

SENATE BILL 395

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CF 6lr1316

By: **Senator Conway**

Introduced and read first time: January 29, 2016

Assigned to: Education, Health, and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **Ethics – Local Government – Conflict of Interest and Financial Disclosure**

3 FOR the purpose of requiring that certain authorized modifications of local conflict of
4 interest and financial disclosure laws and regulations be made in accordance with
5 regulations adopted by the State Ethics Commission and consistent with certain
6 intent; authorizing rather than requiring a county or municipal corporation to
7 modify certain local financial disclosure laws under certain circumstances; and
8 generally relating to local conflict of interest and financial disclosure laws and
9 regulations.

10 BY repealing and reenacting, without amendments,
11 Article – General Provisions
12 Section 5–807
13 Annotated Code of Maryland
14 (2014 Volume and 2015 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – General Provisions
17 Section 5–808, 5–809, 5–816, and 5–817
18 Annotated Code of Maryland
19 (2014 Volume and 2015 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
21 That the Laws of Maryland read as follows:

22 **Article – General Provisions**

23 5–807.

24 (a) Subject to § 5–209 of this title, each county and each municipal corporation
25 shall enact provisions to govern the public ethics of local officials relating to:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (1) conflicts of interest;
- 2 (2) financial disclosure; and
- 3 (3) lobbying.

4 (b) On or before October 1 of each year, each local ethics commission or
5 appropriate entity shall certify to the Ethics Commission that the county or municipal
6 corporation is in compliance with the requirements of this part for elected local officials.

7 5–808.

8 (a) Except as provided in subsection (b) of this section, the conflict of interest
9 provisions enacted by a county or municipal corporation under § 5–807 of this subtitle:

10 (1) shall be similar to the provisions of Subtitle 5 of this title; but

11 (2) **IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE ETHICS**
12 **COMMISSION AND CONSISTENT WITH THE INTENT OF THIS TITLE**, may be modified to
13 the extent necessary to make the provisions relevant to the prevention of conflicts of
14 interest in that jurisdiction.

15 (b) The conflict of interest provisions for elected local officials enacted by a county
16 or municipal corporation under § 5–807 of this subtitle:

17 (1) shall be equivalent to or exceed the requirements of Subtitle 5 of this
18 title; but

19 (2) **IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE ETHICS**
20 **COMMISSION AND CONSISTENT WITH THE INTENT OF THIS TITLE**, may be modified to
21 the extent necessary to make the provisions relevant to the prevention of conflicts of
22 interest in that jurisdiction.

23 5–809.

24 (a) In this section, “local official” includes an individual who is designated as a
25 local official and whose position is funded wholly or partly by the State.

26 (b) (1) Except as provided in paragraph (2) of this subsection and subsection
27 (c) of this section, the financial disclosure provisions enacted by a county or municipal
28 corporation under § 5–807 of this subtitle:

29 (i) shall be similar to the provisions of Subtitle 6 of this title; but

1 (ii) [shall] IN ACCORDANCE WITH REGULATIONS ADOPTED BY
2 THE ETHICS COMMISSION AND CONSISTENT WITH THE INTENT OF THIS TITLE, MAY
3 be modified to the extent necessary to make the provisions relevant to the prevention of
4 conflicts of interest in that jurisdiction.

5 (2) The financial disclosure provisions for elected local officials enacted by
6 a county or municipal corporation under § 5–807 of this subtitle:

7 (i) shall be equivalent to or exceed the requirements of Subtitle 6 of
8 this title; but

9 (ii) [shall] IN ACCORDANCE WITH REGULATIONS ADOPTED BY
10 THE ETHICS COMMISSION AND CONSISTENT WITH THE INTENT OF THIS TITLE, MAY
11 be modified to the extent necessary to make the provisions relevant to the prevention of
12 conflicts of interest in that jurisdiction.

13 (c) (1) This subtitle does not compel the governing body of a county or
14 municipal corporation to require a local official to file a financial disclosure statement
15 except when the personal interest of the local official will present a potential conflict with
16 the public interest in connection with an anticipated public action of the local official.

17 (2) The governing body of a county or municipal corporation shall require
18 a local official to file a financial disclosure statement at least annually to report on gifts
19 received by the local official.

20 (3) The financial disclosure provisions shall require that a statement be
21 filed:

22 (i) under paragraph (1) of this subsection sufficiently in advance of
23 the action to provide adequate disclosure to the public; and

24 (ii) by an elected local official under subsection (b)(2) of this section
25 on or before April 30 of each year.

