

HOUSE BILL 797

E1

4lr3133

By: **Delegates Lopez, Bouchat, Foley, Ghrist, Kaufman, Miller, Tomlinson, and Wims**

Introduced and read first time: January 31, 2024

Assigned to: Judiciary

A BILL ENTITLED

1 AN ACT concerning

2 **Criminal Law – Money Laundering**

3 FOR the purpose of prohibiting a person, with the intent to promote a certain crime other
4 than a drug crime or with the intent to conceal or disguise the nature, location,
5 source, ownership, or control of proceeds of a certain crime other than a drug crime,
6 from taking certain actions with respect to the proceeds derived from a certain crime
7 other than a drug crime; establishing that a person is guilty of a misdemeanor if the
8 person violates the law prohibiting a person, with the intent to promote a certain
9 drug crime or with the intent to conceal or disguise the nature, location, source,
10 ownership, or control of proceeds of a certain drug crime, from taking certain actions
11 with respect to the proceeds derived from a certain drug crime in circumstances in
12 which the proceeds that are derived from the certain drug crime are less than a
13 certain amount; and generally relating to money laundering.

14 BY repealing

15 Article – Criminal Law

16 Section 5–623

17 Annotated Code of Maryland

18 (2021 Replacement Volume and 2023 Supplement)

19 BY adding to

20 Article – Criminal Law

21 Section 9–901 through 9–903 to be under the new subtitle “Subtitle 9. Money
22 Laundering”

23 Annotated Code of Maryland

24 (2021 Replacement Volume and 2023 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Criminal Law

[5–623.

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

(2) “Drug crime” means:

(i) a crime under this title; or

(ii) a crime committed in another jurisdiction that would be a crime under this title if committed in this State.

(3) “Financial transaction” means:

(i) a payment;

(ii) a purchase;

(iii) a sale;

(iv) a loan;

(v) a pledge;

(vi) a transfer;

(vii) a delivery;

(viii) a deposit;

(ix) a withdrawal; or

(x) an extension of credit or exchange of a monetary instrument or equivalent property, including precious metals, stones or jewelry, airline tickets, stamps, or credit in a financial institution as defined in § 1–101 of the Financial Institutions Article.

(4) “Monetary instrument” means:

(i) coin or currency of the United States or any other country;

(ii) a bank check;

(iii) a travelers’ check;

(iv) a money order;

1 (v) an investment security; or

2 (vi) a negotiable instrument.

3 (5) "Proceeds" means money or any other property with a value exceeding
4 \$10,000.

5 (b) Except for a financial transaction necessary to preserve a person's right to
6 representation as guaranteed by the 6th Amendment to the United States Constitution and
7 Article 21 of the Maryland Declaration of Rights, a person may not, with the intent to
8 promote a drug crime or with the intent to conceal or disguise the nature, location, source,
9 ownership, or control of proceeds of a drug crime:

10 (1) receive or acquire proceeds knowing that the proceeds are derived from
11 a drug crime;

12 (2) engage in a financial transaction involving proceeds knowing that the
13 proceeds are derived from a drug crime;

14 (3) give, sell, transfer, trade, invest, conceal, transport, or maintain an
15 interest in proceeds knowing that the proceeds are derived from a drug crime;

16 (4) direct, promote, plan, organize, initiate, finance, manage, supervise, or
17 facilitate the transportation or transfer of proceeds knowing that the proceeds are derived
18 from a drug crime; or

19 (5) conduct a financial transaction involving proceeds knowing that the
20 proceeds are derived from a drug crime.

21 (c) A person who violates this section is guilty of a felony and on conviction is
22 subject to:

23 (1) for a first violation:

24 (i) imprisonment not exceeding 5 years;

25 (ii) a fine not exceeding the greater of \$250,000 or twice the value of
26 the proceeds involved in the financial transaction; or

27 (iii) both; or

28 (2) for each subsequent violation:

29 (i) imprisonment not exceeding 10 years;

30 (ii) a fine not exceeding the greater of \$500,000 or 5 times the value
31 of the proceeds involved in the financial transaction; or

1 (iii) both.

2 (d) Notwithstanding any other provision of law, for purposes of this section each
3 financial transaction is a separate violation.]

4 **SUBTITLE 9. MONEY LAUNDERING.**

5 **9-901.**

6 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
7 INDICATED.

8 (B) "CRIME" MEANS:

9 (1) AN ACT COMMITTED THAT IS A CRIME IN THE STATE, OTHER THAN
10 A DRUG CRIME; OR

11 (2) AN ACT COMMITTED IN ANOTHER JURISDICTION THAT WOULD BE
12 A CRIME IF COMMITTED IN THIS STATE, OTHER THAN A DRUG CRIME.

