

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE

House Bill 1302 (Delegates Franchot and Rawlings)
Commerce and Government Matters

Ethics Law - Lobbying by Officials and Employees of Nonprofit Entities

This bill exempts officials and employees of certain nonprofit entities from registering as lobbyists with the State Ethics Commission.

Fiscal Summary

State Effect: Special fund revenues would decrease by \$2,000 in FY 2002, increasing 10% annually thereafter. No effect on expenditures.

(in dollars)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
SF Revenue	(\$2,000)	(\$2,200)	(\$2,400)	(\$2,600)	(\$2,800)
Expenditure	\$0	\$0	\$0	\$0	\$0
Net Effect	(\$2,000)	(\$2,200)	(\$2,400)	(\$2,600)	(\$2,800)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: An employee or official of a §501(c)(3) nonprofit entity who does not lobby for another entity would only be required to register as a lobbyist with the Ethics Commission if during the reporting period, the employee or official:

- for the purpose of influencing legislative action meets with an official or employee of the legislative or executive branches and incurs expenses of \$1,000 not including personal or subsistence expenses, or earns at least \$5,000 compensation;
- for the purpose of influencing executive action spends \$1,000 or more on meals, beverages, special events, or gifts on one or more employees or officials of the executive branch;
- is employed to influence executive action on a procurement contract that exceeds \$100,000; or
- spends at least \$5,000, including postage, for the purpose of soliciting others to communicate with an official to influence legislative or executive action.

Current law: An entity must register as a lobbyist with the Ethics Commission if during the reporting period, the entity:

- for the purpose of influencing legislative action meets with an official or employee of the legislative or executive branches and incurs expenses of \$100 not including personal or subsistence expenses, or earns at least \$500 compensation;
- for the purpose of influencing executive action spends \$100 or more on meals, beverages, special events, or gifts on one or more employees or officials of the executive branch;
- is employed to influence executive action on a procurement contract that exceeds \$100,000;
- spends at least \$2,000, including postage, for the purpose of soliciting others to communicate with an official to influence legislative or executive action; or
- spends at least \$500 to compensate one or more entities required to register as a lobbyist.

State Fiscal Effect: There is a \$20 annual registration fee for lobbyists. The State Ethics Commission advises that approximately 100 lobbyists would be exempt from registration under the bill's provisions, resulting in a decline in special fund revenues of \$2,000 annually beginning in fiscal 2002. The State Ethics Commission also advises that the number of exempt lobbyists will grow annually at 10%.

Additional Information

Prior Introductions: None

Cross File: None

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

Fiscal Note History: First Reader – March 6, 2001
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