

**Department of Legislative Services**  
Maryland General Assembly  
2021 Session

**FISCAL AND POLICY NOTE**  
**Third Reader**

House Bill 501 (Montgomery County Delegation and Prince George's  
County Delegation)

Environment and Transportation Education, Health, and Environmental Affairs

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**Washington Suburban Sanitary Commission – Board of Ethics – Financial  
Disclosure Statements – Late Fees MC/PG 102–21**

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This bill requires a respondent in a complaint reviewed by the Washington Suburban Sanitary Commission’s (WSSC) Board of Ethics, who is found to have filed a required financial disclosure statement late, to pay a fee of \$5 for each day the filing is late, up to a maximum of \$500. **The bill takes effect June 1, 2021.**

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** WSSC revenues increase minimally to the extent fees are imposed as a result of the bill, as discussed below. Expenditures are not affected.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** WSSC is subject to special provisions of the Ethics Law that apply to bicounty commissions. Under the Ethics Law, each bicounty commission must adopt and submit to the State Ethics Commission (SEC) specified regulations relating to conflicts of interest of its employees and lobbying of the bicounty commission. Commissioners of bicounty commissions must file annual financial disclosure statements with SEC, and each bicounty commission must adopt regulations relating to financial disclosure by its employees.

Section 19-102 of the Public Utilities Article specifies that commissioners and employees of WSSC are generally subject to the conflict of interest and lobbying provisions of the Ethics Law and prohibits a commissioner, employee, contractor, or subcontractor from willingly and knowingly violating (1) any provision of Title 19 (Ethics) of the Public Utilities Article; (2) the Maryland Public Ethics Law; or (3) any WSSC regulation governing conflicts of interest, financial disclosure, lobbying, or ethics in public contracting.

### *WSSC Board of Ethics, Regulations*

WSSC's independent Board of Ethics, as established under WSSC regulations, is responsible for administering WSSC's Code of Ethics and acts on complaints of violations. The Code of Ethics sets forth requirements for the filing of financial disclosure statements by specified employees and members of WSSC advisory boards and committees. The statements generally must be filed by April 30 each year for the preceding calendar year and must be submitted to a designated supervisor or the Ethics Officer as specified by regulations. A person who leaves a position for which a financial disclosure statement is required must file the statement within 60 days after leaving the position.

WSSC regulations also establish requirements and procedures related to the filing, investigation, and disposition of ethics complaints. Complaints may be filed with the board in accordance with WSSC regulations, and the board may issue a complaint on its own motion based on sufficient information that an employee is not in compliance with the Code of Ethics. Pursuant to WSSC regulations, if the board determines that a respondent has violated the Code of Ethics, the board may (1) issue an order of compliance directing the respondent to cease and desist from the violation; (2) issue a reprimand; or (3) recommend to the appropriate authority other appropriate discipline, including censure or removal, if authorized.

### *Judicial Review and Enforcement*

A respondent aggrieved by a final order of the board may seek judicial review in accordance with Maryland's Administrative Procedure Act, and WSSC may seek judicial enforcement of an order of the board. A court may compel compliance with an order of the board or WSSC regulations governing conflicts of interest, financial disclosure, lobbying, or ethics in public contracting by issuing an order to cease and desist from the violation or granting other injunctive relief. A court may impose a fine of up to \$5,000 for specified ethics violations.

**Local Revenues:** WSSC revenues increase minimally to the extent that fees for late-filed statements are imposed under the bill, likely not beginning until fiscal 2022, despite the bill's effective date. WSSC advises that, in fiscal 2020, there were six late-filed financial

disclosure statements which, on average, were filed more than 100 days late. *Under one illustrative scenario*, assuming fiscal 2020 levels of overdue filings, WSSC revenues increase by \$3,000 annually.

**Additional Comments:** The fee established by the bill is modeled after the fee that SEC may charge for the late-filing of financial disclosure statements. An individual who is required to file a financial disclosure statement with SEC is subject to a fee of \$5 for each day that a statement is found to have been filed late, up to a maximum total of \$500.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Washington Suburban Sanitary Commission; Judiciary (Administrative Office of the Courts); State Ethics Commission; Department of Legislative Services

**Fiscal Note History:** First Reader - February 19, 2021  
rh/lgc Third Reader - March 19, 2021

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Analysis by: Elizabeth J. Allison

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