

**Maryland General Assembly
Department of Legislative Services**

**Proposed Regulations
State Ethics Commission**
(DLS Control No. 14-264)

Overview and Legal and Fiscal Impact

These regulations require an individual filing a financial disclosure statement to use the electronic filing system unless granted an exemption to file a paper form from the State Ethics Commission. The regulations also update references to reflect the transfer of the Public Ethics Law to the General Provisions Article from the State Government Article.

The regulations present no legal issue of concern.

There is no fiscal impact on State or local agencies.

Regulations of COMAR Affected

State Ethics Commission:

Financial Disclosure: Disclosure Required by Members of Boards and Commissions: COMAR 19A.03.01.01-.04

Disclosure by Faculty Members at State Institutions of Higher Education: COMAR 19A.03.02.01

Disclosure by Public Officials, State Officials, and Candidates to be State Officials: COMAR 19A.03.03.01 and .02

Electronic Filing: COMAR 19A.03.04.01-.04

Legal Analysis

Background

During the 2014 legislative session, the General Assembly passed Senate Bill 109 (Chapter 32) requiring (1) financial disclosure statements to be filed with the commission electronically; (2) the commission to develop and implement procedures for such filings; and (3) the establishment of exemptions to the electronic filing requirement.

Summary of Regulations

The regulations generally require individuals that are required to file a financial disclosure statement to file electronically. An individual may continue to file a statement on a paper form if the statement was filed before October 1, 2014 and the most recent statement was filed on a paper form. Other exemptions may be granted by the Executive Director if the individual applies for a hardship exemption and meets specified criteria. Specified candidates

for State office may also qualify for exemptions from the electronic filing requirement or may elect to file electronically even if the candidate meets the exemption requirements.

The regulations also update cross references to statutory authority regarding the filing of financial disclosure statements with the commission by various individuals to reflect the transfer of the Public Ethics Law to the General Provisions Article from the State Government Article.

Statutory Authority and Legislative Intent

The commission cites §§ 5-101, 5-103, 5-206, and 5-208, and Title 5, Subtitle 6 of the General Provisions Article as authority for the regulations. More specifically, §§ 5-206 and 5-602 of the General Provisions Article are appropriate authority. Section 5-206 broadly authorizes the commission to adopt regulations to implement the provisions of the Public Ethics Law. Section 5-602 requires a financial disclosure statement to be filed electronically, in addition to other stated criteria. The commission is required to develop and implement procedures for the electronic filing of a statement and for the commission to grant an exemption to the electronic filing requirement.

This authority is correct and complete. The regulations comply with the legislative intent of the law.

Technical Corrections and Special Notes

Please note that there are two technical corrections to these regulations. In COMAR 19A.03.03.01B(2)(b) a semicolon has been omitted that should be included. In COMAR 19A.03.03.02A there is a reference to the “State Government Article, Title 15, Subtitle 6” that should be updated to reference to the “General Provisions Article, Title 5, Subtitle 6.”

Fiscal Analysis

There is no fiscal impact on State or local agencies.

Agency Estimate of Projected Fiscal Impact

The commission advises that the regulations have minimal or no impact on State or local governments. The Department of Legislative Services concurs and notes that the regulations implement Chapter 32 of 2014 (Senate Bill 109). In the fiscal and policy note for that bill, the Department of Legislative Services advised that general fund expenditures by the commission decrease negligibly due to reduced storage costs and increased efficiency in processing financial disclosure statements.

Impact on Budget

There is no impact on the State operating or capital budget.

Agency Estimate of Projected Small Business Impact

The commission advises that the regulations have minimal or no economic impact on small businesses in the State. The Department of Legislative Services concurs.

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