

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 589

(Senator Hayes)

Education, Health, and Environmental Affairs

Appropriations

University of Maryland, Baltimore Campus - Employees - Authorization to
Fund-Raise

This bill authorizes, notwithstanding the restrictions on gift solicitation and use of prestige of office under the Maryland Public Ethics Law, an employee of the University of Maryland, Baltimore Campus (UMB) to solicit gifts or proposals for grants for the benefit of the University of Maryland Medical System Corporation (UMMSC) in accordance with UMB's policies regarding coordinating fundraising between the University and UMMSC.

Fiscal Summary

State Effect: The bill is authorizing in nature and does not directly affect UMB operations or finances. The State Ethics Commission (SEC) can administer the bill's change with existing budgeted resources. State revenues are not directly affected; however, UMMSC potentially benefits to the extent the bill results in increased fundraising for the benefit of UMMSC.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law:

University of Maryland Medical System Corporation

UMMSC is organized under State law for charitable, scientific, and educational purposes and is governed by a board of directors. State statute further specifies that UMMSC is not a State agency, political subdivision, public body, public corporation, or municipal

corporation and is not subject to any provisions of law affecting only governmental or public entities. As of the date of transfer from State control (in 1984), UMMSC owns, leases, manages, and operates the University of Maryland Medical System, including any components or health services determined by the board. The Board of Directors of UMMSC must coordinate with University of Maryland fundraising efforts all UMMSC campaigns and solicitations for private gifts and proposals for private or federal grants.

Maryland Public Ethics Law, Generally

The Maryland Public Ethics Law sets out requirements, prohibitions, and procedures that affect officials in the Legislative, Executive, and Judicial branches of government for the purpose of maintaining people’s trust in government and protecting against the improper influence and the appearance of improper influence of government. The Ethics Law is generally administered by SEC; the Joint Committee on Legislative Ethics and the Commission on Judicial Disabilities administer specified provisions of the Ethics Law as they apply to members of the General Assembly and State officials of the Judicial Branch, respectively.

Prohibitions on Gift Solicitation, Use of Prestige of Office

The Maryland Public Ethics Law prohibits an official or employee from soliciting any gift. Further, an official may not directly solicit or facilitate the solicitation of a gift, on behalf of another person, from an individual regulated lobbyist. “Gift,” as defined under the Ethics Law, means the transfer of anything of economic value, regardless of form, without adequate and lawful consideration.

The Ethics Law also prohibits an official or employee from intentionally using the prestige of office or public position for that official’s or employee’s private gain or that of another. However, the Ethics Law does not prohibit the performance of usual and customary constituent services, without additional compensation.

As SEC has advised, the gift law and prestige of office provisions of the Ethics Law apply in the context of fundraising for charitable causes. According to an August 2021 SEC memorandum on gift law provisions, State employees and officials generally may not solicit charitable gifts in their official capacities or use their positions to benefit a particular charitable cause.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 907 (Delegate Chang) - Appropriations.

Information Source(s): University System of Maryland; State Ethics Commission;
Department of Legislative Services

Fiscal Note History: First Reader - February 27, 2022
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