
By: **Delegate Campbell**

Introduced and read first time: February 16, 1998

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **State and Public Officials and Employees - Acceptance of Gifts from**
3 **Regulated Lobbyists - Prohibited**

4 FOR the purpose of prohibiting certain officials or employees from accepting gifts
5 from regulated lobbyists under certain circumstances; authorizing certain
6 officials or employees to accept certain personal gifts from certain regulated
7 lobbyists who are related or a member of the household of certain officials or
8 employees; repealing certain reporting requirements of certain officials or
9 employees relating to gifts from certain regulated lobbyists; repealing certain
10 reporting requirements of certain regulated lobbyists regarding certain gifts
11 provided to certain officials or employees; and generally relating to the
12 acceptance and reporting of gifts from certain regulated lobbyists.

13 BY repealing and reenacting, with amendments,
14 Article - State Government
15 Section 15-505, 15-607(e), and 15-704
16 Annotated Code of Maryland
17 (1995 Replacement Volume and 1997 Supplement)

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

20 **Article - State Government**

21 15-505.

22 (a) (1) An official or employee may not solicit any gift.

23 (2) A regulated lobbyist [described in subsection (b)(4) of this section]
24 may not knowingly make a gift, directly or indirectly, to an official or employee that
25 the regulated lobbyist knows or has reason to know is in violation of this section.

26 (b) (1) Except as provided in subsection (c) of this section, an official or
27 employee may not knowingly accept a gift, directly or indirectly, from an entity that
28 the official or employee knows or has reason to know:

1 [1] (I) does or seeks to do any business of any kind, regardless of
2 amount, with the official's or employee's governmental unit;

3 [2] (II) engages in an activity that is regulated or controlled by the
4 official's or employee's governmental unit; OR

5 [3] (III) has a financial interest that may be affected substantially and
6 materially, in a manner distinguishable from the public generally, by the performance
7 or nonperformance of the official's or employee's official duties; or

8 (4) is a regulated lobbyist with respect to matters within the jurisdiction
9 of the official or employee].

10 (2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
11 PARAGRAPH, AN OFFICIAL OR EMPLOYEE MAY NOT KNOWINGLY ACCEPT A GIFT,
12 DIRECTLY OR INDIRECTLY, FROM ANY REGULATED LOBBYIST.

13 (II) AN OFFICIAL OR EMPLOYEE MAY ACCEPT A GIFT THAT IS
14 PURELY PERSONAL AND PRIVATE IN NATURE, UNRELATED TO LOBBYING
15 ACTIVITIES, AND PAID FROM THE PERSONAL FUNDS OF A REGULATED LOBBYIST
16 WHO IS:

17 1. AN INDIVIDUAL RELATED TO THE OFFICIAL OR
18 EMPLOYEE BY BLOOD OR MARRIAGE; OR

19 2. A MEMBER OF THE HOUSEHOLD OF THE OFFICIAL OR
20 EMPLOYEE.

21 (c) (1) Notwithstanding subsection [(b)] (B)(1) of this section, an official or
22 employee may accept a gift specified in paragraph (2) of this subsection unless:

23 (i) the gift would tend to impair the impartiality and independent
24 judgment of the official or employee; or

25 (ii) as to a gift of significant value:

26 1. the gift would give the appearance of impairing the
27 impartiality and independent judgment of the official or employee; or

28 2. the official or employee believes or has reason to believe
29 that the gift is designed to impair the impartiality and independent judgment of the
30 official or employee.

