

(PRE-FILED)

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**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

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Committee Report: Favorable

Senate action: Adopted

Read second time: January 30, 1996

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CHAPTER \_\_\_\_

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:

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

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

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

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

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

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

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

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

16 1. a description of the interest transferred;

17 2. the nature and amount of the consideration received for the  
18 interest; and

19 3. if known, the identity of the entity to which the interest was  
20 transferred.

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

23 1. the number of shares held; and

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

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

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

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

