

February 26, 2025

Testimony on SB 723
Public Ethics –Conflicts of Interest Act and Blind Trust - Governor
Education, Energy, and the Environment

Position: Favorable

Common Cause Maryland supports SB 723 which would help to ensure that once elected, a Governor places certain interests in a blind trust or divests from private assets and holdings to completely avoid any possibility of a conflict of interest. The legislation would also require disclosure of any interest in these businesses and a nonparticipation agreement with the Maryland Ethics Commission.

Maryland law is evident in that it prohibits public officials from taking part in decisions where they or a close relative have a financial interest. Still, the law does not restrict the trustees who can oversee these interests when entering a blind trust agreement. During their term in office, a former governor engaged in official actions that led the public to question their decisions and whether they benefited them and their relative's economic and financial interests. While the former governor handed ownership of their company over to an immediate family member and was granted a financial interest exception by the State Ethics Commission that allowed them to receive updates about the company's investments, their relationship with the trustees and owner of the firm, which included their family member, created the appearance of a conflict. In this case, even informal conversations with that specific family member about the company's finances and real estate dealings left many questioning whether those interactions influenced their official actions in their own interest. There have likely been similar situations with other previous Governors.

Conflicts of interest are cancerous to our democracy. When our elected officials put their personal interests first, they are sending a message to people throughout the state that their needs are not a priority. Conflicts of Interest put elected officials' jobs as public servants and good policy making in jeopardy.

SB 723 seeks to ensure those in the position of Governor in the future work to avoid conflicts at all costs by restricting their ability to participate in any matter that may come before a state agency that involves their business. Also, that prior interests were disclosed and no communications from trustees regarding income or overall management of the company, except for filing taxes, are allowed during their term.

Because SB 723 would help to prevent ethical lapses and give Marylanders confidence in our Governor, we request a favorable report.