated lobbyist must attend a training course at least once in any two-year period in which the lobbyist is registered with the commission.

#### *Former Officials and Employees*

With the exception of a former member of the General Assembly, who is subject to separate restrictions, a former official or employee of the State may not assist or represent a party, other than the State, in a case, contract, or other specific matter for compensation if (1) the matter involves State government and (2) the former official or employee participated significantly in the matter as an official or employee.

#### *Local Government Noncompliance with Ethics Law Requirements*

If the State Ethics Commission determines that a county or municipality has not complied with provisions governing ethics laws of local governments, the commission may petition a circuit court for appropriate relief to compel compliance and the court may grant any available equitable relief.

#### *Workgroup to Conduct a Review of Disclosure Requirements of the Public Ethics Law*

Chapter 620 of 2012, among other things, required the President of the Senate and the Speaker of the House to jointly establish a workgroup during the 2012 interim to perform a comprehensive and coordinated review of the disclosure requirements of the Maryland Public Ethics Law as it applies to State and local governments, including review and consideration of various specified issues. The workgroup was required to submit any recommended legislation for the 2013 regular session to the Senate Education, Health, and Environmental Affairs Committee and the House Environmental Matters Committee by December 31, 2012. The provisions of Chapter 620 relating to the workgroup terminate May 31, 2013.

**Background:** The bill generally implements recommendations of the Workgroup to Conduct a Review of Disclosure Requirements of the Public Ethics Laws, established pursuant to Chapter 620 of 2012. The workgroup was appointed in December 2012 and has met five times from January to March 2013.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** Although SB 1065 (Senator Raskin (Chair, Workgroup to Conduct a Review of Disclosure Requirements of the Public Ethics Laws) – Education, Health, and Environmental Affairs) is designated as a cross file, it is different.

**Information Source(s):** State Ethics Commission, Maryland State Department of Education, Montgomery County, Town of Leonardtown, City of Salisbury, Maryland Association of Counties, Maryland Municipal League, Department of Legislative Services

**Fiscal Note History:** First Reader - March 1, 2013  
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