31 (2) Subject to paragraph (1) of this subsection, subsection [(b)] (B)(1) of
32 this section does not apply to:

33 (i) meals or beverages received by the official or employee in the
34 presence of the donor or sponsoring entity;

35 (ii) ceremonial gifts or awards of insignificant monetary value;

1 (iii) except for a State official of the Executive or Legislative Branch,
2 unsolicited gifts of nominal value;

3 (iv) [as to a State official of the Executive or Legislative Branch,
4 unsolicited gifts, not exceeding \$15 in cost, from a regulated lobbyist;

5 (v)] trivial gifts of informational value;

6 [(vi)] (V) in return for participation on a panel or a speaking
7 engagement at a meeting, reasonable expenses for food, travel, lodging, or scheduled
8 entertainment of the official or employee if the expenses are associated with the
9 meeting, except that, if such expenses for a State official of the Legislative or
10 Executive Branch [are to be paid by a regulated lobbyist and] are anticipated to
11 exceed \$500, the official shall notify the appropriate advisory body before attending
12 the meeting;

13 [(vii)] (VI) [subject to paragraph (3) of this subsection,] tickets or
14 free admission extended to an elected constitutional officer, as a courtesy or ceremony
15 to the office, to attend a professional or intercollegiate sporting event, or a charitable,
16 cultural, or political event;

17 [(viii)] (VII) a specific gift or class of gifts exempted from subsection
18 [(b)] (B)(1) of this section by the Ethics Commission upon a written finding that:

19 1. acceptance of the gift or class of gifts would not be
20 detrimental to the impartial conduct of government; and

21 2. the gift is purely personal and private in nature;

22 [(ix)] (VIII) a gift from:

23 1. an individual related to the official or employee by blood or
24 marriage; or

25 2. any other individual who is a member of the household of
26 the official or employee; or

27 [(x)] (IX) to the extent provided in subsection (d) of this section,
28 honoraria.

29 [(3)] Paragraph (2)(vii) of this subsection may not be construed to restrict
30 the ability of a member of the General Assembly to accept as a gift admission to any
31 event as part of a personal interaction with an individual who is a regulated lobbyist
32 with whom the member socializes, for purposes unrelated to the legislature, if:

33 (i) the purpose of the interaction is not related to previous or
34 subsequent business before the legislature; and

35 (ii) during the interaction, no previous or subsequent business
36 related to the legislature is discussed.]

1 (d) (1) Subject to subsection (c)(1) of this section, an official or employee may
2 accept an honorarium if:

3 (i) the honorarium is limited to reasonable expenses for the
4 official's meals, travel, and lodging, and reasonable and verifiable expenses for care of
5 a child or dependent adult, that are actually incurred;

6 (ii) the honorarium consists of gifts described in subsection (c)(2)(ii)
7 [through (iv)] AND (III) of this section; or

8 (iii) the official or employee is a faculty member of a State
9 institution of higher education who does not hold another position as an official that
10 precludes receiving the honorarium.

11 (2) Other than as allowed by paragraph (1) of this subsection, an
12 honorarium may not be accepted, even if permitted by subsection (c)(1) of this section,
13 if:

14 (i) the payor of the honorarium has an interest that may be
15 affected substantially and materially, in a manner distinguishable from the public
16 generally, by the performance or nonperformance of the official's or employee's official
17 duties; and

18 (ii) the offering of the honorarium is related in any way to the
19 official's or employee's official position.

20 (e) By regulation, the Ethics Commission may define further exemptions from
21 this section as may be necessary.

22 15-607.

23 (e) (1) This subsection does not apply to a gift received from a member of
24 the immediate family, another child, or a parent of the individual.

25 (2) The statement shall include a schedule of each gift, specified in
26 paragraph (3) of this subsection, received during the applicable period:

27 (i) by the individual or by another entity at the direction of the
28 individual; and

29 (ii) directly or indirectly, from or on behalf of an entity that is:

30 1. [a regulated lobbyist;

31 2.] regulated by the State; or

32 [3.] 2. otherwise an entity doing business with the State.

33 (3) The schedule shall include[:

1 (i) each gift with a value of more than \$25, except that the
2 statement need not include as a gift attendance at a special event that is reported by
3 a regulated lobbyist under § 15-704(b)(2)(vi) of this title; and

4 (ii)] each of two or more gifts with a cumulative value of \$100 or
5 more received from one entity during the applicable period.

6 (4) For each gift subject to this subsection, the schedule shall include:

7 (i) the nature and value of the gift; and

8 (ii) the identity of the entity from which, directly or indirectly, the
9 gift was received.

