

HOUSE BILL 973

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2000 Regular Session
0lr1194
CF 0lr2786

By: **Delegate Taylor**

Introduced and read first time: February 11, 2000

Assigned to: Commerce and Government Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Ethics - Business Transactions Involving Legislators and Lobbyists -**
3 **Prohibition**

4 FOR the purpose of prohibiting a legislator or a member of a legislator's immediate
5 family from engaging in certain business transactions with an individual
6 regulated lobbyist; prohibiting an individual regulated lobbyist from engaging
7 in certain business transactions with a legislator or a member of a legislator's
8 immediate family; specifying certain exceptions; requiring disclosure to the
9 Joint Committee on Legislative Ethics of certain business transactions;
10 providing for the prospective effect of this Act; and generally relating to business
11 transactions involving an individual regulated lobbyist and a legislator, a
12 member of a legislator's immediate family, or a business partner of a legislator.

13 BY repealing and reenacting, without amendments,
14 Article - State Government
15 Section 15-102(s)
16 Annotated Code of Maryland
17 (1999 Replacement Volume)

18 BY repealing and reenacting, with amendments,
19 Article - State Government
20 Section 15-513
21 Annotated Code of Maryland
22 (1999 Replacement Volume)

23 BY adding to
24 Article - State Government
25 Section 15-708
26 Annotated Code of Maryland
27 (1999 Replacement Volume)

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

1

Article - State Government

2 15-102.

3 (s) "Immediate family" means an individual's spouse and dependent children.

4 15-513.

5 (a) (1) Except as provided in paragraph (2) or (3) of this subsection, a
6 member of the General Assembly, a filed candidate for election to the General
7 Assembly, or a member-elect of the General Assembly may not receive earned income
8 from:

9 (i) an Executive unit; or

10 (ii) a political subdivision of the State.

11 (2) The Joint Ethics Committee may exempt an individual from the
12 provisions of paragraph (1) of this subsection if the earned income is for:

13 (i) educational instruction provided by the member, candidate, or
14 member-elect;

15 (ii) a position that is subject to a merit system hiring process;

16 (iii) a human services position; or

17 (iv) a career promotion, change, or progression that is a logical
18 transition from a pre-existing relationship as described in paragraph (3)(ii) of this
19 subsection.

20 (3) This subsection does not apply to compensation to a member,
21 candidate, or member-elect pursuant to:

22 (i) employment as a nonelected law enforcement officer or a fire or
23 rescue squad worker; or

24 (ii) a transaction or relationship that existed prior to:

25 1. the filing of a certificate of candidacy for election to the
26 General Assembly at a time when the individual was not an incumbent member of the
27 General Assembly; or

28 2. in the case of a member who was appointed to fill a
29 vacancy, the date of the appointment.

30 (b) A legislator shall report the following information in writing to the Joint
31 Ethics Committee at the times and in the manner required by the Joint Ethics
32 Committee:

1 (1) if representing a person for compensation before a State or local
2 government agency, except in a judicial proceeding or in a quasi-judicial proceeding,
3 the name of the person represented, the services performed, and the consideration.
4 The Joint Ethics Committee may adopt procedures to keep confidential the name of
5 the person represented if that information is privileged or confidential pursuant to
6 any provision of law governing proceedings before that State agency.

7 (2) if representing a State or local government agency for compensation,
8 the name of the agency, the services performed, and the consideration.

9 (3) the name of any business enterprise subject to regulation by a State
10 agency in which the legislator and a member of the legislator's immediate family
11 (spouse and children living with the legislator), together or separately, have:

12 (i) the lesser of:

13 1. 10 percent or more of the capital stock of any corporation;
14 or

15 2. capital stock of any corporation with a cumulative value of
16 \$25,000 or more; and

17 (ii) any interest in a partnership, limited liability partnership, or
18 limited liability company.

19 (4) details of any contractual relationship with the State or a State
20 agency, or a local government in the State, including the subject matter and the
21 consideration.

22 (5) details of any transaction with the State, or a local government in the
23 State, involving a monetary consideration.

24 (6) DETAILS OF ANY BUSINESS TRANSACTION IN WHICH AN INDIVIDUAL
25 REGULATED LOBBYIST, AS DESCRIBED IN § 15-701(A)(1) OF THIS TITLE, AND A
26 BUSINESS PARTNER OF THE LEGISLATOR OR BUSINESS PARTNER OF A MEMBER OF
27 THE IMMEDIATE FAMILY OF A LEGISLATOR, ARE DIRECT PARTICIPANTS. HOWEVER, A
28 LEGISLATOR IS NOT REQUIRED TO DISCLOSE BUSINESS TRANSACTIONS BETWEEN
29 THE REGULATED LOBBYIST AND THE PARTNER WITH A CUMULATIVE VALUE OF LESS
30 THAN \$500 IN A CALENDAR YEAR.

31 (C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A
32 LEGISLATOR, OR A MEMBER OF THE IMMEDIATE FAMILY OF A LEGISLATOR, MAY NOT
33 DIRECTLY ENGAGE IN A BUSINESS TRANSACTION FOR WHICH MONETARY BENEFIT
34 IS PAID, OR IS ANTICIPATED TO BE PAID, TO THE LEGISLATOR OR FAMILY MEMBER IF
35 AN INDIVIDUAL REGULATED LOBBYIST, AS DESCRIBED IN § 15-701(A)(1) OF THIS
36 TITLE, IS ALSO A DIRECT PARTICIPANT IN THE BUSINESS TRANSACTION.

37 (2) THIS SUBSECTION DOES NOT APPLY TO:

1 (I) NORMAL RETAIL SALES WITH A CUMULATIVE VALUE OF LESS
2 THAN \$500 IN A CALENDAR YEAR; OR

3 (II) RENEWAL IN THE ORDINARY COURSE OF BUSINESS OF AN
4 EXISTING INSURANCE CONTRACT.

5 [(c)] (D) (1) All reports filed under this section shall be a matter of public
6 record.

7 (2) The Joint Ethics Committee shall develop procedures under which a
8 report required under this section may be filed electronically without any additional
9 cost to the legislator.

10 15-708.

11 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, AN
12 INDIVIDUAL REGULATED LOBBYIST, AS DESCRIBED IN § 15-701(A)(1) OF THIS
13 SUBTITLE, MAY NOT DIRECTLY PARTICIPATE IN A BUSINESS TRANSACTION IN
14 WHICH A MEMBER OF THE GENERAL ASSEMBLY, OR AN INDIVIDUAL IN THE
15 IMMEDIATE FAMILY OF A MEMBER, IS ALSO A DIRECT PARTICIPANT AND FROM
16 WHICH MONETARY BENEFIT IS PAID, OR IS ANTICIPATED TO BE PAID, TO THE
17 LEGISLATOR OR FAMILY MEMBER.

18 (B) THIS SUBSECTION DOES NOT APPLY TO:

19 (1) NORMAL RETAIL SALES WITH A CUMULATIVE VALUE OF LESS THAN
20 \$500 IN A CALENDAR YEAR; OR

21 (2) RENEWAL IN THE ORDINARY COURSE OF BUSINESS OF AN EXISTING
22 INSURANCE CONTRACT.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
24 construed only prospectively and may not be applied or interpreted to have any effect
25 on or application to any business transaction entered into or initiated before the
26 effective date of this Act.

27 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 June 1, 2000.