



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

**Testimony in Support of HB1404
Conflicts of Interest Act**

Testimony by Delegate Vaughn Stewart

March 3, 2020 • Environment and Transportation Committee

What the Bill Does

HB1404 will provide more accountability and transparency for elected officials in Maryland. First, it would require all 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.

Second, the bill would require Maryland's four full-time elected officials—the governor, lieutenant governor, attorney general and comptroller—to disclose additional information about their sources of outside income. If full-time officials earn non-governmental income, Marylanders deserve to know who is paying them, and for what reason.

Finally, the Conflicts of Interest Act would impose much stronger rules for full-time officials who maintain private business interests while in office. Starting in January 2023, they would be required to either divest their assets or enter into a blind trust.

Why the Bill Matters

In January, the *Washington Monthly* published a report that raised concerns that Governor Hogan steered taxpayer dollars to transportation projects that would increase the value of his real estate. The most troubling revelation involved a new interchange that Governor Hogan approved — and allocated \$58 million for — in southern Prince George's County in January 2015. The project was right down the road from a property owned by HOGAN, the governor's real estate brokerage firm, which he's held onto while in office. However, Maryland's disclosure laws do not require elected officials to disclose all of their real estate holdings, making it difficult to investigate potential conflicts of interest.

Meanwhile, in his first three years as governor, Hogan made \$2.4 million; his annual government salary is around \$180,000. The governor has not revealed the sources of payment on these undisclosed real estate deals. This lack of transparency poses problems. For example, in 2015, the

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Hogan administration approved a controversial wetlands permit in a “critical area” bordering the Chesapeake Bay. The developer seeking the permit—K. Hovnanian Homes—was listed as a client of Hogan Companies on the latter’s website; otherwise, the public may never have known about the connection.

Why the Committee Should Vote Favorably

Our state’s antiquated disclosure laws make it difficult to identify officials’ potential conflicts of interest or investigate sources of non-government income. We should be aggressive in addressing these gaps, no matter the political party of the culprit. HB1404 will help ensure elected officials are acting in Maryland’s interest, rather than their own.