

CCMD_Tierra Bradford_Fav_SB0974

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Position: FAV

February 20, 2020

Testimony on SB 974
Public Ethics- Lobbyists-Gift Exception and Regulated Activities Exemption
Education, Health, and Environmental affairs

Position: Favorable

Common Cause Maryland supports SB 974 which expands the regulations around lobbyist gift giving to lobbyists who work for the government.

This legislation expands the meaning of “entity” under the Maryland Public Ethics Law for the acceptance of gifts by specified officials and employees to include a governmental unit that employs an individual regulated lobbyist. Currently, under the ethics law, an official may not knowingly accept a gift from an entity that the official knows is a regulated lobbyist for matters under their jurisdiction. Because the government is not considered an entity under the law, lobbyists for counties and municipal corporations can still give gifts to legislators. This bill will also repeal the exemption for lobbyists representing counties or municipal corporations and it states that they are subject to the lobbying provisions of the Maryland Public Ethics Law.

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. Even when lobbyists work for the government, they influence legislative action that affects all Marylanders. This is why their needs to be protection to make sure that ALL lobbying that is taking place is ethical. Currently, gifts offered by governmental entities are not regulated by the Maryland Public Ethics Law. This exemption leaves room for external influences that may be affecting decision making in the government.

Allowing some lobbyists to participate in activities that are prohibited for other lobbyists is not fair. It also sends the message that the government is permitted to have their lobbyists use any means necessary to influence legislation, while those representing the people must be limited in their advocacy. In actuality, both sets of lobbyists must meet ethical requirements. We need to be sure that the individuals who impact the lives of everyone are adhering to ethics laws.

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. We urge a favorable report on SB 974.

State Ethics Comm._Michael Lord_Supports_SB0974

Uploaded by: Lord, Michael

Position: FAV



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February 20, 2020

Senate Bill 974 – Public Ethics – Lobbyists – Gift Exception and Regulated Activities Exemption

Testimony before the Education, Health, and Environmental Affairs Committee

The State Ethics Commission (“Commission”) supports Senate Bill 974 – Public Ethics – Lobbyists – Gift Exception and Regulated Activities Exemption as amended by the Sponsor. The bill as amended would provide that an official’s or employee’s ability to accept gifts from a State governmental entity that employs a lobbyist would be subject to the same restrictions as gifts from other regulated lobbyists and from entities whose financial interests could be significantly affected by the recipient’s performance or non-performance of official duties. For the reasons discussed below, the Commission supports this proposed change to the Public Ethics Law (“Law”).

Background

1. The Gift Restrictions. The Law prohibits an official or employee from accepting gifts from certain defined donors. These donors are **entities** that: 1) do or seek to do business with the recipient’s governmental unit; 2) engage in activity regulated or controlled by the recipient’s governmental unit; 3) are regulated lobbyists; or 4) have financial interests that could be significantly affected by the recipient’s performance or non-performance of official duties. The gift section of the Law specifically excludes a governmental unit from the definition of “entity”, and consequently there is no prohibition on an official or employee accepting a gift from a unit of government (and this includes not only a unit of State government but any governmental unit).

2. Exceptions to the Gift Restrictions. The Law contains several authorized exceptions to the acceptance of gifts from the above-described donors under specifically defined circumstances. Among the most common are gifts of nominal value (not to exceed \$20), ceremonial gifts or awards of insignificant monetary value, tickets or free admission to certain types of events for elected constitutional officers from the person sponsoring the event, and gifts of meals and beverages received and consumed in the presence of the donor. With respect to the meals and beverages exception, as the members of this body know, events are typically hosted by

regulated lobbyists or their employers, and the Law imposes certain requirements on lobbyists and employers when they host such events. Those requirements include: a) extending an invitation to an entire, recognized legislative unit; b) registering the event with the Department of Legislative Services on a form required by the Ethics Commission at least 5 days before the date of the event; and c) reporting the cost of the event and the names of all contributing sponsors within 14 days after the date of the event.