10 (5) This subsection does not authorize any gift not otherwise allowed by
11 law.

12 15-704.

13 (a) (1) A regulated lobbyist shall file with the Ethics Commission, under
14 oath and for each registration, a separate report concerning the regulated lobbyist's
15 lobbying activities:

16 (i) by May 31 of each year, to cover the period from November 1 of
17 the previous year through April 30 of the current year; and

18 (ii) by November 30 of each year, to cover the period from May 1
19 through October 31 of that year.

20 (2) If the regulated lobbyist is not an individual, an authorized officer or
21 agent of the regulated lobbyist shall sign the report.

22 (3) If a prorated amount is reported as compensation, it shall be labeled
23 as prorated.

24 (b) [Subject to subsection (f) of this section, a] A report required by this
25 section shall include:

26 (1) a complete, current statement of the information required under §
27 15-703(b) of this subtitle;

28 (2) total expenditures in connection with influencing executive action or
29 legislative action in each of the following categories:

30 (i) total compensation paid to the regulated lobbyist, excluding:

31 1. expenses reported under this paragraph; and

32 2. salaries, compensation, and reimbursed expenses for the
33 regulated lobbyist's staff;

- 1 (ii) unless reported under subparagraph (i) of this paragraph:
- 2 1. office expenses of the regulated lobbyist; and
- 3 2. professional and technical research and assistance;
- 4 (iii) publications that expressly encourage communication with one
5 or more officials or employees;
- 6 (iv) witnesses, including the name of each and the fees and
7 expenses paid to each; AND
- 8 [(v) meals and beverages for officials, employees, or members of the
9 immediate families of officials or employees;
- 10 (vi) special events, including parties, meals, athletic events,
11 entertainment, or other functions to which were invited all members of:
- 12 1. the General Assembly;
- 13 2. either house of the General Assembly;
- 14 3. a standing committee of the General Assembly, provided
15 that the presiding officer of the House of Delegates or Senate shall be deemed an ex
16 officio member of any standing committee of the presiding officer's chamber; or
- 17 4. a county or regional delegation of members of the General
18 Assembly that is recognized by a presiding officer of the General Assembly;
- 19 (vii) 1. food, lodging, and scheduled entertainment of officials and
20 employees for a meeting, if given in return for participation in a panel or speaking
21 engagement at the meeting; and
- 22 2. if more than \$200 of the expenses reported in item 1 of this
23 subparagraph are for any one official or employee at any meeting, the individual's
24 name and the amount spent;
- 25 (viii) other gifts to or for officials, employees, or members of the
26 immediate families of officials or employees; and
- 27 (ix)] (V) other expenses[;
- 28 (3) as to expenditures reported in paragraph (2)(vi) and (vii) of this
29 subsection, the date, location, and total expense of the regulated lobbyist for the event
30 or meeting; and
- 31 (4) subject to subsections (d) and (e) of this section, the name of each
32 official, employee, or member of the immediate family of an official or employee, to or
33 for whom, during a reporting period, one or more gifts with a cumulative value of \$75
34 or more are given, regardless of whether a gift is attributable to more than one entity
35 and whether or not in connection with lobbying activities, by the regulated lobbyist or

1 any entity acting on behalf of the regulated lobbyist, however, except as provided in
2 paragraph (2)(vii)2 of this subsection, expenses reported in paragraph (2)(vi) and (vii)
3 of this subsection need not be allocated to an individual].

4 (c) (1) This subsection applies only to a regulated lobbyist, other than an
5 individual, that is organized and operated for the primary purpose of attempting to
6 influence legislative action or executive action.

7 (2) In addition to the other reports required under this section, a
8 regulated lobbyist subject to this subsection shall report the name and permanent
9 address of each entity that provided at least 5% of the regulated lobbyist's total
10 receipts during the preceding 12 months.

11 (3) For the purpose of the reporting and registration requirements of this
12 subtitle, receipts of a regulated lobbyist subject to this subsection include funds spent
13 on the regulated lobbyist's behalf, at its direction, or in its name.

