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**By: Delegate Exum**

Introduced and read first time: February 10, 1997  
Assigned to: Commerce and Government Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Political Influence Entities**

3 FOR the purpose of requiring certain entities that solicit and spend money for the  
4 purpose of influencing political opinion to register with the Secretary of State as  
5 charitable organizations; excluding from that requirement certain committees and  
6 political clubs that file reports under State or federal election laws; broadening the  
7 definition of "regulated lobbyist" in the Ethics Law to include certain entities that  
8 solicit and spend more than a certain amount for the purpose of influencing  
9 legislative or executive action; and generally relating to the charitable organization  
10 reporting laws and the Maryland Public Ethics Law.

11 BY repealing and reenacting, without amendments,  
12 Article - Business Regulation  
13 Section 6-101(c) and 6-401  
14 Annotated Code of Maryland  
15 (1992 Volume and 1996 Supplement)

16 BY repealing and reenacting, with amendments,  
17 Article - Business Regulation  
18 Section 6-101(d)  
19 Annotated Code of Maryland  
20 (1992 Volume and 1996 Supplement)

21 BY repealing and reenacting, with amendments,  
22 Article - State Government  
23 Section 15-701  
24 Annotated Code of Maryland  
25 (1995 Replacement Volume and 1996 Supplement)

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

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1 **Article - Business Regulation**

2 6-101.

3 (c) (1) "Charitable contribution" means a contribution made on a  
4 representation that it will be used for a charitable purpose.

5 (2) "Charitable contribution" includes the payment, transfer, or enforceable  
6 pledge of financial help, including money, credit, property, or services.

7 (3) "Charitable contribution" does not include:

8 (i) an unsolicited gift;

9 (ii) a government grant or government money;

10 (iii) membership assessments, dues, or fines; and

11 (iv) a payment for property sold or services rendered by a charitable  
12 organization, unless the property is sold or the services are rendered in connection with a  
13 charitable solicitation.

14 (d) (1) "Charitable organization" means:

15 (i) a person that:

16 1. is or holds itself out to be a benevolent, educational,  
17 eleemosynary, humane, patriotic, philanthropic, or religious organization; and

18 2. solicits or receives charitable contributions from the public;  
19 or

20 (ii) an ambulance, fire fighting, fraternal, rescue, or police or other  
21 law enforcement organization when it solicits charitable contributions from the public.

22 (2) "Charitable organization" includes:

23 (I) an area, branch, chapter, office, or similar affiliate that solicits  
24 charitable contributions from the public within the State for a charitable organization that  
25 is organized or has its principal place of business outside the State; AND

26 (II) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION,  
27 AN ENTITY THAT SOLICITS AND EXPENDS MONEY FOR THE PURPOSE OF  
28 INFLUENCING POLITICAL OPINION.

29 (3) "Charitable organization" does not include:

30 (i) an agency of the State government or of a political subdivision; or

31 (ii) a political club, committee, or party THAT REPORTS  
32 CONTRIBUTIONS AND EXPENDITURES IN ACCORDANCE WITH ARTICLE 33 OF THE  
33 CODE OR UNDER FEDERAL ELECTION LAWS.

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1 6-401.

2 (a) A charitable organization shall submit a registration statement to the  
3 Secretary of State before the charitable organization:

4 (1) solicits charitable contributions in the State;

5 (2) has charitable contributions solicited on its behalf in the State; or

6 (3) solicits charitable contributions outside of the State, if the charitable  
7 organization is in the State.

8 (b) A separate registration statement shall be submitted by each charitable  
9 organization that is:

10 (1) a federated fund-raising organization consisting of independent  
11 charitable organizations, including a united fund and a community chest, that:

12 (i) have joined to solicit charitable contributions and distribute them  
13 among themselves; but

14 (ii) keep their own operating authority and control; or

15 (2) an independent charitable organization, including one that is a member  
16 of a federated fund-raising organization, unless it is specifically exempted or it does not  
17 solicit charitable contributions other than as a member of a federated fund-raising  
18 organization.

19 (c) (1) A parent organization shall submit a consolidated registration statement  
20 for the affiliates, branches, or chapters in the State that it coordinates, controls, or  
21 supervises.

