

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

Senate Bill 150 (Chairman, Education, Health, and Environmental Affairs Committee)
(By Request – Departmental – Ethics, State Commission on)

Education, Health, and Environmental Affairs

Environmental Matters

Ethics - Financial Disclosure - Electronic Filing Procedures

This departmental bill authorizes the State Ethics Commission to adopt regulations to modify the format for electronic disclosure of financial information.

Fiscal Summary

State Effect: The bill would not materially affect governmental operations or finances.

Local Effect: None.

Small Business Effect: The State Ethics Commission has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: A State official or candidate for office as a State official is required to file a statement of financial disclosure. The statement must be filed under oath with the State Ethics Commission by April 30 of each year and provide information covering the calendar year immediately preceding the year of filing. Generally, statute requires disclosure of interests in real property, corporations, partnerships, gifts, and business entities doing business with the State.

An individual who is a public official only as a member of a board and who receives annual compensation that is less than 25% of the lowest annual compensation at State

grade level 16 must file according to modified disclosure requirements established by State Ethics Commission regulation.

The State Ethics Commission is authorized to adopt procedures to allow filers to file financial disclosure statements electronically at no additional cost.

Background: Chapter 513 of 1979 expanded the Public Ethics Law to include all members of State boards and commissions. In 1981, in response to concerns that the reporting requirements were too onerous for board and commission members, the law was amended to allow the commission to adopt modified regulations, subject to the approval of the Administrative, Executive, and Legislative Review Committee, specifying the information to be disclosed. The modified electronic disclosure requirements (COMAR 19A) allowed board and commission members to report financial information in ranges, where filers are able to choose using drop-down boxes as opposed to entering specific values.

The commission advises that it has found increased errors in the disclosure statements of the remaining individuals who must report financial information under the original rules for disclosure. This is attributed to the electronic disclosure format, which requires specific values in many instances. The commission believes that modifying the format similar to the format in use by members of boards and commissions would reduce reporting error by allowing filers to choose from ranges in drop-down boxes.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 1, 2005
n/jr

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