

Department of Legislative Services  
Maryland General Assembly  
2022 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

House Bill 59

(Delegate Carr)

Environment and Transportation

Education, Health, and Environmental Affairs

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Ethics – Local Governments – Registration of Lobbyists

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This bill requires the model lobbying provisions for local governments adopted by the State Ethics Commission (SEC) to require an entity that engages in specified lobbying activities, comparable to those activities that require an entity to register as a lobbyist with SEC under the Maryland Public Ethics Law, to (1) register with the agency responsible for implementing the lobbying provisions and (2) be a regulated lobbyist under the lobbying provisions. The bill similarly requires the lobbying provisions adopted by a local government to require an entity to register with the appropriate agency and be a regulated lobbyist if the entity engages in specified lobbying activities.

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Fiscal Summary

**State Effect:** SEC can update regulations, notify affected local governments, and review and approve any changes to local government ethics provisions with existing budgeted resources. Revenues are not affected.

**Local Effect:** Local governments must update lobbying provisions as necessary and may incur costs to administer changes to these provisions, as discussed below. Local revenues are potentially impacted to the extent that additional entities are required to file lobbying registrations with local ethics agencies and pay associated fees. **This bill may impose a mandate on a unit of local government.**

**Small Business Effect:** Minimal.

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## Analysis

**Current Law:** The Maryland Public Ethics Law requires each county and municipality to enact provisions governing the public ethics of local officials relating to conflicts of interest, financial disclosure, and lobbying. The lobbying provisions enacted by a county or municipality must be substantially similar to Title 5, Subtitle 7 of the General Provisions Article (“Lobbying”), which governs the regulation of lobbying at the State level. However, local government lobbying provisions must be modified to the extent necessary to make the provisions relevant to that jurisdiction and may be further modified to the extent considered necessary and appropriate by and for that jurisdiction.

Pursuant to regulations adopted by SEC, in order to be substantially similar to the Maryland Public Ethics Law, local lobbying provisions must require, at minimum, that a person who provides elected officials, appointed officials, or employees with food, entertainment, or other gifts exceeding a specified amount during a specified period in connection with efforts to influence official local actions to register as a lobbyist with the appropriate agency.

SEC is responsible for adopting, by regulation, model provisions for local governments on conflicts of interest, financial disclosure, and regulation of lobbying. SEC has adopted model ethics provisions for both larger and smaller counties and municipalities under Title 19A, Subtitle 4 of the Code of Maryland Regulations, as Appendix A and B, respectively.

### *Lobbying Provisions of the Maryland Public Ethics Law*

As noted above, Title 5, Subtitle 7 of the General Provisions Article (“Lobbying”) governs the regulation of lobbying in the State. An entity must register with SEC, and is considered a regulated lobbyist under the Maryland Public Ethics Law, if the entity has incurred specified expenses and/or received specified compensation for the purpose of influencing legislative or executive action, as set forth under § 5-702 of the General Provisions Article. A regulated lobbyist must file a registration with SEC within five days after first performing an act that requires registration under § 5-702 and by November 1 annually thereafter. Regulated lobbyists are subject to various reporting requirements and other provisions under the Ethics Law.

Under the bill, the lobbying provisions adopted by local governments must require an entity that engages in activities comparable to those identified in § 5-702 to register as a regulated lobbyist with the appropriate agency.

**Local Fiscal Effect:** SEC advises that counties and municipalities that are required to adopt lobbying provisions will need to significantly update these provisions as a result of

the bill. According to SEC, many of these jurisdictions may not have the resources or staff to administer robust changes to their current lobbying programs with respect to registration, reporting, lobbying conduct, and enforcement.

To the extent that local jurisdictions must significantly expand their activities with respect to the regulation of lobbying, some local ethics agencies may require additional staff and/or other resources. Increased costs to local ethics agencies are potentially offset to the extent that additional entities are required to file lobbying registrations with local ethics agencies and pay associated fees.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Caroline, Howard, Montgomery, and Prince George's counties; State Ethics Commission; Maryland Association of Counties; Maryland Municipal League; Department of Legislative Services

**Fiscal Note History:** First Reader - January 18, 2022  
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Revised - Amendment(s) - March 21, 2022  
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Analysis by: Elizabeth J. Allison

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