

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 609 (Delegates Miller and Cluster)
Environmental Matters

Ethics - Financial Disclosure Statements - Real Property Schedule

This bill provides that under the Public Ethics Law an individual is not required to include a statement as to whether a property is improved or unimproved on the real property interest schedule of the annual financial disclosure statement. The bill also provides that, unless the interest in the property is subject to the regulation or authority of the agency that employs the individual, or if the interest involves a vendor or contractor with the agency, the statement need include only the property address for interests in real property obtained more than three years prior to the date the individual began employment with the State, and need not include information regarding property interests outside of the State. Individuals who meet the above criteria would not be required to provide the detailed information on real property interests that is currently required.

Fiscal Summary

State Effect: None. The bill is procedural in nature and would not directly affect governmental finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The State Public Ethics Law requires an official and a candidate for office as a State official to file an annual financial disclosure statement which must include the following schedules:

- Interests in Real Property;
- Interests in Corporations and Partnerships;
- Interests in Business Entities Doing Business with the State;
- Gifts;
- Employment or Interest in Business Entities Doing Business with the State;
- Indebtedness to an Entity Doing Business with the State;
- Family Members Employed by the State;
- Sources of Earned Income; and
- Additional Information.

The schedule for disclosure of interests in real property requires an individual to disclose interests in real property, wherever located, including each interest held in the name of a partnership, limited liability company, or limited liability partnership in which the individual holds an interest. For each such interest, the individual must disclose: (1) the nature of the property; (2) the street address; (3) the nature and extent of the interest; (4) the date and manner of acquisition; (5) the identity of the entity from which the interest was acquired; (6) the nature and amount of consideration given for the interest; and (7) details on any transfer of the interest during the reporting period.

Background: The State Ethics Commission has identified several categories of information required on the interests in real property schedule that it believes have become too onerous and provide the public with little insight into possible conflicts. The bill reflects the commission's recommendations in this regard. In particular, the commission points out that the requirement under current law that individuals disclose detailed information on all property interests has increasingly become complex and burdensome to filers due to the frequency with which mortgage companies sell their portfolios.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): State Ethics Commission, Department of Legislative Services

Fiscal Note History: First Reader - March 1, 2004
lc/mdr

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