

SB291_StateBoardofElections_support_JaredDeMarinis

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Maryland State Board of Elections

SB 291 – Chair, Education, Energy, and the Environment Committee (By Request- Secretary of State and State Board of Elections) Persons Doing Public Business- Disclosure Requirements

Purpose:

1. Consolidating reporting requirements for persons doing public business
2. Alters the time when an initial report is required to be filed for a person doing public business with the State Board of Elections
3. Requires persons doing public business to certify to the Board of Public Works that they are in compliance with disclosure requirements of Title 14 of the Election Law Article.
4. Increases the enforcement authority for late filings and missing required information for the State Board.

Comments:

The State Board of Elections supports the legislation. The proposed bill (1) consolidates the reporting for persons doing public business, (2) mandates the filing deadline for registration and the initial contribution disclosure statement, (3) requires persons doing public business to certify to the Board of Public Works that they are in compliance with disclosure requirements of Title 14 of the Election Law Article, and (4) allow for the imposition of late filing fees on registration statements and civil penalties for failure to maintain current beneficial ownership on the registration statement.

Currently, Title 14 of the Election Law Article mandates that business entities that have a single contract of at least \$200,000 with a governmental entity file a contribution disclosure statement with the State Board disclosing the business' applicable contributions. Title 14 encourages transparency and the avoidance of the appearance of corruption in the awarding of contracts through the procurement process. During the registration, the business entity must identify the principal officer of the business entity. Those same entities must file with the Secretary of State, yearly, a list that contains the name and address of any resident agent of the business; each officer of the business; and if known, each person who has beneficial ownership of the business. This proposed change will consolidate the requirements to one agency, the State Board. Therefore, upon registration with the State Board to file its contribution disclosure statements, the registration statement will include the registered agent and beneficial ownership information. This will streamline governmental efficiency for business entities and provide the public greater disclosure to understanding who is authorizing business contributions.

The bill clearly defines when registration and filing of the initial report of applicable contributions shall occur; 15 days after the award the contract for registration and 15 days thereafter for the initial contribution disclosure statement. This provides clear guidance for the business entity and allows enough time to gather and disclose the required information and contributions.

In order to ensure greater compliance with the disclosure requirements and avoid the appearance of corruption in the procurement process, business entities must certify to the Board of Public Works that they have registered with the State Board to file the semi-annual contribution disclosure statements.

Finally, the bill grants the State Board civil enforcement authority over technical violations for failure to report current beneficial ownership. Additionally, the State Board may impose late fees for failing to file the registration statement timely.

Thank you and we look forward to your favorable passage of this bill.

Contacts:

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**JARED DeMARINIS, STATE ADMINISTRATOR
STATE BOARD OF ELECTIONS**

EEE 1/30/2024

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SUSAN C. LEE
SECRETARY OF STATE

January 30th, 2024

Senate Education, Energy and Environment Committee

Favorable

Senate Bill 291 - Persons Doing Public Business – Disclosure Requirements

SB 291 is a joint departmental bill for the Office of the Secretary of State (OSOS) and the State Board of Elections (SBE). Senate Bill 291 transfers the responsibility of tracking disclosures from the OSOS to the SBE.

The current disclosure requirements for persons doing public business in Maryland largely serve as a cross-reference for contribution disclosures that are made to the SBE. A few years ago, during the Hogan administration's procurement reform these separate but related metrics were brought more into line with each other for this purpose. Entities and their beneficial owners are currently required to provide a disclosure form for doing business with the state if they have an annual award of \$200,000 or more in combined contract value with the State.

However, political contribution metrics for the SBE disclosure requirement are triggered when there is a single contract valued at \$200,000 or more. This bill will further streamline the two metrics so that they are processed by the same agency and with the same threshold, single contracts valued at \$200,000 or more.

This legislation moves the process of persons doing public business disclosure forms from the OSOS to the SBE, to match their existing disclosure requirements for campaign contributions under title 14 of the Election Law Article. Title 13 Section 221 of the State Finance and Procurement Article would be replaced by this new process, which would require disclosure for procurement contracts with State or local Maryland government entities for single contracts totaling over \$200,000, rather than the current threshold of aggregate contracts totaling \$200,000 or more in a calendar year. It can be challenging for businesses to track the aggregate total of contract values with the State, and this would lower the burden for those companies which are doing business with the State. The new disclosure requirement would include single local procurement contracts over \$200,000 with local governments, as is currently required under the Election Law Article for contributions from those same entities.

The OSOS strongly believes these disclosure requirements should be submitted to the SBE. Our office understands the SBE will be able to process these disclosures more efficiently through their existing processes than the manual data entry that is required by our office. The SBE can notify the filer if there are any deficiencies with the statement and effectively encourage full reporting responses. For these reasons, the OSOS respectfully requests a favorable report on Senate Bill 291.

Testimony in support of SB0291.pdf

Uploaded by: Richard KAP Kaplowitz

Position: FAV

SB0291_RichardKaplowitz_FAV
1/30/2024

Richard Keith Kaplowitz
Frederick, MD 21703

TESTIMONY ON SB#0291 - FAVORABLE
Persons Doing Public Business – Disclosure Requirements

TO: Chair Feldman, Vice Chair Kagan, and members of the Education, Energy and the Environment

FROM: Richard Keith Kaplowitz

My name is Richard K. Kaplowitz. I am a resident of District 3. I am submitting this testimony in support of SB#0291, Persons Doing Public Business – Disclosure Requirements

Health care for Maryland residents is being affected by the acquisition by private equity firms of health care facilities. As reported by NBC News, “Private equity firms are buying up hospitals, nursing homes and ER operations. The drive for profits can run counter to helping patients, critics say.”

My son is a patient in a long-term care facility. Since it’s takeover by a private equity firm the level of care has significantly degraded. The facility says it is a staffing problem but the staff they are hiring and incapable of properly performing their jobs. My son has a severe allergy to seafood yet the kitchen staff has sent him dinners containing seafood even though his dining instructions, available to them, notes his allergy. My son and I are convinced that the current management is devoted to profit and not to patient care.

This bill will make it possible for the state to find and deal with the actual ownership of companies that hide themselves behind layers of dummy companies and shell companies. Once the miscreants are aware that we can and will find them hopefully the state will be able to secure better treatment of Marylanders in facilities receiving funds from the state.

I respectfully urge this committee to return a favorable report on SB#0291.