

# SENATE BILL 767

G2, G1

5lr2572

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By: **Senator Conway**

Introduced and read first time: February 16, 2015

Assigned to: Rules

Re-referred to: Education, Health, and Environmental Affairs, February 27, 2015

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 17, 2015

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Ethics Law – Statement by Person Providing Lobbyist Compensation and**  
3 **Making Campaign Contributions**

4 FOR the purpose of clarifying and conforming certain provisions of the State ethics law  
5 with certain provisions of the State election law relating to a statement required by  
6 persons providing lobbyist compensation and making campaign contributions;  
7 authorizing the State Board of Elections to impose fines for the late filing of a certain  
8 statement; correcting a cross-reference; defining a certain term; and generally  
9 relating to the statement required by persons providing lobbyist compensation and  
10 making campaign contributions.

11 BY repealing and reenacting, with amendments,

12 Article – Election Law

13 Section 14–107

14 Annotated Code of Maryland

15 (2010 Replacement Volume and 2014 Supplement)

16 BY repealing and reenacting, with amendments,

17 Article – General Provisions

18 Section 5–716

19 Annotated Code of Maryland

20 (2014 Volume)

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### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
2 That the Laws of Maryland read as follows:

3 Article – Election Law

4 14–107.

5 (a) (1) Except as provided in paragraph (2) of this subsection, a governmental  
6 entity that has awarded a person a contract that causes the person to be doing public  
7 business shall:

8 (i) require the person to certify that the person has filed the  
9 statement required under § 14–104(b)(1) of this title; and

10 (ii) notify the State Board if a person doing public business with the  
11 governmental entity fails to file the statement under § 14–104(b)(1) of this title.

12 (2) This subsection does not apply to a contract for which notice of award  
13 has been posted on eMaryland Marketplace.

14 (b) (1) If a person files a statement under § 14–104 of this title that does not  
15 include all the information required, the State Board shall notify the person in writing of  
16 the particular deficiencies.

17 (2) Within 30 days after service of the notice under paragraph (1) of this  
18 subsection, the person shall file an amended statement that includes all the information  
19 required.

20 (c) (1) As provided in this subsection, the State Board may impose fees for late  
21 filing of:

22 (i) a statement required under § 14–104 of this title; or

23 (ii) an amended statement required under subsection (b) of this  
24 section.

25 (2) The State Board may impose late filing fees in the same amounts and  
26 in the same manner as provided under § 13–331(a) and (b) of this article for late filing of  
27 campaign finance reports.

28 (3) Late filing fees imposed under this subsection shall be distributed to  
29 the General Fund of the State.

30 (d) A person who knowingly and willfully violates this title is guilty of a  
31 misdemeanor and on conviction is subject to a fine not exceeding \$1,000 or imprisonment  
32 not exceeding 1 year or both.

1       (e) An officer or partner of a business entity who knowingly authorizes or  
2 participates in a violation of this title by the business entity is subject to the penalty  
3 provided in subsection [(a)] (C) of this section.

#### 4                                   Article – General Provisions

5 5–716.

6       (a) (1) In this section the following words have the meanings indicated.

7               (2) “Applicable contribution” means a political contribution or series of  
8 political contributions **BY A PERSON OR ATTRIBUTED TO A PERSON** made to or for the  
9 benefit of an applicable recipient [in a cumulative amount of more than \$500].

10              (3) “Applicable recipient” means a candidate for, or an official holding, the  
11 office of:

12                               (i) Governor;

13                               (ii) Lieutenant Governor;

14                               (iii) Attorney General;

15                               (iv) Comptroller; or

16                               (v) member of the General Assembly.

17                       (4) **“DIRECTOR” HAS THE MEANING STATED IN § 14–101 OF THE**  
18 **ELECTION LAW ARTICLE.**

19       (b) A political contribution made to a political committee for an applicable  
20 recipient is deemed a political contribution to the applicable recipient.

21       (c) Subject to subsection (i) of this section, a person shall file a statement in  
22 accordance with this section if at any time during the reporting period the person:

23                       (1) spent at least \$500 to provide compensation to one or more regulated  
24 lobbyists; and

25                       (2) made or caused to be made an applicable contribution **IN THE**  
26 **CUMULATIVE AMOUNT OF \$500 OR MORE.**

27       (d) A statement required under this section shall be filed with the State Board of  
28 Elections.

