

Department of Legislative Services

Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 166

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

Environment and Transportation

Judicial Proceedings

**Maryland Public Ethics Law - State Officials of and Candidates to be State
Officials of the Judicial Branch - Conflicts of Interest and Financial Disclosure
Statements**

This departmental bill requires the Commission on Judicial Disabilities, the Judicial Ethics Committee, or another body designated by the Supreme Court of Maryland, to administer and implement the conflict of interest and financial disclosure provisions of the Maryland Public Ethics Law for candidates to be State officials of the Judicial Branch. It further requires those entities to maintain financial disclosure statements of candidates to be State officials of the Judicial Branch and make those statements available for public inspection. The bill repeals the requirement that the Supreme Court of Maryland send financial disclosure statements submitted by judges, candidates for judgeships, or judicial appointees to the State Ethics Commission (SEC). **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: None. The Judiciary and SEC can implement the bill with existing budgeted resources.

Local Effect: None.

Small Business Effect: SEC has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Bill Summary/Current Law:

Maryland Public Ethics Law

The Maryland Public Ethics Law sets out requirements, prohibitions, and procedures that affect State 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 appearance of improper influence of government.

The Public Ethics Law is generally administered and implemented by SEC, with two statutory exceptions. First, the Joint Ethics Committee must administer and implement provisions related to conflicts of interest as they apply to members of the General Assembly. Second, the Commission on Judicial Disabilities, Judicial Ethics Committee, or another body designated by the Supreme Court of Maryland, must administer and implement provisions related to conflicts of interest and financial disclosure as they apply to State officials of the Judicial Branch.

Annual Financial Disclosure Statement

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.

SEC and the Joint Ethics Committee must maintain the statements made under the financial disclosure requirements and make them available to the public during normal office hours.

State Officials of the Judicial Branch

The Judiciary advises that State officials of the Judicial Branch include Supreme Court justices; judges in appellate, circuit, and District Courts; former judges; Orphans' Court judges; magistrates; commissioners; auditors; and candidates for judicial offices.

Background: SEC advises that the requirement that the Judiciary transmit to SEC copies of financial disclosure statements filed by State officials of the Judicial Branch creates an undue administrative burden for the Judiciary. SEC also suggests that current law lacks clarity regarding the Supreme Court of Maryland's authority over conflict of interest and financial disclosure provisions of the Public Ethics Law as it pertains to State officials of the Judicial Branch.

Repealing the requirement that the Judiciary transmit financial disclosure statements to SEC necessitates the bill's addition of a statutory requirement that the Judiciary retain the statements and make them available to the public upon request. The Judiciary advises that it can do so with existing resources.

Additional Information

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

Designated Cross File: SB 185 (Chair, Judicial Proceedings Committee)(By Request - Departmental - State Ethics Commission) - Judicial Proceedings.

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

Fiscal Note History: First Reader - January 13, 2025
js/mcr
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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Maryland Public Ethics Law – State Officials of and Candidates to be State Officials of the Judicial Branch – Conflicts of Interest and Financial Disclosure Statements

BILL NUMBER: HB 166

PREPARED BY: Jennifer Allgair, Executive Director

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

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

The proposed legislation will have no impact on small businesses.