

Department of Legislative Services  
Maryland General Assembly  
2000 Session

FISCAL NOTE

House Bill 973 (Delegate Taylor)

Commerce and Government Matters

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

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This bill requires a legislator to report to the Joint Ethics Committee the details of any business transaction in which a regulated lobbyist and a business partner of the legislator or business partner of a member of the immediate family of a legislator are direct participants. Disclosure is not required for transactions with a cumulative value of less than \$500 per year.

The bill also prohibits a legislator, or a member of the immediate family of a legislator, from directly engaging in a business transaction for which monetary benefit is paid, or is anticipated to be paid, to the legislator or family member if a regulated lobbyist is a direct participant in the transaction. This prohibition does not apply to normal retail sales with a cumulative value of less than \$500 per year or renewal in the ordinary course of business of an existing insurance contract. Regulated lobbyists are also prohibited from participating in such a transaction.

The bill may not be applied to any business transaction entered into or initiated before the bill's June 1, 2000 effective date.

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**Fiscal Summary**

**State Effect:** The bill would not significantly impact governmental operations or finances.

**Local Effect:** None.

**Small Business Effect:** Potential minimal.

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**Analysis**

**Current Law:** The Maryland Public Ethics Law does not specifically prohibit legislators

and regulated lobbyists from engaging in the types of business transactions addressed by the bill. The information required by the bill is not included in a legislator's reporting requirements.

**Background:** The business of lobbying has experienced enormous growth recently and has had a tremendous impact on the legislative environment in Annapolis. Legislation was enacted during the 1999 session (Chapter 2) creating a Study Commission on Lobbyist Ethics. Chapter 2 required the commission to collect information on lobbying practices and standards of ethics for regulated lobbyists, to receive testimony, to develop a code of ethics for lobbyists, and to propose any appropriate statutory changes to the Maryland Public Ethics Law as it relates to regulated lobbyists. The work of that commission is underway, and a report is expected by November 1, 2000.

**State Fiscal Effect:** The State Ethics Commission could handle any additional paperwork resulting from the bill using existing budgeted resources. Future enforcement costs resulting from the bill's requirements cannot be reliably estimated, but it is expected that the Ethics Commission could handle any such enforcement using existing budgeted resources.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 753 (Senator Miller) - Economic and Environmental Affairs.

**Information Source(s):** State Ethics Commission, Department of Legislative Services

**Fiscal Note History:** First Reader - February 18, 2000  
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