26 (d) Financial disclosure provisions applicable to a candidate shall be consistent
27 with the provisions applicable to an incumbent holding the office involved.

28 5–816.

29 (a) In accordance with this section, a school board:

30 (1) may adopt conflict of interest regulations applicable to officials and
31 employees of the school system; and

32 (2) shall adopt conflict of interest regulations applicable to members of the
33 school board.

1 (b) (1) The conflict of interest regulations adopted by a school board under
2 subsection (a)(1) of this section:

3 (i) shall be similar to the provisions of Subtitle 5 of this title; but

4 (ii) **IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE**
5 **ETHICS COMMISSION AND CONSISTENT WITH THE INTENT OF THIS TITLE**, may be
6 modified to the extent necessary to make the regulations relevant to the prevention of
7 conflicts of interest in that school system.

8 (2) The conflict of interest regulations adopted by a school board under
9 subsection (a)(2) of this section:

10 (i) shall be equivalent to or exceed the requirements of Subtitle 5 of
11 this title; but

12 (ii) **IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE**
13 **ETHICS COMMISSION AND CONSISTENT WITH THE INTENT OF THIS TITLE**, may be
14 modified to the extent necessary to make the regulations relevant to the prevention of
15 conflicts of interest in that school system.

16 (c) Unless a school board adopts and maintains conflict of interest regulations
17 under subsection (a)(1) of this section, the provisions enacted by the county under § 5–808
18 of this subtitle shall apply to officials and employees of that school system.

19 5–817.

20 (a) (1) In accordance with this section, a school board:

21 (i) may adopt financial disclosure regulations applicable to officials
22 and employees of that school system; and

23 (ii) shall adopt financial disclosure regulations applicable to
24 members of the school board.

25 (2) (i) The regulations adopted under paragraph (1)(i) of this subsection
26 shall apply to:

27 1. the superintendent of that school system; and

28 2. those other officials and employees of that school system
29 designated by the school board, subject to subparagraph (iii) of this paragraph.

30 (ii) The regulations adopted under paragraph (1)(ii) of this
31 subsection shall apply to:

32 1. each member of the school board; and

1 2. if the school board is an elected board under Title 3,
2 Subtitle 1, Part III of the Education Article, each candidate for election to the school board.

3 (iii) The regulations may not apply to a classroom teacher unless the
4 teacher has additional duties, not normally expected of classroom teachers, that cause the
5 teacher for other reasons to be covered by the financial disclosure regulations.

6 (b) (1) Except as provided in subsection (c) of this section, the regulations
7 adopted under subsection (a)(1)(i) of this section:

8 (i) shall be similar to the provisions of Subtitle 6 of this title; but

9 (ii) **IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE**
10 **ETHICS COMMISSION AND CONSISTENT WITH THE INTENT OF THIS TITLE**, may be
11 modified to the extent necessary to make the regulations relevant to the prevention of
12 conflicts of interest in that school system.

13 (2) The regulations adopted under subsection (a)(1)(ii) of this section:

14 (i) shall be equivalent to or exceed the requirements of Subtitle 6 of
15 this title; but

16 (ii) **IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE**
17 **ETHICS COMMISSION AND CONSISTENT WITH THE INTENT OF THIS TITLE**, may be
18 modified to the extent necessary to make the regulations relevant to the prevention of
19 conflicts of interest in that school system.

20 (c) (1) (i) This section does not compel a school board to require an
21 individual to file a financial disclosure statement except:

22 1. when the personal interest of the individual will present a
23 potential conflict with the public interest in connection with an anticipated public action of
24 the individual; and

25 2. at least annually to report on gifts received by the
26 individual.

27 (ii) The regulations adopted under subsection (a)(1)(i) of this section
28 shall require that a statement filed under subparagraph (i)1 of this paragraph be filed
29 sufficiently in advance of the public action to provide adequate disclosure to the public.

30 (2) The regulations adopted under subsection (a)(1)(ii) of this section shall
31 require that a statement filed by a member of a school board be filed on or before April 30
32 of each year.

1 (d) Except as provided for a school board member under this part, unless a school
2 board adopts and maintains financial disclosure regulations under this subtitle, the
3 provisions enacted by the county under § 5-809 of this subtitle shall apply to:

4 (1) the superintendent of that school system; and

5 (2) the other officials and employees of the school system designated by the
6 governing body of that county.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 October 1, 2016.