

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE
Revised

House Bill 600

(Montgomery County Delegation)

Environmental Matters

Education, Health, and Environmental Affairs

**Washington Suburban Sanitary Commission - Maryland-National Capital Park
and Planning Commission - Ethics**
MC/PG 108-05

This bill authorizes the Washington Suburban Sanitary Commission (WSSC) Board of Ethics to administer oaths. Additionally, it authorizes judicial review and judicial enforcement of actions of the WSSC Board of Ethics. Furthermore, the bill alters the requirement that each applicant for appointment to the WSSC be interviewed by the appropriate county executive for possible conflicts of interest. Under the bill, the county executive may interview each applicant, but is required to interview an applicant selected for appointment prior to the individual's appointment. The bill also clarifies the filing requirements for a financial disclosure statement by applicants from Montgomery County for appointment to WSSC or to the Maryland-National Capital Park and Planning Commission.

Fiscal Summary

State Effect: None.

Local Effect: None. Expanding the authority of the WSSC Board of Ethics would not directly impact WSSC expenditures. Any increase in fine revenues is expected to be minimal.

Small Business Effect: None.

Analysis

Bill Summary: The bill authorizes the WSSC Board of Ethics to administer oaths. The bill also provides for judicial review for respondents who are aggrieved by a final order of the Board of Ethics. Until the time for seeking judicial review has expired or if a timely appeal is filed, an order of the Board of Ethics is stayed, unless the board and the respondent mutually agree otherwise. Additionally, the bill authorizes WSSC to seek judicial enforcement of an order of the Board of Ethics and to ensure compliance with its regulations regarding conflicts of interest, financial disclosure, lobbying, and ethics in public contracting.

The bill also prohibits WSSC commissioners, employees, contractors, and subcontractors from violating any provision of this title, the Maryland Public Ethics Law, or ethics regulations of WSSC regarding conflicts of interest, financial disclosure, lobbying, and ethics in public contracting. Moreover, it empowers courts to force compliance and impose a fine of up to \$5,000 for violating the WSSC Board of Ethics or WSSC regulations regarding conflicts of interest, financial disclosure, lobbying, or ethics in public contracting.

Current Law: Current law provides for the establishment of a WSSC Board of Ethics, but does not authorize the board to administer oaths. Additionally, only WSSC commissioners and employees are prohibited from knowingly violating any provision of this title or of the Maryland Public Ethics Law, as current law does not address contractors and subcontractors.

Background: WSSC is among the 10 largest water and sewer utilities in the country, providing water and sewer services to 1.6 million residents in Montgomery and Prince George's counties. It has a total budget of \$691 million in fiscal 2005, 420,000 customer accounts, serves an area of around 1,000 square miles, and currently employs more than 1,500 people. This agency operates four reservoirs, two water filtration plants, and six wastewater treatment plants.

In June 2003, WSSC adopted regulations for a Code of Ethics, including conflicts of interest, financial disclosure, lobbying disclosure, and ethics in public contracting. The regulations took effect November 1, 2003. The Code of Ethics established an independent Board of Ethics to assist the agency in maintaining desired ethical standards. The Board of Ethics is composed of three members appointed by WSSC. One member is nominated by the WSSC commissioners from Montgomery County, and one member is nominated by the WSSC commissioners from Prince George's County. The third member may be nominated by any WSSC commissioner. Moreover, WSSC may appoint an alternate member to the Board of Ethics.

State Fiscal Effect: Due to the bill's judicial review and enforcement provisions, State expenditures could minimally increase. Because it is assumed that this would apply in only a limited number of cases, the impact should be small enough that it could be absorbed within the Judiciary's existing resources.

Local Fiscal Effect: The bill authorizes a court to impose a fine of up to \$5,000 for individuals violating this title or WSSC ethics regulations. The total fiscal impact related to the imposition of the fine cannot be reliably quantified at this time, as it would depend on the fine imposed and the number of cases in which the fine was imposed. In any event, it is assumed that the number of cases would be minimal.

Additional Information

Prior Introductions: HB 937 of 2004 contained similar provisions. It was assigned to the Environmental Matters Committee, but did not receive a hearing.

Cross File: None.

Information Source(s): Montgomery County, Prince George's County, Judiciary (Administrative Office of the Courts), Washington Suburban Sanitary Commission, Department of Legislative Services

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