

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 230

(Chair, Environment and Transportation Committee)(By
Request - Departmental - State Ethics Commission)

Environment and Transportation

Education, Energy, and the Environment

**Maryland Public Ethics Law - Training and Financial Disclosure Requirements -
Revisions**

This departmental bill clarifies that required financial disclosure statements by officials and candidates for office as State officials include the name and address of any source of compensated employment. The bill removes the requirement that ethics training courses for specified officials and registered lobbyists provided by the State Ethics Commission (SEC) be at least two hours and clarifies that training courses can be given as online training or in-person presentations.

Fiscal Summary

State Effect: None. SEC can implement the bill with existing budgetary resources.

Local Effect: Minimal. The bill may require changes to the financial disclosure provisions of some local ethics laws.

Small Business Effect: SEC has determined that this bill has minimal or no impact on small businesses (attached). The Department of Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Current Law:

Maryland Public Ethics Law

The Maryland Public Ethics Law sets out requirements, prohibitions, and procedures that affect officials in the Legislative, Executive, and Judicial branches of government for the

purpose of maintaining people's trust in government and protecting against the improper influence and the appearance of improper influence of government. The Maryland Public Ethics Law is administered by SEC with the Joint Committee on Legislative Ethics and the Commission on Judicial Disabilities.

Ethics Training

Among other responsibilities, SEC must provide a training course of at least two hours on the Maryland Public Ethics Laws to an individual who fills a vacancy in or serves in a position that has been identified as a public official position, among other individuals. "Public official," as it applies to the Ethics Law, means an individual determined to be a public official under § 5-103 of the General Provisions Article and includes specified individuals in the Executive, Legislative, and Judicial branches. SEC must also provide a training course for an individual who, on or after January 19, 2023, is a State official subject to the jurisdiction of SEC ("State official," as defined under current law, includes a constitutional officer or officer-elect in an executive unit, among others). SEC must also provide ethics training to lobbyists, as specified.

Financial Disclosure Statements

Under current law, public officials, State officials, and candidates for office as a State official must file financial disclosure statements 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. A filer must disclose an interest held by (1) a spouse or child of an individual, if the interest was controlled, directly or indirectly, by the individual at any time during the applicable period; (2) a business entity in which the individual held a 10% or greater interest at any time during the applicable period; or (3) a trust or estate in which, at any time during the applicable period, the individual held a reversionary interest, was a beneficiary, or was a settlor, if a revocable trust.

Background: SEC advises that current law is not specific enough as it relates to compensated employment disclosures on the required financial disclosure statements. Because of this, SEC advises current disclosure statements may not account for all potential conflicts of interest. The new disclosure requirements under the bill would reflect current forms of outside employment held by State employees and officials that might not otherwise be included in financial disclosure statements.

Additionally, the bill allows SEC greater flexibility in the format and duration of ethics trainings while maintaining content requirements.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 251 (Chair, Education, Energy, and the Environment Committee)(By Request - Departmental - State Ethics Commission) - Education, Energy, and the Environment.

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

Fiscal Note History: First Reader - January 13, 2025
rh/mcr Third Reader - March 15, 2025

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Maryland Public Ethics Law - Training and Financial Disclosure Requirements - Revisions

BILL NUMBER: HB 230

PREPARED BY: Jennifer Allgair, Executive Director

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

X WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESS

OR

____ WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS