CCMD_
Uploaded by: Bradford, Tierra
Position: FAV

Common Cause
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Holding Power Accountable

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February 20, 2020

Testimony on SB 970
Public Ethics- Disclosures and Fines and Penalties-Revisions
Education, Health, and Environmental Affairs

Position: Favorable

Common Cause Maryland is in support of SB 970 which would increase fines for violating lobbying provisions under Maryland Public Ethics Law and increase daily and maximum total fees for late-filed lobbying reports and financial disclosure statements.

Currently, any entity may file a complaint with SEC alleging a violation of the Ethics Law. In addition, SEC may issue a complaint alleging a violation. However, we are concerned that the penalties for violating the law and untimely disclosure are not strong enough to have a deterrent effect. This legislation speaks to that concern.

Lobbying is important and can be an educational tool for legislators. It is an inherent part of participatory democracy because it allows citizens to inform legislators of the interests, needs, and desires of the people. Lobbyists represent the interests of citizens who do not have the opportunity or access to represent them personally to the government. They influence legislative action that affects all Marylanders. This is why their needs to be protection to make sure that lobbying that is taking place is ethical.

An ethical and transparent government is critical to ensure that special interests do not hold special influence, and for building voter trust and confidence in the political process. Unethical lobbyists look for loopholes and ways to avoid compliance, this is disrespectful and harmful to the public. We need to be sure that the people who impact the lives of everyone are adhering to ethics laws.

Strong ethics and transparency laws are essential to building a foundation of trust in government action and provides the public with the tools to provide oversight. SB 970 would be another step forward for ethics and transparency in Maryland. We urge a favorable report.

CCMD_Tierra Bradford_Fav_SB0970
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State Ethics Comm._Michael Lord_FAV_SB0970
Uploaded by: Lord, Michael
Position: FAV

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February 20, 2020

Senate Bill 970 – Public Ethics – Disclosures and Fines and Penalties – Revisions

Testimony before the Education, Health, and Environmental Affairs Committee

Senate Bill 970 – Public Ethics – Disclosures and Fines and Penalties – Revisions, as amended by the Sponsor, would change the Public Ethics Law ("Law") in several areas, to include certain disclosure requirements by members of the General Assembly with respect to gifts of tickets and free admission to events offered by the person sponsoring or conducting the event as well as related reporting requirements by lobbyists, criminal penalties imposed for a misdemeanor conviction under the lobbying provisions of the Law, and duties of the Counsel to the Ethics Committee. The State Ethics Commission ("Commission") takes no position on these proposed changes as the Commission believes these policy matters are more appropriately addressed by the General Assembly. However, the bill also changes the Law in terms of increasing the late fees the Commission can assess for violations of the Law. For the reasons discussed below, the Commission supports these proposed changes.

The Law currently authorizes the Commission to impose late fees in the amount of $10 per day, not to exceed a total of $1,000, for each report that is filed late by a regulated lobbyist, and currently authorizes the Commission to impose late fees in the amount of $5 per day, not to exceed a total of $500, for each financial disclosure statement filed late by a financial disclosure filer. The bill would raise the late fees the Commission could impose on lobbyists to $30 per day, not to exceed a total of $3,000, and would raise the late fees the Commission could impose on financial disclosure filers to $15 per day, not to exceed a total of $1,500.

In addition to the foregoing late fees, the Law currently authorizes the Commission to impose a fine not exceeding $5,000 for each violation of the Public Ethics Law <u>by a regulated lobbyist</u>. With respect to State employees and officials, the Commission's ability to directly impose sanctions for violations of the conflicts of interest provisions is more limited. The Commission may: 1) issue an order of compliance directing the respondent to cease and desist from the violation; 2) issue a reprimand; or 3) recommend to the appropriate authority other appropriate discipline if that discipline is authorized by law. In addition to the foregoing, the Commission may petition a circuit court with venue over the proceeding to impose a fine not exceeding $5,000 per violation[1]. The bill would raise Commission's authority to impose a fine on lobbyists to $15,000 for each violation and would raise a court's ability to impose a fine to $15,000 for each violation of the Ethics Law.

The late fees in the case of financial disclosure filers were added to the Law in 1990 and have been increased once since that time, in 2014 when they were raised to their present level. The late fees in the case of lobbyists were added to the Law in 1987 and have also been increased once since that time, in 2014 when they too were raised to their present level. The Commission has had the authority to impose a $5,000 fine for violations of the Law by regulated lobbyists since 2001. With respect to the ability to petition a court to impose a fine, the Commission has had that authority since the initial passage of the Public Ethics Law in 1979. The fine was initially limited to $1,000 and subsequently raised to its current $5,000 level in 1986.

Increasing the penalties the Commission may impose for violations of the Ethics Law would significantly and meaningfully enhance the deterrent effect of fines and fees and make clear that ethics violations are serious offenses warranting serious sanctions. It is particularly noteworthy that the authorized fines have not been increased since 1986 (in the case of a court petition) and 2001 (in the case of the Commission's authority to impose a fine on lobbyists) respectively. The Commission supports these proposed changes to the Law.

[1] Senate Bill 283, which is being considered by this Committee today, also addresses the Commission's authority to impose fines. SB283 would provide the Commission with additional authority by permitting the Commission to directly impose a fine not exceeding $5,000 for each violation of the Law. The Commission is submitting written testimony in support of SB283.

SB 970 Sen Washington Letter to EHEA
Uploaded by: Senator Washington, Senator Washington
Position: FAV

Mary L. Washington, Ph.D
Legislative District 43
Baltimore City

Education, Health, and
Environmental Affairs Committee

Chair
Joint Committee on Ending
Homelessness

Chair
Joint Committee on Children,
Youth, and Families

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SUPPORT - SB 970
PUBLIC ETHICS – DISCLOSURES AND FINES AND PENALTIES – REVISIONS

Dear Chair Pinsky, Vice Chair Kagan, and fellow committee members,

SB970, as amended, is aimed at strengthening the ability of the State Ethics Commission to enforce existing ethics laws and ensure adherence to the standards already established. The bill changes existing Public Ethics Law in the following ways:

- Updates the disclosure requirements related to gifts, tickets, and free admission to events in simply in order to conform these requirements for lobbyists to the new reporting requirements for officials.
- Increases the fines that can be imposed for a knowing and willful violation of lobbying provisions in the Public Ethics Law.
- Requires each member of the General Assembly to report to their respective Presiding Officer on an annual basis whether the member met with the Counsel in their efforts to meet the requirements of the Law.
- Increases late fees that can be assessed by the State Ethics Commission in relation to violations of the Law.

In terms of late fees, those related to financial disclosure filers and those related to lobbyists were last increased in 2014. The fines that can be imposed by the State Ethics Commission on regulated lobbyists who violate the law have not been increased since 2001 and the fines that can be imposed by a court petition have not been increased since 1986.

Again, the goal of these changes to the Public Ethics Law is to increase transparency and deterrence, underscore the seriousness of these violations, and strengthen the enforcement capabilities of the State Ethics Commission. I believe this bill will assist the SEC in upholding existing standards and further demonstrate our commitment to ethics laws in the Maryland General Assembly.

Thank you for considering this bill and I urge a favorable report on this bill

In Partnership,

Mary L. Washington, PhD