
By: Chairman, Economic and Environmental Affairs Committee (Departmental - Ethics, State Commission on)

Requested: October 16, 1995

Introduced and read first time: January 10, 1996

Assigned to: Economic and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **Public Ethics - Financial Disclosure - Interests in Corporations**

3 FOR the purpose of altering certain financial disclosure requirements under the Public
4 Ethics Law by reducing the information required regarding small acquisitions of
5 shares in a publicly traded corporation by dividend or dividend reinvestment in the
6 corporation; providing for a delayed effective date; and generally relating to
7 financial disclosure under the Public Ethics Law.

8 BY repealing and reenacting, with amendments,
9 Article - State Government
10 Section 15-607(c)
11 Annotated Code of Maryland
12 (1995 Replacement Volume)

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

15 **Article - State Government**

16 15-607.

17 (c) (1) The statement shall include a schedule of each interest held by the
18 individual in a corporation, partnership, limited liability partnership, or limited liability
19 company, whether or not the corporation, partnership, limited liability partnership, or
20 limited liability company does business with the State.

21 (2) For each interest reported, the schedule shall include:

22 (i) the name and address of the principal office of the corporation,
23 partnership, limited liability partnership, or limited liability company;

24 (ii) subject to paragraph (3) of this subsection, the nature and amount
25 of the interest held, including any conditions to and encumbrances on the interest;

26 (iii) EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION,
27 if any interest was acquired during the applicable period:

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1 1. the date and manner in which the interest was acquired;

2 2. the identity of the entity from which the interest was
3 acquired;

4 3. if the interest was acquired by purchase, the nature and
5 amount of the consideration given for the interest; and

6 4. if the interest was acquired in any other manner, the fair
7 market value of the interest when it was acquired; and

8 (iv) if any interest was transferred, in whole or in part, during the
9 applicable period:

10 1. a description of the interest transferred;

11 2. the nature and amount of the consideration received for the
12 interest; and

13 3. if known, the identity of the entity to which the interest was
14 transferred.

15 (3) (i) As to an equity interest in a corporation, the individual may satisfy
16 paragraph (2)(ii) of this subsection by reporting, instead of a dollar amount:

17 1. the number of shares held; and

18 2. unless the corporation's stock is publicly traded, the
19 percentage of equity interest held.

20 (ii) As to an equity interest in a partnership, limited liability
21 partnership, or limited liability company, the individual may satisfy paragraph (2)(ii) of
22 this subsection by reporting, instead of a dollar amount, the percentage of equity interest
23 held.

24 (4) IF AN INTEREST ACQUIRED DURING THE APPLICABLE REPORTING
25 PERIOD CONSISTS OF ADDITIONS TO EXISTING PUBLICLY TRADED CORPORATE
26 INTERESTS ACQUIRED BY DIVIDEND OR DIVIDEND REINVESTMENT, AND THE
27 TOTAL VALUE OF THE ACQUISITION IS LESS THAN \$500, ONLY THE MANNER OF
28 ACQUISITION IS REQUIRED TO BE DISCLOSED UNDER PARAGRAPH (2)(III) OF THIS
29 SUBSECTION.

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
31 January 1, 1997.