

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1469 (Delegate Lisanti)

Environment and Transportation and
Economic Matters

Ethics - Members of Boards of License Commissioners and Liquor Control
Boards

This bill applies the mandatory training and detailed financial disclosure requirements of the Maryland Public Ethics Law to members of local boards of license commissioners and local liquor control boards. Board and commission members must (1) complete ethics training provided by the State Ethics commission (SEC) within six months of being identified as a public official or filling a vacancy in a public official position and (2) file a *detailed* annual financial disclosure with the SEC as opposed to a *limited* financial disclosure.

Fiscal Summary

State Effect: SEC can handle the bill's requirements with existing budgeted resources. Revenues are not affected.

Local Effect: Local governments can implement the bill with existing resources. Revenues are not affected.

Small Business Effect: None.

Analysis

Current Law: Members of local boards of license commissioners and local liquor control boards are exempted from the ethics training and detailed financial disclosure reporting requirements in the Maryland Public Ethics Law. Chapter 519 of 2017 applies the requirements of the Maryland Public Ethics Law to members and employees of local

boards of license commissioners and local liquor control boards by designating these individuals as “public officials” subject to the Maryland Public Ethics Law. However, the law exempts an individual who is a public official only by virtue of being a member of a commission, task force, or similar entity from the ethics training requirements. Similarly, an individual who is a public official only as a member of a board and who receives annual compensation that is less than 25% of the lowest annual compensation at State grade level 16 is not required to file a *detailed* annual financial disclosure statement and must file a *limited* financial disclosure statement instead.

Training Requirement: SEC must provide a training course of at least two hours in duration on the requirements of the Maryland Public Ethics Law for an individual who serves in a position identified as a public official position, as specified in the Maryland Public Ethics Law, or who fills a vacancy in a position that has been identified as a public official position. The individual must complete the training course within six months.

Detailed Annual Financial Disclosure Statement: Most public officials, all State officials, and all candidates for State office are required to file financial disclosure statements on an annual basis. Generally, this statement must be filed under oath with the commission by April 30 of each year, and it covers the calendar year that precedes the filing. Most employees and officials must disclose (1) interests in real property, corporations, partnerships, and any specified other business entities that do business with the State; (2) gifts more than \$20 in value or a series of gifts totaling more than \$100 received from a person doing business with the State, or regulated by the State, as specified; (3) various paid and nonpaid offices, directorships, and positions held with any business entity that does business with the State, including those positions held by members of the filer’s immediate family; (4) debts, excluding retail credit accounts, owed to any person who does business with the State; (5) immediate family employed by the State; and (6) places of salaried employment, including secondary employment, and sources of earned income, including the income of immediate family, from rental property, business interests, and other sources, as specified.

Limited Financial Disclosure Statement for Specified Members of Boards and Commissions: Generally, a member of a board or commission whose annual compensation is below the amount specified above is required to file a limited financial disclosure statement that is only applicable to the member’s activities on the board or commission on which the member serves. The limited disclosure must report those interests, gifts, compensated positions, and liabilities that may create a conflict, as described in the Maryland Public Ethics Law, between the members personal interests and the member’s duties on the board or commission. SEC is required to adopt regulations specifying the information to be disclosed. Limited financial disclosure forms must be filed within 30 days of appointment and thereafter on an annual basis and within 60 days of concluding service.

Public Officials: Under the Maryland Public Ethics Law, the following individuals in executive units are public officials, except as otherwise specified:

- an individual who receives compensation at a specified rate or who is appointed to a board and has decision-making authority or acts as a principal advisor to an individual with decision-making authority under specified circumstances;
- any other individual in an executive unit if SEC determines that the individual has decision-making authority or acts as a principal advisor to an individual with decision-making authority, with regard to negotiating or executing contracts, as specified;
- a member, appointee, or employee of the Maryland Stadium Authority;
- a member, appointee, or employee of the Canal Place Preservation and Development Authority;
- a member of the Emergency Medical Services Board; and
- except in counties in which a county council or board of county commissioners sits as a board of license commissioners or a liquor control board, a member or employee of a board of license commissioners or a liquor control board.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore City; Montgomery and Prince George's counties; State Ethics Commission; Department of Legislative Services

Fiscal Note History: First Reader - February 27, 2018
nb/kdm

Analysis by: Michelle Davis

Direct Inquiries to:
(410) 946-5510
(301) 970-5510