

Department of Legislative Services  
Maryland General Assembly  
2014 Session

FISCAL AND POLICY NOTE

Senate Bill 92 (Chair, Education, Health, and Environmental Affairs  
Committee)(By Request - Departmental - Ethics  
Commission, State)

Education, Health, and Environmental Affairs

Environmental Matters

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Public Ethics - Regulated Lobbyists - Ethics Training Requirements

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This departmental bill requires a regulated lobbyist, other than an employer of a regulated lobbyist, to complete the Maryland Public Ethics Law training course within six months of initial registration with the State Ethics Commission. If the initial registration is terminated earlier than six months after the registration date, the training course must be completed before a lobbyist can register again with the State Ethics Commission. After the initial course completion, a regulated lobbyist must complete subsequent training courses within two years of the most recently complete course.

Existing penalty provisions apply to violations of the bill's provisions.

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Fiscal Summary

**State Effect:** None. The bill's requirements can be handled with existing resources.

**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.

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Analysis

**Bill Summary:** Subject to specified notice and hearing provisions, the commission may impose penalties on lobbyists who violate the training requirements. In addition to the issuance of an order of compliance, issuance of a formal reprimand, or a recommendation for disciplinary action, these penalties include (1) requiring lobbyists to file any

additional reports or information that reasonably relate to complaints against the lobbyist and the collection of evidence; (2) a fine of up to \$5,000 for each violation; and (3) suspension of the lobbyist's registration. Suspension may only be imposed if the commission determines that the individual has knowingly and willfully violated the law or has been convicted of a criminal offense arising from lobbying activities.

**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 include 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. A lobbyist must file a new registration on or before November 1 of each year if, on that date, they are engaged in lobbying.

The State Ethics Commission conducts a training course on the Maryland Public Ethics Law twice per year, with one training taking place each January. Regulated lobbyists, other than an employer of a regulated lobbyist, must attend the training course at least once in any two-year period in which they have been registered with the State Ethics Commission. At the time of initial registration, the State Ethics Commission must provide a new lobbyist with information relating to the provisions of the Maryland Public Ethics Law that is relevant to regulated lobbyists. Other than the issuance of (1) an order of compliance; (2) a reprimand; or (3) a recommendation for disciplinary action, the State Ethics Commission is not authorized to take enforcement action against lobbyists who do not comply with the training requirements.

**Background:** In addition to the in-person ethics training offered twice a year to lobbyists, the State Ethics Commission offers two electronic training programs that are available online at all times. These programs provide basic and advanced information related to current ethics laws. The commission advises that under current law, it is possible for a new lobbyist to lobby during two successive sessions before it is mandatory that the lobbyist completes ethics training and, given the importance of the Public Ethics Law, it is important for lobbyists to have an understanding of the law earlier in their careers.

In addition, the commission advises that under current law, it does not have the authority to enforce violations of the training requirements in the same manner as other lobbying violations. This bill provides the commission with additional enforcement authority for violations of the training requirements.

## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - January 16, 2014  
ncs/kdm

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## ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Public Ethics-Regulated Lobbyists – Ethics Training Requirements

BILL NUMBER: SB 92

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 impact on small businesses.