

February 20, 2025

Testimony on HB 932
Public Ethics –Conflicts of Interest Act and Blind Trust - Governor
Environment and Transportation

Position: Favorable

Common Cause Maryland supports HB 932 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. Former Governor Larry Hogan's privately held company is an example of this. During his term in office, it was discovered that he engaged in official actions that have led the public to question his decisions and whether they directly benefited him. His relatives own economic and financial interests. While the former Governor handed ownership of his company over to his brother and was granted a financial interest exception by the State Ethics Commission that allowed him to receive updates about the company's investments, his relationship with the trustees, which included his brother, created the appearance of a conflict. While his team has reported no wrongdoing, even informal conversations with his brother about the company's finances and real estate dealings have left many questioning whether those interactions influenced his official actions in his own interest. This may have also been the case for 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.

HB 932 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 HB 932 would help to prevent ethical lapses and give Marylanders confidence in our Governor, we request a favorable report.