

HOUSE BILL 862

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HB 1171/97 - CGM

1998 Regular Session
8lr2352

By: **Delegate Exum**

Introduced and read first time: February 12, 1998

Assigned to: Commerce and Government Matters

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
6 and political clubs that file reports under State or federal election laws;
7 broadening the definition of "regulated lobbyist" in the Ethics Law to include
8 certain entities that solicit and spend more than a certain amount for the
9 purpose of influencing legislative or executive action; and generally relating to
10 the charitable organization 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 1997 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 1997 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 1997 Supplement)

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

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
6 enforceable 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
13 with a 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
19 public; or

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

23 (2) "Charitable organization" includes:

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

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

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

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

32 or

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

4 6-401.

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

7 (1) solicits charitable contributions in the State;

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

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

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

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

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

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

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

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

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

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

28 (ii) submit a separate registration statement.

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

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Article - State Government

2 15-701.

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

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

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

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

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

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

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

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

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

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

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

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

33 (iii) representation of a bona fide religious organization to the
34 extent the representation is for the purpose of protecting the right of its members to
35 practice the doctrine of the organization;

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

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

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

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

14 (ii) appearances before the entire General Assembly, or any
15 committee or subcommittee of the General Assembly, at the specific request of the
16 body involved; or

17 (iii) appearances before a legislative committee at the specific
18 request of a regulated lobbyist, if the witness notifies the committee that the witness
19 is testifying at the request of the regulated lobbyist.

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

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

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

35 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
36 October 1, 1998.