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Ways and Means Committee

Favorable

House Bill 112 - Persons Doing Public Business – Disclosure Requirements

HB 112 is a joint departmental bill for the Office of the Secretary of State (OSOS) and the State Board of Elections (SBE). House Bill 112 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 House Bill 112.