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House Bill 1297 – Public Ethics – Local Government and School Boards - Requirements

Testimony Before the Environment and Transportation Committee

The State Ethics Commission provides this informational written testimony to explain the impact of this proposed legislation on the State Ethics Commission and the compliance actions required by local governments and local boards of education. This legislation will have a significant operational impact on the State Ethics Commission. The State Ethics Commission will be required to update its local government regulations and Model Laws applicable to counties, municipalities and local boards of education to reflect the new local ethics requirements for these entities from this legislation. All local government resources, memos, forms, website information and other relevant informational documents will also have to be updated to reflect the changes from this legislation.

The State Ethics Commission is required to review and approve any changes to local ethics laws, ordinances, and policies for compliance with Subtitle 8 of the Maryland Public Ethics Law. The State Ethics Commission will work with the twenty-four (24) counties, twenty-four (24) local boards of education and approximately seventy-five (75) municipalities required to adopt local ethics laws and provisions to review and approve updated local ethics laws in compliance with this legislation. Of the seventy-five (75) municipalities required to enact a local ethics law, thirty-nine (39) are currently required to include lobbying provisions in their respective local ethics laws. This review and approval process is dynamic and generally takes months, and in some instances approximately a year. The review and approval process depends largely on the local entities' resources and willingness to make all required changes to the local ethics law in a timely manner. The State Ethics Commission will absorb the significant operational impact with existing agency resources. This legislation does not have specific fiscal impact on the State Ethics Commission.

The State Ethics Commission will work with local governments and local boards of education on the compliance requirements under this proposed legislation. To comply with the requirements of this legislation, local governments and local boards of education will be required to update local ethics laws, ordinances and policies. Efforts related to these updates will likely have an impact on both operations and finances for these local entities. Organizations such as the Maryland Association of Counties, the Maryland Municipal League, and the Maryland Association of Boards of Education may be in a better position to provide more specific information on this issue and the costs to various local government entities to comply with this legislation.

This legislation will require changes to the local ethics laws, ordinances and policies for twenty-four (24) counties, twenty-four (24) local boards of education and approximately seventy-five (75) municipalities. These entities will all be required to adopt updated conflict of interest provisions for employees, appointed board members, local elected officials, and local board of education members that are equivalent to or exceed the provisions of the Maryland Public Ethics Law. Under current law, local conflict of interest provisions must be similar to State provisions for local government employees and at least equivalent to State provisions for local elected officials and local school board members.

Additionally, this legislation will require the twenty-four (24) counties, twenty-four (24) local boards of education, and thirty-nine (39) municipalities that are currently required to include lobbying provisions in their respective local ethics laws to adopt updated lobbying provisions that are equivalent to or exceed the State lobbying provisions of the Maryland Public Ethics Law. Local governments and local boards of education will also be required to make significant changes to local lobbying registration and reporting requirements to comply with this legislation. The State lobbying provisions in Subtitle 7 of the Public Ethics Law include additional lobbying registration and reporting requirements, as well as specific requirements related to meals, gifts, legislative unit receptions, and lobbyist conduct. The State lobbying provisions include requirements that all lobbying registrations and reports are filed electronically. The lobbying provisions of Subtitle 7 of the Public Ethics Law also require mandatory training for registered lobbyists. Electronic filing systems for lobbyists and mandatory lobbyist training will be new requirements for local governments and local boards of education under the requirements of this legislation. There will be costs associated with electronic filing systems and there may also be costs associated with lobbyist training, depending on how the local government entity provides the required lobbyist training. To comply with the requirements of this legislation, many local governments and boards of education may have to engage outside counsel or assistance if local staff resources are limited. The State Ethics Commission often works with outside counsel hired by various local jurisdictions during any local ethics law revision process.