22 (2) An affiliate, branch, or chapter of a charitable organization shall:

23 (i) report information needed for a consolidated registration  
24 statement to its parent organization; or

25 (ii) submit a separate registration statement.

26 (3) For purposes of this subsection, an independent member agency of a  
27 federated fund-raising organization is not an affiliate, branch, or chapter.

28 **Article - State Government**

29 15-701.

30 (a) Unless exempted under subsection (b) of this section, an entity shall register  
31 with the Ethics Commission as provided in this subtitle, and shall be a "regulated  
32 lobbyist" for the purposes of this title, if, during a reporting period, the entity:

33 (1) for the purpose of influencing legislative action:

34 (i) communicates with an official or employee of the Legislative  
35 Branch or Executive Branch in the presence of that official or employee; and

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1 (ii) exclusive of the personal travel or subsistence expenses of the  
2 entity or a representative of the entity, incurs expenses of at least \$100 or earns at least  
3 \$500 as compensation;

4 (2) in connection with or for the purpose of influencing executive action,  
5 spends a cumulative value of at least \$100 for meals, beverages, special events, or gifts on  
6 one or more officials or employees of the Executive Branch;

7 (3) is employed to influence executive action on a procurement contract that  
8 exceeds \$100,000;

9 (4) spends at least \$2,000, including postage, for the express purpose of  
10 soliciting others to communicate with an official to influence legislative action or  
11 executive action; [or]

12 (5) spends at least \$500 to provide compensation to one or more entities  
13 required to register under this subsection; OR

14 (6) SOLICITS AND SPENDS MORE THAN \$1,000 TO INFLUENCE  
15 LEGISLATIVE ACTION OR EXECUTIVE ACTION.

16 (b) (1) The following activities are exempt from regulation under this subtitle:

17 (i) appearances as part of the official duties of an elected or  
18 appointed official or employee of the State, a political subdivision of the State, or the  
19 United States, to the extent that the appearance is not on behalf of any other entity;

20 (ii) actions of a member of the news media, to the extent the actions  
21 are in the ordinary course of gathering and disseminating news or making editorial  
22 comment to the general public;

23 (iii) representation of a bona fide religious organization to the extent  
24 the representation is for the purpose of protecting the right of its members to practice the  
25 doctrine of the organization;

26 (iv) appearances as part of the official duties of an officer, director,  
27 member, or employee of an association engaged exclusively in representing counties or  
28 municipal corporations, to the extent that the appearance is not on behalf of any other  
29 entity; or

30 (v) actions as part of the official duties of a trustee, an administrator,  
31 or a faculty member of a nonprofit independent college or university in the State,  
32 provided the official duties of the individual do not consist primarily of attempting to  
33 influence legislative action or executive action.

34 (2) The following activities are exempt from regulation under this subtitle if  
35 the individual engages in no other acts during the reporting period that require  
36 registration:

37 (i) professional services in drafting bills or in advising clients on the  
38 construction or effect of proposed or pending legislation;

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1 (ii) appearances before the entire General Assembly, or any  
2 committee or subcommittee of the General Assembly, at the specific request of the body  
3 involved; or

4 (iii) appearances before a legislative committee at the specific request  
5 of a regulated lobbyist, if the witness notifies the committee that the witness is testifying  
6 at the request of the regulated lobbyist.

7 (3) Subsection (a)(3) of this section does not apply to a bona fide  
8 salesperson or commercial selling agency employed or maintained by an employer for the  
9 purpose of soliciting or securing a procurement contract unless the person engages in acts  
10 during the reporting period that require registration under subsection (a)(1) or (2) of this  
11 section.

12 (c) (1) Except for providing the authorization required by § 15-702 of this  
13 subtitle and the report required by § 15-704(c) of this subtitle, an entity that compensates  
14 one or more regulated lobbyists, and that reasonably believes that all expenditures  
15 requiring registration will be reported by the regulated lobbyist or lobbyists, is exempt  
16 from the registration and reporting requirements of this subtitle if the entity engages in  
17 no other act that requires registration.

18 (2) If a regulated lobbyist compensated by an entity that is exempt under  
19 paragraph (1) of this subsection fails to report the information required by this subtitle,  
20 the entity immediately shall become subject to the registration and reporting  
21 requirements of this subtitle.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
23 October 1, 1997.