13 (C) "DRUG CRIME" MEANS:

14 (1) A CRIME UNDER TITLE 5 OF THIS ARTICLE; OR

15 (2) A CRIME COMMITTED IN ANOTHER JURISDICTION THAT WOULD BE
16 A CRIME UNDER TITLE 5 OF THIS ARTICLE IF COMMITTED IN THIS STATE.

17 (D) "FINANCIAL TRANSACTION" MEANS:

18 (1) A PAYMENT;

19 (2) A PURCHASE;

20 (3) A SALE;

21 (4) A LOAN;

22 (5) A PLEDGE;

23 (6) A TRANSFER;

24 (7) A DELIVERY;

1 **(8) A DEPOSIT;**

2 **(9) A WITHDRAWAL; OR**

3 **(10) AN EXTENSION OF CREDIT OR EXCHANGE OF A MONETARY**
4 **INSTRUMENT OR EQUIVALENT PROPERTY, INCLUDING PRECIOUS METALS, STONES**
5 **OR JEWELRY, AIRLINE TICKETS, STAMPS, OR CREDIT IN A FINANCIAL INSTITUTION**
6 **AS DEFINED IN § 1-101 OF THE FINANCIAL INSTITUTIONS ARTICLE.**

7 **(E) “MONETARY INSTRUMENT” MEANS:**

8 **(1) COIN OR CURRENCY OF THE UNITED STATES OR ANY OTHER**
9 **COUNTRY;**

10 **(2) A BANK CHECK;**

11 **(3) A TRAVELER’S CHECK;**

12 **(4) A MONEY ORDER;**

13 **(5) AN INVESTMENT SECURITY; OR**

14 **(6) A NEGOTIABLE INSTRUMENT.**

15 **(F) “PROCEEDS” MEANS MONEY OR ANY OTHER PROPERTY.**

16 **9-902.**

17 **(A) (1) THIS SECTION APPLIES ONLY TO PROCEEDS WITH A VALUE**
18 **EXCEEDING \$10,000.**

19 **(2) THIS SECTION DOES NOT APPLY TO PROCEEDS OF A DRUG CRIME.**

20 **(B) EXCEPT FOR A FINANCIAL TRANSACTION NECESSARY TO PRESERVE A**
21 **PERSON’S RIGHT TO REPRESENTATION AS GUARANTEED BY THE 6TH AMENDMENT**
22 **TO THE UNITED STATES CONSTITUTION AND ARTICLE 21 OF THE MARYLAND**
23 **DECLARATION OF RIGHTS, A PERSON MAY NOT WITH THE INTENT TO PROMOTE A**
24 **CRIME OR WITH THE INTENT TO CONCEAL OR DISGUISE THE NATURE, LOCATION,**
25 **SOURCE, OWNERSHIP, OR CONTROL OF PROCEEDS OF A CRIME:**

26 **(1) RECEIVE OR ACQUIRE PROCEEDS KNOWING THAT THE PROCEEDS**
27 **ARE DERIVED FROM A CRIME;**

1 **(2) ENGAGE IN A FINANCIAL TRANSACTION INVOLVING PROCEEDS**
2 **KNOWING THAT THE PROCEEDS ARE DERIVED FROM A CRIME;**

3 **(3) GIVE, SELL, TRANSFER, TRADE, INVEST, CONCEAL, TRANSPORT,**
4 **OR MAINTAIN AN INTEREST IN PROCEEDS KNOWING THAT THE PROCEEDS ARE**
5 **DERIVED FROM A CRIME;**

6 **(4) DIRECT, PROMOTE, PLAN, ORGANIZE, INITIATE, FINANCE,**
7 **MANAGE, SUPERVISE, OR FACILITATE THE TRANSPORTATION OR TRANSFER OF**
8 **PROCEEDS KNOWING THAT THE PROCEEDS ARE DERIVED FROM A CRIME; OR**

9 **(5) CONDUCT A FINANCIAL TRANSACTION INVOLVING PROCEEDS**
10 **KNOWING THAT THE PROCEEDS ARE DERIVED FROM A CRIME.**

11 **(C) A PERSON WHO VIOLATES THIS SECTION:**

12 **(1) FOR A FIRST OFFENSE, IS GUILTY OF A FELONY AND ON**
13 **CONVICTION IS SUBJECT TO:**

14 **(I) IMPRISONMENT NOT EXCEEDING 2 YEARS;**

15 **(II) A FINE NOT EXCEEDING THE GREATER OF \$20,000 OR TWICE**
16 **THE VALUE OF THE PROCEEDS INVOLVED IN THE FINANCIAL TRANSACTION; OR**

