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Patrick Moran - President

Testimony
HB 1404 – Public Ethics – Financial Disclosure – Requirements
(Conflicts of Interest Act)
Environment & Transportation
March 3, 2020
Support

AFSCME Supports HB 1404. This legislation would close gaps and loopholes in Maryland’s ethics laws and tighten requirements of financial disclosures of statewide elected officials.

While the state, and the nation, have come a long way in instituting ethics reforms and financial disclosure requirements, the past few years have shown a bright light on the limitations of present law. The actions by the President of the United States and his involvement in Washington, DC’s Trump International Hotel have clearly called into question the use of federal property for the Chief Executive’s personal profit. In Maryland, the Governor’s decision-making involvement in transportation projects that would benefit the value of landholdings of his real estate business, or their connected subsidiaries, raises concerns about the ethical propriety of his involvement as the state’s Chief Executive in determining where monies should be allocated.

Large businesses now often operate with connected and numerous related LLCs (Limited Liability Companies) that create an opaque view of how profits are earned and distributed. This enables individuals to skirt the spirit of financial disclosure requirements, while maintaining the ability to transact business as they see fit.

HB 1404 would require elected officials to disclose information not only about companies they have a sizable ownership interest in, but also about the companies that those companies own. The bill would also require Maryland’s statewide office holders to disclose additional information about their sources of outside income. This information may be inconsequential – however the residents of Maryland should have full knowledge of where that outside income is coming from, and for what reason. Lastly, beginning in October 2022 the bill creates stricter rules for full-time officials elected that November and going forward, requiring either divestment of their assets or placing into a blind trust those assets when facing potential conflicts of interest.

Marylanders should never have to question potential conflicts of interest when their elected representatives are making impactful decisions. The interests of Marylanders should reign supreme without doubt of personal interests of elected officials trumping the public interest. AFSCME Council 3 asks for a favorable report of HB 1404.

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An employee has the right to a union representative if requested by the employee.
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