

**Department of Legislative Services**  
Maryland General Assembly  
2006 Session

**FISCAL AND POLICY NOTE**  
**Revised**

Senate Bill 793

(Senator Brinkley)

Education, Health, and Environmental Affairs

Environmental Matters

---

**Ethics - Employees or Officials of the Department of Agriculture - Exemption  
from Conflict of Interest Provisions**

---

This bill allows the Secretary of Agriculture to directly request that the State Ethics Commission grant an exemption for a public official or employee of the Department of Agriculture from State ethics requirements prohibiting officials or employees from holding specified outside employment and financial interests.

---

**Fiscal Summary**

**State Effect:** The bill would not directly affect State finances.

**Local Effect:** None.

**Small Business Effect:** Minimal.

---

**Analysis**

**Current Law:** Subject to exceptions, and excluding members of the General Assembly, a State or public official or employee may not be employed by or have a financial interest in:

- an entity that is subject to their authority or the authority of the governmental unit they are affiliated with; or
- an entity that is negotiating or has entered a contract with that governmental unit, or a subcontractor on a contract with the governmental unit; and

- may not hold any other employment relationship that would impair the impartiality and independent judgment of the official or employee.

Exceptions to these restrictions include:

- employment or a financial interest allowed by State Ethics Commission regulation if the employment does not create a conflict of interest or the appearance of a conflict of interest, or if the financial interest is disclosed;
- public officials appointed to a regulatory or licensing unit pursuant to a statutory requirement that entities subject to the jurisdiction of the unit be represented in appointments to it; and
- a member of a board holding the employment or financial interest when appointed if the employment or financial interest is publicly disclosed to the appointing authority, the Ethics Commission, and, if applicable, the Senate before confirmation.

The Ethics Commission may also exempt an official or employee of an executive unit in extraordinary circumstances, upon the recommendation of the Governor, at the request of the executive unit involved, where failure to grant an exemption would limit the State's ability to recruit and hire highly qualified or uniquely qualified professionals for public service, or assure the availability of competent services to the public. Ethics Commission regulations set out further guidelines with respect to conflicts of interest arising from outside employment or financial interests.

**Background:** The Maryland Department of Agriculture is currently having trouble hiring qualified candidates who have first hand knowledge and agricultural experience, which is hurting its operations. Candidates who are employed by or have financial interests in farm operations will often have pre-existing knowledge needed for many positions within the department and will require less training. The department advises that it has also had more success in retaining employees who have outside employment and interests in the farming industry. Farm operations, however, are generally regulated by the department and the department, therefore, has to seek an exemption from the State Ethics Commission for new-hire candidates who are employed by or have financial interests in farm businesses.

---

### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 588 (Delegate Stull, *et al.*) – Environmental Matters.

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

**Fiscal Note History:** First Reader - March 1, 2006  
ncs/jr Revised - Senate Third Reader - April 4, 2006

---

Analysis by: Scott D. Kennedy

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510