

Department of Legislative Services
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FISCAL AND POLICY NOTE
Revised

House Bill 1076 (Prince George's County Delegation and Montgomery County Delegation)

Environmental Matters

Education, Health, and Environmental Affairs

Washington Suburban Sanitary Commission - Ethics
PG/MC 118-06

This bill authorizes the Washington Suburban Sanitary Commission (WSSC) Board of Ethics to administer oaths. Furthermore, it authorizes judicial review and judicial enforcement of actions of the WSSC Board of Ethics.

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 provides for judicial review for respondents who are aggrieved by a final order of the Board of Ethics. If a timely appeal is filed or until the time for seeking judicial review has expired (unless the respondent and the board agree otherwise) an order of the Board of Ethics is stayed. Moreover, 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 contractors and subcontractors as well as commissioners and employees from violating any provision of WSSC ethics laws, 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 WSSC ethics laws or WSSC regulations regarding conflicts of interest, financial disclosure, lobbying, or ethics in public contracting.

Current Law: Statute provides for each county to enact provisions governing the public ethics of local officials relating to conflicts of interest, financial disclosure, and lobbying. To this end, WSSC adopted regulations for a Code of Ethics, which established an independent Board of Ethics. The board does not have the authority to administer oaths. Moreover, only WSSC commissioners and employees are prohibited in statute from knowingly violating any provision of WSSC ethics laws or of the Maryland Public Ethics Law, as statute does not address WSSC 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 \$759.2 million in fiscal 2006, over 400,000 customer accounts, and serves an area of around 1,000 square miles. This agency operates three 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 a fine would be imposed. In any event, it is assumed that the number of cases would be minimal.

Additional Information

Prior Introductions: This bill is similar to HB 600 of 2005, as introduced. It was amended by the House Environmental Matters Committee and passed the House. The bill was heard in the Senate Education, Health, and Environmental Affairs Committee but no further action was taken.

Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts), Washington Suburban Sanitary Commission, State Ethics Commission, Department of Legislative Services

Fiscal Note History: First Reader - March 7, 2006
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