

Department of Legislative Services  
Maryland General Assembly  
2015 Session

FISCAL AND POLICY NOTE

Senate Bill 283 (Senator Raskin, *et al.*)  
Education, Health, and Environmental Affairs

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**Ethics Law - Financial Disclosure Statement by Elected Local Official of a  
Municipal Corporation - Confidential Information**

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This bill designates certain parts of a financial disclosure statement filed by an elected local official of a municipality as confidential, except in specified circumstances.

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**Fiscal Summary**

**State Effect:** The bill does not materially affect State operations or finances.

**Local Effect:** Local government workloads increase minimally to update financial disclosure forms and due to the confidentiality requirements on specified parts of the financial disclosure statements of an elected local official of a municipality. It is assumed that any additional workload can be handled with existing resources.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** Any part of a financial disclosure statement filed by an elected local official of a municipality is confidential and may not be disclosed if it includes:

- information regarding a spouse or a dependent child; or
- unless the interest relates to a business entity that is doing business with the municipality or that has done business with the municipality in the last 10 years, (1) interests in real property located outside the county in which the municipality is

located; (2) interests in corporations, partnerships, and limited liability companies; (3) employment; and (4) indebtedness.

However, the bill does not prohibit disclosure (1) to a local ethics commission and its staff; (2) to the local board of elections and its staff; (3) to a court with appropriate jurisdiction; or (4) of any part of the financial disclosure statement that is found in violation by a local ethics commission.

**Current Law:** The Maryland Public Ethics Law requires each county and municipality to enact provisions governing the public ethics of local officials related to conflicts of interest, financial disclosure, and lobbying. Chapter 277 of 2010 requires that the ethics laws of a county or municipality must be similar to or substantively similar to the State Public Ethics Law, but may be more stringent based on local circumstances where more stringent provisions are necessary to prevent conflicts of interest. Chapter 277 of 2010 also specifies that the financial disclosure laws of a county or municipality must equal or exceed the requirements of the State Public Ethics Law and *must* be modified if necessary to make the provisions relevant to the prevention of conflicts of interest in the jurisdiction.

To assist local governments in developing ethics regulations, the State Ethics Commission is required to adopt, by regulation, model provisions for local governments that relate to conflicts of interest, financial disclosure, and regulation of lobbying. These model provisions may be adopted by or imposed upon a local jurisdiction. If the State Ethics Commission determines that a local jurisdiction has not complied with the requirements of the State Public Ethics Law, the commission may petition a circuit court to compel compliance.

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### **Additional Information**

**Prior Introductions:** HB 1369 of 2014, a bill with similar provisions, received a hearing in the House Environmental Matters Committee, but no further action was taken.

**Cross File:** HB 584 (Delegate Healey, *et al.*) – Environment and Transportation.

**Information Source(s):** State Ethics Commission, Maryland Municipal League, City of Laurel, Department of Legislative Services

**Fiscal Note History:** First Reader - February 24, 2015  
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Analysis by: Richard L. Duncan

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