17 **(III) BOTH; AND**

18 **(2) FOR A SECOND OR SUBSEQUENT OFFENSE, IS GUILTY OF A FELONY**
19 **AND ON CONVICTION IS SUBJECT TO:**

20 **(I) IMPRISONMENT NOT EXCEEDING 5 YEARS;**

21 **(II) A FINE NOT EXCEEDING THE GREATER OF \$500,000 OR FIVE**
22 **TIMES THE VALUE OF THE PROCEEDS INVOLVED IN THE FINANCIAL TRANSACTION;**
23 **OR**

24 **(III) BOTH.**

25 **(D) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, FOR PURPOSES OF**
26 **THIS SECTION EACH FINANCIAL TRANSACTION IS A SEPARATE VIOLATION.**

27 **9-903.**

28 **(A) EXCEPT FOR A FINANCIAL TRANSACTION NECESSARY TO PRESERVE A**

1 PERSON'S RIGHT TO REPRESENTATION AS GUARANTEED BY THE 6TH AMENDMENT
2 TO THE UNITED STATES CONSTITUTION AND ARTICLE 21 OF THE MARYLAND
3 DECLARATION OF RIGHTS, A PERSON MAY NOT WITH THE INTENT TO PROMOTE A
4 DRUG CRIME OR WITH THE INTENT TO CONCEAL OR DISGUISE THE NATURE,
5 LOCATION, SOURCE, OWNERSHIP, OR CONTROL OF PROCEEDS OF A DRUG CRIME:

6 (1) RECEIVE OR ACQUIRE PROCEEDS KNOWING THAT THE PROCEEDS
7 ARE DERIVED FROM A DRUG CRIME;

8 (2) ENGAGE IN A FINANCIAL TRANSACTION INVOLVING PROCEEDS
9 KNOWING THAT THE PROCEEDS ARE DERIVED FROM A DRUG CRIME;

10 (3) GIVE, SELL, TRANSFER, TRADE, INVEST, CONCEAL, TRANSPORT,
11 OR MAINTAIN AN INTEREST IN PROCEEDS KNOWING THAT THE PROCEEDS ARE
12 DERIVED FROM A DRUG CRIME;

13 (4) DIRECT, PROMOTE, PLAN, ORGANIZE, INITIATE, FINANCE,
14 MANAGE, SUPERVISE, OR FACILITATE THE TRANSPORTATION OR TRANSFER OF
15 PROCEEDS KNOWING THAT THE PROCEEDS ARE DERIVED FROM A DRUG CRIME; OR

16 (5) CONDUCT A FINANCIAL TRANSACTION INVOLVING PROCEEDS
17 KNOWING THAT THE PROCEEDS ARE DERIVED FROM A DRUG CRIME.

18 (B) A PERSON WHO VIOLATES THIS SECTION IN CIRCUMSTANCES IN WHICH
19 THE DRUG CRIME INVOLVES FENTANYL OR ANY ANALOGUE OF FENTANYL AND THE
20 VALUE OF THE PROCEEDS IS \$10,000 OR LESS IS GUILTY OF A MISDEMEANOR AND
21 ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT EXCEEDING 2 YEARS OR A FINE
22 NOT EXCEEDING \$20,000 OR BOTH.

23 (C) A PERSON WHO VIOLATES THIS SECTION IN CIRCUMSTANCES IN WHICH
24 THE VALUE OF THE PROCEEDS EXCEEDS \$10,000 IS GUILTY OF A FELONY AND ON
25 CONVICTION IS SUBJECT TO:

26 (1) FOR A FIRST VIOLATION:

27 (I) IMPRISONMENT NOT EXCEEDING 5 YEARS;

28 (II) A FINE NOT EXCEEDING THE GREATER OF \$250,000 OR
29 TWICE THE VALUE OF THE PROCEEDS INVOLVED IN THE FINANCIAL TRANSACTION;
30 OR

31 (III) BOTH; OR

1 **(2) FOR EACH SUBSEQUENT VIOLATION:**

2 **(I) IMPRISONMENT NOT EXCEEDING 10 YEARS;**

3 **(II) A FINE NOT EXCEEDING THE GREATER OF \$500,000 OR FIVE**
4 **TIMES THE VALUE OF THE PROCEEDS INVOLVED IN THE FINANCIAL TRANSACTION;**
5 **OR**

6 **(III) BOTH.**

7 **(D) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, FOR PURPOSES OF**
8 **THIS SECTION EACH FINANCIAL TRANSACTION IS A SEPARATE VIOLATION.**

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
10 1, 2024.