



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Testimony in Support of HB1058
Integrity in High Office Act

Testimony by Delegate Vaughn Stewart

February 23, 2021 • Environment and Transportation Committee

What the Bill Does

The Integrity in High Office Act will improve Maryland's ethics laws in four ways.

First, if an official (Governor, LG, Comptroller, AG, Treasurer, or agency secretary) takes an action with a material impact on them or a person whose interests are attributable to them, they must disclose it to the State Ethics Commission and Joint Ethics Committee. This provides at least some degree of confidentiality, and leaves it up to the ethics officials to decide what action to take upon receiving the disclosure to hold the official accountable.

Second, current law allows the State Ethics Commission to authorize people to participate in actions if they have certain financial interests notwithstanding a conflict. Historically, those exceptions have been confidential. Under this bill, if the Commission enters into a memorandum of understanding with or offers advice to an official, the Commission would be required to share that information with the Joint Ethics Commission. An example of this would be if a legislator is employed as a cashier at Walmart, and they have to vote on a bill that would ban plastic bags at Walmart. The SEC could authorize an exception to the legislator since it's understood that the bill wouldn't materially impact the salary or employment of the legislator employed as the cashier. They would just have to notify the Joint Ethics Commission that they granted that exception and provide a document with what they told the legislator.

Third, the bill would enhance disclosure requirements in a few ways. If an official discloses the name of a business you have an interest in or relationship with, he or she would also have to include any trade names or alternative names that the business uses or goes by. Similarly, the official would be required to disclose any contractual relationship with a quasi-governmental entity such as UMMS. And officials would have to disclose any and all businesses that the filer has a 10% interest or greater in, regardless of how those interests are held (as subsidiaries, for example).

Fourth and finally, the bill expands the list of state officials that get a two-hour, online ethics training on all the disclosure rules to include lower-profile elected officials such as county sheriffs,



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registers of wills, etc. as well as executive branch state officials who currently don't get the training that legislators get. The disclosure rules can be complicated and they aren't always intuitive. We want to make sure that all elected officials are trained to avoid potential conflicts.

Why the Bill Matters

Last year, the *Washington Monthly* published a report that raised concerns that Governor Hogan steered taxpayer dollars to transportation projects that would increase the value of his real estate. The most troubling revelation involved a new interchange that Governor Hogan approved — and allocated \$58 million for — in southern Prince George's County in January 2015. The project was right down the road from a property owned by HOGAN, the governor's real estate brokerage firm, which he's held onto while in office. However, Maryland's disclosure laws do not require elected officials to disclose all of their real estate holdings, making it difficult to investigate potential conflicts of interest. And the agreement Governor Hogan made with the State Ethics Commission about his conflicts was not shared with anyone else in state government.

Why the Committee Should Vote Favorably

Our state's antiquated disclosure laws make it difficult to identify officials' potential conflicts of interest or investigate sources of non-government income. We should be aggressive in addressing these gaps, no matter the political party of the culprit. HB1058 will help ensure elected officials are acting in Maryland's interest, rather than their own.