



February 21, 2025

The Honorable Marc Korman
Chair, Environment and Transportation Committee
250 Taylor House Office Building
Annapolis, MD 21401

Re: OPPOSE--HB 990 (Municipal Appointees and Employees – Financial Oversight – Required Education and Experience)

Dear Chairman Korman:

On behalf of the Maryland Municipal Stormwater Association (MAMSA), I am writing to **oppose** HB 990, which would, among other things, establish education and work experience requirements that municipalities must follow, beginning June 30, 2030, when appointing, hiring, or continuing to employ an individual as a comptroller, treasurer, other employee responsible for the financial oversight and management of funds of the municipality, or other employee responsible for maintaining and preparing accounting, budget, and financial reports for the municipality.

MAMSA is an association of the State's local governments and leading stormwater consultant firms who work for clean water and safe infrastructure based on sound science and good public policy. Many of MAMSA's members are municipalities that would be subject to this bill.

MAMSA objects to HB 990 because it will be expensive for small local governments to employ individuals who satisfy the bill's requirements and because there may very well not be sufficient qualified individuals available.

MAMSA also objects to the bill because it is overly broad. We believe that many local employees working as stormwater managers are likely involved in preparing accounting and budget reports that are used during local budget discussions. These employees do not have significant financial responsibilities, but they would still be impacted by the bill's broad requirements.

In addition, the bill's provisions are not reasonably tailored to the problems that the bill purports to address. In testimony before the Senate Education, Energy and Environment Committee, the sponsor of cross-filed Senate Bill 35 indicated that the legislation was prompted by shortcomings identified in the audit reports that 194 local governments (Baltimore City, 23 counties, 156 incorporated cities and towns, and 14 special taxing areas) are required to submit to the Department of Legislative Service (DLS).

Under current law, each county and municipality must have their financial records audited annually and submit completed audit reports to DLS. These reports are reviewed by the Office of Legislative Audits (OLA), which annually submits a Review of Local Government Audit Reports (Review) to the Comptroller and the Executive Director of DLS. The OLA review assesses compliance with certain accounting and auditing standards, evaluates compliance with certain State laws, and analyzes selected financial data to identify potential financial problems.

The Review for the fiscal year ending June 30, 2023, contained 7 findings, the majority of which applied to only a tiny number of the 194 local governments (Finding #2 (1 government), Finding #3 (3 governments), Finding #5 (4 governments), Finding #7 (1 government)). For three of the Findings, the Review fails to identify which governments were involved (Findings #3, #4 (17 governments), and #5), making it impossible to determine whether the qualifications of employees had anything to do with the Findings.

Where a Finding identified more than a handful of noncompliant jurisdictions (Finding #1, 40 local governments filing late audit reports; Finding #6, 13 local governments disclosing that cash deposits were not adequately collateralized, or otherwise insured), the jurisdictions listed in the Review for that Finding ranged from tiny towns to major counties, strongly suggesting that the noncompliance was not due simply to a lack of qualifications on the part of the employees responsible for financial oversight and management. Submitting a late audit report, for example, says nothing about an employee's ability to manage local finances.

For the foregoing reasons, MAMSA **opposes** HB 990.

Please feel free to contact me with any questions at Lisa@AquaLaw.com or 804-716-9021.

Sincerely,



Lisa M. Ochsenhirt, MAMSA Deputy General Counsel
cc: Committee Members, HB 990 Sponsors