

**Department of Legislative Services**  
Maryland General Assembly  
2008 Session

**FISCAL AND POLICY NOTE**

Senate Bill 190 (Chair, Education, Health, and Environmental Affairs Committee)  
(By Request – Departmental – Ethics, State Commission on)  
Education, Health, and Environmental Affairs

---

**Ethics - Financial Disclosure - Electronic Filing**

---

This departmental bill requires that financial disclosure statements submitted to the State Ethics Commission by State officials and candidates for State office be submitted electronically. It allows the commission to develop regulations that permit it to grant exceptions to this requirement.

---

**Fiscal Summary**

**State Effect:** Negligible reductions in general fund expenditures by the State Ethics Commission due to increased efficiency in processing disclosure statements and reduced storage costs.

**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:** Most State officials and candidates for State office are required to file, under oath, annual financial disclosure statements with the commission. Officials who are exempt from that requirement include judges, deputy sheriffs and other employees in the office of a county sheriff, deputy and assistant State's Attorneys and all other employees in State's Attorneys' offices, members of State boards who earn less than 25%

of the lowest annual compensation at Grade 16 on the State salary scale, and members of the Harford County Liquor Control Board. State officials who fall into the last two categories above must disclose only interests, gifts, compensated positions, and liabilities that may create a conflict between the official's personal interest and his or her duties on the board.

For judges, the Court of Appeals is charged with issuing rules requiring judges, candidates for judgeships, and judicial appointees to disclose information that the court considers necessary or appropriate to promote continued trust and confidence in the integrity of the Judicial Branch.

Financial disclosures submitted to the commission may be filed either in paper form or electronically.

**Background:** The commission has allowed electronic filing of financial disclosure statements since 2005. Since inception, the percentage of filers filing electronic disclosures has increased from 58% in 2005 to 71% in 2007. The electronic system allows commission staff to gather, maintain, retrieve, and review submissions on their computers. By contrast, paper submissions are reentered onto spreadsheets and original copies are filed, creating additional work for commission staff and using increasing amounts of storage space. A 2006 performance audit by the Office of Legislative Audits recommended that "consideration should be given to mandating electronic filing."

---

### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - January 29, 2008  
mll/ljm

---

Analysis by: Michael C. Rubenstein

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