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House Bill 1058 – Public Ethics– Disclosures, Training, and Use of Confidential Information (Integrity in High Office Act)

Testimony before the Education, Health, and Environmental Affairs Committee

The State Ethics Commission (“Commission”) takes no position on House Bill 1058 – Public Ethics– Disclosures, Training, and Use of Confidential Information (Integrity in High Office Act). The Commission defers to the General Assembly as to the appropriateness of enacting this bill, as is normally the case in matters affecting State ethics policy. However, the Commission does wish to provide input for consideration as the bill will have an impact on the Commission both fiscally and operationally.

This bill will make multiple changes to the Public Ethics Law. It adds additional provisions to the conflicts of interest prohibitions of the law, creates a new training requirement for certain elected officials, expands some of the financial disclosure requirements, and requires the Commission to notify and provide a summary of advice in certain circumstance to the Joint Ethics Committee. Based on the amendments to the house bill, the Commission’s best estimate as to the cost of these new requirements is \$140,000 for Fiscal Year 2022 and \$50,000 for Fiscal Year 2023.

The breakdown of the cost in Fiscal Year 2022 includes an additional financial disclosure form module for elected Executive Branch officials added to the current system at \$100,000, changes to the existing financial disclosure modules to reflect the changes in this legislation at \$25,000, and changes to the current ethics training module at \$15,000. Based on our agency's past experience in creating new financial disclosure programs and modules, these systems take longer to build, test and deploy for use for all Financial Disclosure filers by January 1, 2023. The final \$50,000 in Fiscal Year 2023 is for the creation of a new training module to address training requirements for elected Executive Branch officials as set forth in this legislation. Because many provisions of the Public Ethics Law are different for elected Executive Branch officials and State employees, a separate training module is necessary. Of course, until the project is put out for bid, the best we can do is estimate.

There may be some necessary changes to the local government regulations of the State Ethics Commission as a result of this legislation. Local jurisdictions may be required to amend existing local ethics laws to reflect the changes in this legislation to the Public Ethics Law that will also be applicable to local officials and employees for conflict of interest and financial disclosure. The Commission will be required to review any amended local ethics law for approval.