



# Maryland State Board of Elections

## HB 112 – Chair, Ways and Means 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.

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**W & M 1/25/2024**