



COMMISSION MEMBERS:

CRAIG D. ROSWELL, *Chair*
KAREN D. MORGAN
MARIELA OLIVARES
JAMES N. ROBEY, JR.
GENEAU M. THAMES

STATE ETHICS COMMISSION

**45 CALVERT STREET, 3rd FLOOR
ANNAPOLIS, MARYLAND 21401
410-260-7770 / 1-877-669-6085
<https://ethics.maryland.gov>**

JENNIFER K. ALLGAIR
Executive Director
WILLIAM J. COLQUHOUN
General Counsel
KATHERINE P. THOMPSON
Staff Counsel
ANA L. HENRY
Assistant General Counsel
PANSY S. WATSON
Assistant Counsel

February 24, 2026

House Bill 549 – Maryland Public Ethics Law – Virtual Currency and Domestic Partners

Testimony Before the Government, Labor, and Elections Committee

The State Ethics Commission provides this informational written testimony to explain the impact of this proposed legislation on the agency. This proposed legislation will have both a significant fiscal of approximately \$165,000 and a significant operational impact on the State Ethics Commission. The State Ethics Commission will have to create a new disclosure schedule to add to three separate financial disclosure statements (State officials/employees/Candidates – Form 1, Legislators – Form 19, and State Board Members – Form 2) related to the disclosure of virtual currency to comply with this legislation. Additionally, the State Ethics Commission will have to change language and programming on several existing financial disclosure schedules in the three separate types of financial disclosure statements to include disclosures related to a domestic partner or registered domestic partnership. Programmatic updates related to new or expanded definitions in financial disclosure forms and instructions contained in the electronic financial disclosure system must also be changed to comply with this legislation. Programming changes to the electronic financial disclosure system are completed by an outside IT vendor.

The proposed legislation will also require changes to the State Ethics Commission's electronic lobbying registration and reporting system to include disclosure of an individual regulated lobbyist's business transaction with the domestic partner or registered domestic partnership of certain State officials and employees. Programming changes to the electronic lobbying reporting system are completed by an outside IT vendor.

Changes to three mandatory online training modules for certain State officials, State employees, and regulated lobbyists will also be required to comply with this legislation and provide required information related to conflicts of interest, financial disclosure requirements, and lobbying reporting requirements. Programming changes to the electronic training modules and system are completed by an additional outside vendor.

The State Ethics Commission uses a computerized financial disclosure audit program and system to review financial disclosure statements for compliance and identification of potential conflict of interest issues. The addition of a new disclosure schedule for virtual currency and changes to other existing financial disclosure schedules to include other changes from this

legislation will require program changes to the Commission's automated auditing system. This work is completed by an outside vendor.

Three separate IT vendors are involved in maintaining, updating and supporting the State Ethics Commission's various electronic systems described above. Integration and testing services among various IT vendors will be necessary to allow these separate systems to continue to provide completion information across the various training, disclosure, reporting and audit systems. The anticipated fiscal impact is approximately \$165,000 for necessary changes to financial disclosure system programing, three electronic training programs, the lobbying reporting system programming, and the automated financial disclosure auditing program.

The proposed legislation will also have an impact on the Commission's local government ethics compliance program and individual local governments. Pursuant to the requirements of Subtitle 8 of the Maryland Public Ethics Law, local governments and local boards of education will also be required to amend their respective local ethics laws, ordinances and policies to incorporate restrictions and disclosures related to both virtual currency and domestic partners for local officials and local board of education members. These additional provisions may also apply to employees of local governments and local boards of education. The State Ethics Commission will amend its local government regulations and Model Laws to include the conflict of interest and financial disclosure changes from the proposed legislation and work with the local governments and local boards of education to achieve compliance with these new legislative requirements.