

**Department of Legislative Services**  
 Maryland General Assembly  
 2014 Session

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

Senate Bill 90 (Chair, Education, Health, and Environmental Affairs  
 Committee)(By Request - Departmental - Ethics  
 Commission, State)

Education, Health, and Environmental Affairs

Environmental Matters

**Public Ethics - Regulated Lobbyists - Certification to Authorize Lobbying and  
 Electronic Filing of Registration**

This departmental bill repeals the written authorization requirement and establishes a certification requirement under oath or affirmation for regulated lobbyists who are required to register with the State Ethics Commission. The bill repeals a requirement that a physical authorization form signed by the entity that engages the lobbyist be submitted to complete the registration process. It also authorizes completion of the registration requirement, including the specified certification, electronically.

**Fiscal Summary**

**State Effect:** Special fund expenditures increase by \$25,000 in FY 2015 only to update the electronic registration and training systems used by registered lobbyists. To the extent that regulated lobbyists file required registrations and certifications electronically, the efficiency of commission operations may increase.

(in dollars)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	25,000	0	0	0	0
Net Effect	(\$25,000)	\$0	\$0	\$0	\$0

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** None.

**Small Business Effect:** The State Ethics Commission has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

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## Analysis

**Bill Summary:** The certification that a lobbyist is authorized to engage in lobbying must include (1) the full legal name and business address of the entity engaging the lobbyist; (2) the name, contact information, and official title of the representative of the entity who authorized the regulated lobbyist to engage in lobbying; (3) the full legal name and business address of the regulated lobbyist; (4) subject to subsequent modification, the period during which the regulated lobbyist is authorized to act; and (5) the proposal or subject on which the regulated lobbyist represents the entity. A lobbyist is no longer required to submit a printed copy of a certification that is signed by the entity engaging the lobbyist in order to complete the registration process.

Any registration with the State Ethics Commission that is filed electronically must include this certification. It must be made by an electronic signature that is a part of the registration form or attached to and made part of the registration form. An oath or affirmation signed electronically in this way is made expressly under the penalties for perjury and subjects an individual to the penalties for perjury to the same extent as an oath or affirmation made in person before an individual authorized to administer oaths. Electronic submissions are made at no additional cost to the individual who files the registration.

**Current Law:** A “regulated lobbyist” is a person or entity required under the Maryland Public Ethics Law to register with the State Ethics Commission because the person or entity generally has made certain expenditures and/or received certain compensation to influence legislative or executive action. This registration must specify the name and address of both the lobbyist and the entity that has engaged the lobbyist, as well as the subject areas or matters in which the lobbyist will be lobbying. A lobbyist who is not registered must register within five days after first performing an act that requires registration.

To complete the registration process, a lobbyist must submit a written authorization form that is signed by the entity that engages the lobbyist. With this form, the lobbyist must pay a \$100 registration fee. The State Ethics Commission allows lobbyists to submit registration forms electronically as an alternative to submitting paper forms; however, the written authorization form must still be submitted in writing. A signed authorization must include (1) the full legal name and business address of the entity and the regulated

lobbyist; (2) subject to subsequent modification, the period during which the regulated lobbyist is authorized to act; and (3) the proposal or subject on which the regulated lobbyist represents the entity.

Lobbyist registration fees are credited to the Lobbyist Registration Fund, which is used to defray the expenses of administering the lobbying provisions of the Maryland Public Ethics Law.

**Background:** The State Ethics Commission reports that on average, it receives 2,700 to 3,000 lobbyist registrations each year, about 95% of which are submitted electronically. The commission prefers electronic registration because it allows filings to be submitted quickly and accurately to the commission's database. By making the process completely electronic, it is more convenient for lobbyists to accurately and quickly file their registrations. Additionally, the process creates efficiencies for commission staff that no longer have to collect and process a paper authorization form from each lobbyist during registration.

**State Expenditures:** Special fund expenditures increase by \$25,000 in fiscal 2015 only to hire a consultant to make one-time programming changes. The State Ethics Commission reports that in order to update its online lobbying registration forms and lobbying training programs to accommodate the bill's requirements, the services of a programming consultant are necessary. The commission does not have the ability to make the required changes itself.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - January 21, 2014  
mc/kdm Revised - Senate Third Reader/Correction - March 18, 2014

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## ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Public Ethics-Regulated Lobbyists-Certification to Authorize  
Lobbying and Electronic Filing of Registration

BILL NUMBER: SB 90

PREPARED BY: State Ethics Commission

### PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL  
BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL  
BUSINESSES

### PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have minimal economic impact on small businesses.