3. Governmental Units engaging Lobbyists. A number of local governmental units (currently there are 18), and from time to time some State governmental units, engage the services of a regulated lobbyist. These outside lobbyists are to be distinguished from State and local government employees who communicate with legislators without the requirement to register as a lobbyist, because the Law exempts employees who carry out such activities as part of their official duties from the registration requirement. Governmental units that choose to hire outside lobbyists must adhere to the Law's registration and reporting requirements in the same way as any other entity that employs a lobbyist.

The Bill

The amended bill seeks to make clear that should a State governmental unit (but not a local governmental unit) elect to engage the services of a regulated lobbyist, it is to be treated, for the purposes of the Law's gift restrictions, like any other entity that hires a regulated lobbyist. It would deny a claim that has been made on rare occasions by State governmental units employing a lobbyist that they can "have it both ways". That is, they contend they can engage the services of a regulated lobbyist to advocate on their behalf, but can avoid the gift restrictions that apply to lobbying entities if they decide to provide gifts by simply excluding their lobbyist from the gift giving process. So, for example, a State governmental unit that hires a lobbyist may wish to host a dinner or reception, but prefers to only invite certain, selected legislators, or legislators of only one party, and does not wish to be bound by the exception requirement that they invite all members of a legislative unit. To avoid this limitation, they would contend that by using other persons and not their lobbyist to organize the event, the gift is merely from a State governmental entity which as discussed above is exempt from the Law's gift restrictions.

The Commission believes the intent of the Ethics Law is to provide transparency and to place reasonable limits on the acceptance of gifts from certain donors. This intent is circumvented when a State governmental unit can alter its identity (i.e., a lobbyist employer in one case, a State governmental unit in another) as it sees fit to attain its objectives and avoid inconvenient restrictions. The Commission applauds the sponsor for proposing the foregoing change to the Ethics Law this bill and is pleased to support it.

SB 974 Sen Washington Letter to EHEA

Uploaded by: Senator Washington, Senator Washington

Position: FAV

MARY L. WASHINGTON, PH.D
Legislative District 43
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Education, Health, and
Environmental Affairs Committee

Chair
Joint Committee on Ending
Homelessness

Chair
Joint Committee on Children,
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THE SENATE OF MARYLAND
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SUPPORT - SB 974/HB 1055

**PUBLIC ETHICS – LOBBYISTS – GIFT EXCEPTION AND REGULATED ACTIVITIES
EXEMPTION**

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

The goal of SB 974, as amended, is to subject an official's or employee's acceptance of gifts from a State governmental entity that employs a regulated contract lobbyist to the same restrictions as gifts accepted from other regulated lobbyists.

Current public ethics laws allow governmental entities to be exempt from the same restrictions and regulations as other entities that hire regulated lobbyists. As the State Ethics Commission states in their written testimony, SB 974 "would deny a claim that has been made on rare occasions by State governmental units employing a lobbyist that they can "have it both ways". That is, they contend they can engage the services of a regulated lobbyist to advocate on their behalf but can avoid the gift restrictions that apply to lobbying entities if they decide to provide gifts by simply excluding their lobbyist from the gift giving process."

By removing state governmental entities that employ a regulated contract lobbyist from this exemption, we can increase transparency and ensure that our public ethics laws are being applied as they should be.

Thank you for your time and consideration. I urge a favorable report on this bill.

In Partnership,

A handwritten signature in blue ink, appearing to read "Mary L. Washington".

Mary L. Washington, PhD

MML_Hancock_UNF_SB0974

Uploaded by: Hancock, Scott

Position: UNF



Maryland Municipal League

The Association of Maryland's Cities and Towns

TESTIMONY

February 20, 2020

Committee: Senate Education, Health and Environmental Affairs

Bill: SB 974 – Public Ethics – Lobbyists – Gift Exception and Regulation Activities Exemption

Position: Oppose

Reason for Position:

The Maryland Municipal League opposes SB 974 which would specify an exception to the definition of the term “entity” to include a governmental unit that employs an individual regulated lobbyist. The bill also repeals a provision in law that exempts from regulation of lobbying activities an appearance of employees of an association engaged only in representing counties or municipal corporations.

