

Department of Legislative Services  
Maryland General Assembly  
2019 Session

FISCAL AND POLICY NOTE  
Third Reader

Senate Bill 79 (Chair, Education, Health, and Environmental Affairs  
Committee)(By Request - Departmental - State Ethics  
Commission)

Education, Health, and Environmental Affairs

Environment and Transportation

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Public Ethics - Lobbyist Registration and Reporting - Mandatory Electronic  
Filing

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This departmental bill requires regulated lobbyists to electronically file registrations, activity reports, registration and cost reports for legislative unit meals and receptions, and other specified disclosures with the State Ethics Commission (SEC). SEC must also develop procedures under which registered lobbyists must electronically file specified reports at no additional cost to filers. In addition, the bill repeals a requirement that the Department of Legislative Services (DLS) forward original registration reports for legislative unit meals and receptions to SEC. **The bill takes effect July 1, 2019.**

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Fiscal Summary

**State Effect:** None. The bill generally codifies existing practice.

**Local Effect:** None.

**Small Business Effect:** SEC has determined that this bill has minimal or no impact on small business (attached). DLS concurs with this assessment.

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Analysis

**Current Law:** A “regulated lobbyist” is any person or entity required to register with SEC because the person or entity has, generally, incurred expenditures and/or received compensation to influence legislative or executive action.

## *Electronic Reporting Requirements for Regulated Lobbyists*

The Maryland Public Ethics Law requires a regulated lobbyist to file certain registrations and reports with SEC. A regulated lobbyist may, but is not required to, file a lobbying registration form and required reports electronically at no additional cost to the filer. SEC is responsible for developing procedures under which (1) a regulated lobbyist may file specified reports electronically at no additional cost and (2) specified reports may be electronically available for public inspection. For electronically filed registrations and reports, any oath or affirmation made by an electronic signature (1) must be in or attached to the registration or report and (2) is made expressly under penalties of perjury. The electronic signature subjects the signatory to the same penalties of perjury as an oath or affirmation made before an individual authorized to administer oaths.

### *Registration and Reporting: Legislative Unit Meals and Receptions*

A regulated lobbyist must, within 5 days of any meal or reception to which the lobbyist has invited an entire legislative unit, file a registration with DLS. The registration must include the date and location of the meal or reception and the legislative unit invited. DLS must publish this information in a weekly list of upcoming meals and receptions and must forward the original registration to SEC. Within 14 days after the registered meal or reception, the regulated lobbyist must submit a report to SEC listing the total cost of the event and the name and contribution of each sponsor.

**Background:** SEC reports that more than 93% of filers submit registration forms electronically and more than 98% of filers submit activity reports electronically. SEC advises that it maintains an electronic database of various reports submitted by regulated lobbyists that is publicly accessible from the SEC website. According to SEC, for the relatively small number of regulated lobbyists that submit paper registration forms and reports, commission staff must manually enter the information into its electronic database; SEC advises that this process of manual entry is inefficient and increases the potential for error in the database.

SEC permits lobbyists to file registration forms for legislative unit meals and receptions through the SEC electronic reporting system, which shares the submitted electronic forms with both DLS and SEC.

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## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - January 8, 2019  
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## **ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES**

TITLE OF BILL: Public Ethics – Lobbyist Registration – Mandatory Electronic Filing

BILL NUMBER: SB 79

PREPARED BY: State Ethics Commission

### **PART A. ECONOMIC IMPACT RATING**

This agency estimates that the proposed bill:

X WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND  
SMALL BUSINESS

OR

       WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND  
SMALL BUSINESSES

### **PART B. ECONOMIC IMPACT ANALYSIS**

The proposed legislation will have minimal economic impact on small businesses