

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

Senate Bill 109

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

Education, Health, and Environmental Affairs

Environmental Matters

Public Ethics - Financial Disclosure Statements - 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. The State Ethics Commission must develop and implement procedures related to the electronic filing of the statements and exemptions to the requirement.

Fiscal Summary

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

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.

Analysis

Current Law: Most State officials and candidates for State office are required to file financial disclosure statements on an annual basis. This statement must be filed under oath with the State Ethics Commission before April 30 of each year, and it covers the calendar year that precedes the filing. The filing may be submitted by paper copy or electronically.

Officials who are exempt from the requirement include judges, deputy sheriffs and other employees in the office of a county sheriff, and deputy and assistant State's Attorneys and all other employees in State's Attorneys' offices. 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.

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 are partially exempt and must disclose only gifts, compensated positions, and other liabilities that may create a conflict between the official's personal interest and his or her duties on the board.

Background: The State Ethics Commission has allowed electronic filing of financial disclosure statements since 2005. Since then, the percentage of filers filing electronic disclosures has increased from 58% in 2005 to 97% in 2013.

The electronic system allows commission staff to gather, maintain, retrieve, and review submissions on their computers. By contrast, paper submissions are reentered into 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." The commission estimates that this bill allows most of their 46 filing cabinets to become unnecessary.

Additional Information

Prior Introductions: SB 190 of 2008, a similar bill, passed the Senate on second reading as amended but was then recommitted to the Senate Education, Health, and Environmental Affairs Committee. No further action was taken.

Cross File: None.

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

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

Analysis by: Richard L. Duncan

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

ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Public Ethics-Financial Disclosure-Electronic Filing

BILL NUMBER: SB 109

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 no economic impact on small businesses.