The Maryland Municipal League serves as the voice of its 157 incorporated cities and towns and two special taxing districts before the Maryland General Assembly, the Administration and State agencies. **The League articulates through testimony and fiscal note input the concerns of its member local governments to ensure that the concerns are known and understood as the State makes and implements policy.** The League is a nonpartisan, nonprofit association, the goal of which is to ensure that issues important to local governments and their communities are communicated to our partner federal, state, and county governments.

MML is classified by the Internal Revenue Service as special Section 115, “Instrumentality of Government” organization. The League makes no political donations and makes no endorsements in any election. MML policies and positions on issues are formulated and approved by elected and appointed municipal officials from across the State. In executing this mission, MML represents many of the same constituents that members of the General Assembly represent. Current law recognizes this special role by exempting the League, its staff, leadership and other members from lobbying registration requirements. This same exemption is also provided to national associations such as the National League of Cities, the National Association of Counties and those

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organizations representing the Maryland General Assembly in Washington D. C. such as the National Conference of State Legislatures (NCSL) and the Council of State Governments (CSG).

The members of the Maryland Municipal League include all incorporated cities and towns, representing mayors, councilmembers, administrators, clerks, finance officers and other professional staff. Almost all the elected officials have full-time jobs outside the realm of their municipal responsibilities, and the appointed officials work full-time for their cities and towns. The vast majority of our members depend solely on League staff to carry their message to their Senators and Delegates during the 90-day legislative session. During the interim, all our staff members perform other association duties which include educating our members and their citizens about municipal government and training our members to carry out their responsibilities as elected and appointed officials in their cities and towns. MML also serves as a major resource on municipal issues for members of the General Assembly both during session, and during the interim. The League is called upon many times throughout the year to research questions and assist legislators as they interact with their municipal officials back home.

As introduced, SB 974 would create an unwarranted and ill-conceived requirement that all employees of the Maryland Municipal League register and be treated as regulated lobbyists. MML understands that the sponsor intends to offer an amendment to remove this requirement. If the Committee is inclined to accept such an amendment, MML would withdraw its opposition to the bill. Without the expected amendment, the League would respectfully request that this committee provide SB 974 with an unfavorable report

FOR MORE INFORMATION CONTACT:

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MACo_Michael Sanderson_UNF_SB974

Uploaded by: Sanderson, Michael

Position: UNF



Senate Bill 974

Public Ethics - Lobbyists - Gift Exception and Regulated Activities Exemption

MACo Position: **OPPOSE**

To: Education, Health, and Environmental
Affairs Committee

Date: February 20, 2020

From: Michael Sanderson

The Maryland Association of Counties (MACo) **OPPOSES** SB 974. This bill would require a range of government employees and representatives to follow State ethics regulations currently applicable to registered private lobbyists. One portion of the bill singles out employees of representative associations, creating an unfair dichotomy between large and small governments.

Current Maryland law properly recognizes the basic differences between public sector representatives and private lobbyists. State, county, and municipal officials and employees are routinely – and appropriately – sought by policymakers for input on administrative, implementation, and enforcement issues. The General Assembly and its staff regularly rely on government agencies and associations for insight into its fiscal and policy notes, budget analyses, and other reports. Indeed, legislation passed by the General Assembly just last session called on MACo and MML to serve as conduits for state policy, reflecting the strong collaborative relationship that a representative association often plays in public policy.

This government-to-government relationship is distinct from outside actors, for whom the tracing of client relationships and monetary interests may serve an important public need. There is no ambiguity about representation when a county employee, or MACo employee, appears before the General Assembly or otherwise advocates policy positions.

SB 974, in this respect, misinterprets the role of governments, especially local governments, in the policy process. County officials and employees should be welcomed into the policymaking process for their insight and expertise. Association staff, essentially representing jurisdictions without the means to employ staff for these focused purposes, should be similarly recognized. At the federal level, a similar distinction has applied for decades – making the same recognition that Maryland law has for many years.

Accordingly, MACo urges the Committee to issue an **UNFAVORABLE** report on SB 974.