

Department of Legislative Services
 Maryland General Assembly
 2020 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 190 (Delegate Barron)
 Environment and Transportation

Public Ethics - Officials and Lobbyists - Reporting of Ceremonial Gifts and Awards of Insignificant Monetary Value

This bill specifies that a financial disclosure statement filed with the State Ethics Commission (SEC) need not disclose a ceremonial gift or award of insignificant monetary value. In addition, the bill specifies that an activity report filed with SEC by a regulated lobbyist need not allocate and report by name the individual recipients of ceremonial gifts and awards of insignificant monetary value.

Fiscal Summary

State Effect: General fund expenditures for SEC increase by \$10,000 in FY 2021 only, as discussed below. Revenues are not affected.

(in dollars)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	10,000	0	0	0	0
Net Effect	(\$10,000)	\$0	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: “Gift,” as it applies to the Maryland Public Ethics law, means the transfer of anything of economic value, regardless of form, without adequate and lawful consideration. “Gift” does not include a political contribution that is regulated in

accordance with the Election Law Article or any other State law regulating the conduct of elections or receipt of political contributions.

Financial Disclosure Statements

With specified exceptions, a public official, State official, or candidate for office as a State official must file an annual financial disclosure statement with SEC. Statements generally must disclose (1) interests in real property; (2) interests in corporations and partnerships; (3) interests in and employment by business entities doing business with the State; (4) debts owed to entities doing business with or regulated by an individual's governmental unit; (5) family members employed by the State; (6) sources of earned income; and (7) gifts, as specified.

Disclosure of Gifts: With specified exceptions, a statement must disclose each gift with a value of more than \$20 and each of two or more gifts with a cumulative value of at least \$100 received during the applicable period from or on behalf of an entity that is a regulated lobbyist, regulated by the State, or otherwise an entity doing business with the State. For each gift subject to disclosure, the statement must include (1) the nature and value of the gift and (2) the identity of the entity from which the gift was received, whether directly or indirectly.

Lobbying Activity Reports

A regulated lobbyist must file semiannual activity reports with SEC that include specified total expenditures in connection with influencing executive or legislative action, including gifts to or for officials, employees, or immediate family members of officials or employees.

With specified exceptions, reports must include the name of each official, employee, or immediate family member of an official or employee who has benefited from one or more gifts with a cumulative value of \$75 during the reporting period from the regulated lobbyist, regardless of whether the gift is attributable to more than one entity or given in connection with lobbying activity.

State Expenditures: SEC advises that contractual services are needed to update its financial disclosure and lobbying reporting systems to reflect the bill's changes. SEC estimates contractual costs at \$5,000 for each system. Accordingly, general fund expenditures for SEC increase by approximately \$10,000 in fiscal 2021 only.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 348 (Senator Kelley) - Education, Health, and Environmental Affairs.

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

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