1 (e) (1) The reporting period is the 6-month period ending on either January  
2 31 or July 31.

3 (2) The statement shall be filed within 5 days after the end of the reporting  
4 period.

5 (f) The statement required under this section shall be made under oath and state:

6 (1) the name of each applicable recipient to whom an applicable  
7 contribution was made or caused to be made during the reporting period and, if not  
8 previously reported, during the preceding reporting period;

9 (2) the office held or sought by each applicable recipient named in item (1)  
10 of this subsection;

11 (3) the aggregate contributions made to each applicable recipient;

12 (4) the name of each regulated lobbyist employed or retained by the person  
13 filing the statement; and

14 (5) the name of the person who made the political contribution and the  
15 relationship of that person to the person filing the statement if a political contribution was  
16 made by another person but is attributed to the person filing the statement.

17 (g) If the person filing the statement is a business entity:

18 (1) (i) an applicable contribution made by an officer, a director, or a  
19 partner of the business entity shall be attributed to the business entity; and

20 (ii) a political contribution, regardless of amount, if made at the  
21 suggestion or direction of the business entity, by an officer, a director, a partner, an  
22 employee, an agent, or any other person, shall be attributed to the business entity;

23 (2) each officer, director, or partner of the business entity who makes or  
24 causes to be made an applicable contribution shall report the contribution to the chief  
25 executive officer of the business entity;

26 (3) each officer, director, partner, employee, agent, or other person who  
27 makes or causes to be made a political contribution, regardless of amount, at the suggestion  
28 or direction of the business entity shall report the political contribution to the chief  
29 executive officer of the business entity;

30 (4) applicable contributions made by, or caused to be made by, a subsidiary,  
31 at least 30% of the equity of which the business entity owns or controls, shall be attributed  
32 to the business entity; and

1 (5) if a subsidiary described in item (4) of this subsection made an  
2 expenditure to provide compensation to one or more regulated lobbyists, the expenditure  
3 shall be attributed to the business entity.

4 (h) (1) Notwithstanding subsection (g) of this section, a contribution made by  
5 an individual who serves as a trustee or member of the board of directors or as an officer of  
6 a not-for-profit organization is not attributable to the organization, and the individual is  
7 not required to report the contribution to the chief executive officer of the organization,  
8 unless:

9 (i) the contribution is made on the recommendation of the  
10 not-for-profit organization; or

11 (ii) the individual who made the contribution is paid by the  
12 not-for-profit organization.

13 (2) The State Board of Elections shall adopt regulations that define  
14 "officer" for the purposes of this subsection.

15 (i) A person who files, under Title 14 of the Election Law Article, all information  
16 required by this section may satisfy the requirements of this section by submitting a notice  
17 to that effect on the form required by the State Board of Elections.

18 (j) The State Board of Elections shall:

19 (1) prepare and make available forms for the statement and notice required  
20 by this section;

21 (2) retain each statement filed under this section in the same manner and  
22 subject to the same standards of public access as a statement filed under Title 14 of the  
23 Election Law Article; and

24 (3) report any violation of this section to the Ethics Commission.

25 (k) The statement required under this section shall be filed in the manner  
26 required for statements filed under Title 14 of the Election Law Article.

27 (l) (1) A person who knowingly and willfully fails to comply with the  
28 requirements of this section is guilty of a misdemeanor and on conviction is subject to a fine  
29 not exceeding \$1,000 or imprisonment not exceeding 1 year or both.

30 (2) If a person that violates this section is a business entity, each officer  
31 and partner of the business entity who knowingly authorized or participated in violating  
32 this section is guilty of a misdemeanor and on conviction is subject to a fine not exceeding  
33 \$1,000 or imprisonment not exceeding 1 year or both.

1                   **(3) THE STATE BOARD OF ELECTIONS MAY IMPOSE FEES FOR THE**  
2 **LATE FILING OF A STATEMENT REQUIRED UNDER THIS SECTION IN THE SAME**  
3 **MANNER AS PROVIDED UNDER § 14–107 OF THE ELECTION LAW ARTICLE.**

4           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
5   October 1, 2015.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.