

SENATE BILL 395

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6lr2724
CF 6lr1316

By: **Senator Conway**

Introduced and read first time: January 29, 2016

Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable

Senate action: Adopted

Read second time: March 9, 2016

CHAPTER _____

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:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



Article – General Provisions

1
2 5–807.

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

5 (1) conflicts of interest;

6 (2) financial disclosure; and

7 (3) lobbying.

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

11 5–808.

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

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

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

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

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

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

27 5–809.

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

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

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

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

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

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

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

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

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

24 (3) The financial disclosure provisions shall require that a statement be
25 filed:

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

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

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

32 5–816.

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

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

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

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

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

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

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

14 (i) shall be equivalent to or exceed the requirements of Subtitle 5 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) Unless a school board adopts and maintains conflict of interest regulations
21 under subsection (a)(1) of this section, the provisions enacted by the county under § 5–808
22 of this subtitle shall apply to officials and employees of that school system.

23 5–817.

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

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

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

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

31 1. the superintendent of that school system; and

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

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

5 1. each member of the school board; and

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

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

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

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

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

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

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

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

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

27 1. when the personal interest of the individual will present a
28 potential conflict with the public interest in connection with an anticipated public action of
29 the individual; and

30 2. at least annually to report on gifts received by the
31 individual.

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

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

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

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

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

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

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.