

CITY OF BALTIMORE



BOARD OF ETHICS
OF BALTIMORE CITY

LINDA B. "LU" PIERSON, Chair
AVERY AISENSTARK, Director
626 City Hall
Baltimore, Maryland 21202

November 20, 2019

The Honorable President and Members
of the Baltimore City Council
Fourth Floor, City Hall
Baltimore, Maryland 21202
c/o Natawna Austin, Executive Secretary

Re: Council Bill 19-0457 {"Elected Officials – Financial Disclosure"}

You have referred Council Bill 19-0457 to the Ethics Board for its report and comments. The primary purpose of this bill is, in short, to provide that elected officials who own a substantial interest in a business entity must report on their financial disclosure the name and address of any person paying that entity \$20 or more during a given calendar year.

The Ethics Board takes no position on the bill's merits. The Board, however, is concerned that the \$20 reporting threshold established by the bill is unduly burdensome on both the elected official in compiling the information and the Board in collecting that information. The Board believes that imposing this requirement would place a chilling effect on individuals seeking public office or staying in public office. It is not too far-fetched to envision a scenario where an elected official is also a small-business owner. To require that individual to track and maintain each transaction of \$20 or greater would be a daunting, if not impossible, task.¹ The Board recommends amending the bill to establish a threshold that matches public interest and the need for transparency. Other states have accomplished this by setting a significantly higher dollar threshold or by setting the threshold as any payment that constitutes a certain percentage of all receipts to the business entity.

Finally, the Board defers to the Law Department on the question of whether certain professions, specifically those professions covered under the Health Information Portability and Accountability Act (HIPAA), would be able to legally disclose the names of all patients.

Very truly yours,

Tony DeFranco
Deputy Ethics Counsel

¹It is not lost on the Board that \$20 is also the threshold for reporting gifts under City law. However, gift reporting is limited only to gifts received from those doing business with the City. This bill contains no similar limitation. Moreover, the \$20 threshold for gifts is a threshold imposed on all local jurisdictions by State law.