14 [(d) (1) Subject to subsection (f) of this section, in addition to any other report
15 required under this section, a regulated lobbyist shall file, with the report required by
16 subsection (a) of this section, a report disclosing the name of any member of the
17 General Assembly or member of the immediate family of a member of the General
18 Assembly who has benefited during the reporting period from a gift of a ticket or
19 admission to any event for which other persons are charged a fee exceeding \$15,
20 whether or not in connection with lobbying activities, allowed under §
21 15-505(c)(2)(vii) of this title from the regulated lobbyist.

22 (2) The disclosure required by this subsection shall be under oath or
23 affirmation, on a form issued by the Ethics Commission, and shall include:

24 (i) the name and business address of the regulated lobbyist;

25 (ii) the name of each recipient of a ticket or admission;

26 (iii) the date and value of each gift of a ticket or admission, and the
27 identity of the entity or entities to which the gift is attributable; and

28 (iv) the total cumulative value of gifts of tickets or admissions,
29 calculated as to each recipient.

30 (3) The regulated lobbyist may:

31 (i) declare on the form required under paragraph (1) of this
32 subsection that a gift of a ticket or admission was given for purposes not related to the
33 regulated lobbyist's lobbying activities; and

34 (ii) explain the circumstances under which the gift was given.

35 (4) Gifts of tickets or admissions reported by a regulated lobbyist under
36 this subsection need not be counted or reported by the regulated lobbyist for purposes
37 of disclosure under subsection (b)(4) of this section.

1 (e) (1) (i) Subject to subsection (f) of this section and to the provisions of
2 subparagraph (ii) of this paragraph, in addition to any other report required under
3 this section, a regulated lobbyist shall file, with the report required by subsection (a)
4 of this section, a report disclosing the name of any State official of the Executive or
5 Legislative Branch or member of the immediate family of a State official of the
6 Executive or Legislative Branch who has benefited during the reporting period from
7 gifts of meals or beverages, whether or not in connection with lobbying activities,
8 allowed under § 15-505(c)(2)(i) of this title from the regulated lobbyist.

9 (ii) The name of a member of the General Assembly or member of
10 the immediate family of a member of the General Assembly shall be disclosed under
11 subparagraph (i) of this paragraph only if the gift of a meal or beverage to the
12 individual costs \$15 or more.

13 (2) Gifts reported by name of recipient under subsection (b)(2)(vii) of this
14 section and special events listed under subsection (b)(2)(vi) of this section need not be
15 allocated for the purposes of disclosure under paragraph (1) of this subsection.

16 (3) The disclosure required by this subsection shall be under oath or
17 affirmation, on a form issued by the Ethics Commission, and shall include:

18 (i) the name and business address of the regulated lobbyist;

19 (ii) the name of each recipient of a gift of a meal or beverages;

20 (iii) the date and value of each gift of a meal or beverages, and the
21 identity of the entity or entities to which the gift is attributable; and

22 (iv) the total cumulative value of gifts of meals or beverages,
23 calculated as to each recipient.

24 (4) The regulated lobbyist may:

25 (i) declare on the form required under paragraph (1) of this
26 subsection that a gift of a meal or beverages was given for purposes not related to the
27 regulated lobbyist's lobbying activities; and

28 (ii) explain the circumstances under which the gift of a meal or
29 beverages was given.

30 (5) Gifts of meals or beverages reported by a regulated lobbyist under
31 this subsection need not be counted or reported by the regulated lobbyist for purposes
32 of disclosure under subsection (b)(4) of this section.

33 (f) This section does not require the disclosure by a regulated lobbyist of any
34 gift to the regulated lobbyist's immediate family, if the gift is:

35 (1) purely personal and private in nature and not related to the
36 regulated lobbyist's lobbying activities; and

1 (2) from the regulated lobbyist's personal funds and not attributable to
2 any other entity or entities.]

3 [(g)] (D) The Ethics Commission may require a regulated lobbyist to file any
4 additional report the Ethics Commission determines to be necessary.

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