

BY: Delegate Arnick

AMENDMENTS TO SENATE BILL NO. 314, AS AMENDED
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1 of the Commerce and Government Matters Committee Amendments (SB0314/406085/1), in Amendment No. 1, strike beginning with “exempting” in line 3 down through “lobbyist;” in line 6; strike beginning with “exempting” in line 7 down through “registration;” in line 8; in line 9, after “expenses” insert “or compensation”; in line 10, after “lobbyist;” insert “increasing the threshold amount of certain compensation paid by an entity to one or more lobbyists, above which the entity shall be deemed a regulated lobbyist;”; and strike beginning with the semicolon in line 13 down through “lobbyist” in line 15.

On page 1 of the bill, in line 12, after “circumstances” insert “; specifying that the restriction on a regulated lobbyist serving on a State board or commission may not be enforced until a certain date”.

On page 2 of the Commerce and Government Matters Committee Amendments, in line 11 of Amendment No. 1, strike “15-505(b) and (c)(2)(i);”.

On page 3 of the Commerce and Government Matters Committee Amendments, in line 10 of Amendment No. 1, after “interest;” insert:

“WHEREAS, because the misinterpretation of existing statutes has discouraged attorneys from volunteering their time to perform limited, yet important, services to reform the law through legislative and executive branch action, it is necessary to clarify that these activities taken on behalf of the organized bar do not fall within the purview of the State Ethics Commission;”.

AMENDMENT NO. 2

On pages 3 through 10 of the Commerce and Government Matters Committee Amendment, strike Amendment No. 2 in its entirety.

(Over)

On pages 2 through 4 of the bill, strike in their entirety the lines beginning with line 3 on page 2 through line 2 on page 4, inclusive, and substitute:

“Article 33 - Election Code

14-102.

(b) Every person who has done business with the State, a county, municipal corporation, or other political subdivision of the State during a reporting period specified under subsection (a) of this section shall file the statement required by this title if during the reporting period he made or caused to be made a contribution to a candidate for an elective office of the State or for an elective office of a county or municipal corporation of the State in any primary or general election.

14-103.

(b) Each OFFICER, DIRECTOR, OR PARTNER WHO MAKES OR CAUSES TO BE MADE A CONTRIBUTION, AND EACH OFFICER, DIRECTOR, PARTNER, employee, agent, or other person who makes or causes to be made a [contribution] GIFT, DONATION, OR PAYMENT OF MONEY, REGARDLESS OF AMOUNT, at the suggestion or direction of a business entity shall report the contribution OR THE GIFT, DONATION, OR PAYMENT OF MONEY to the chief executive officer of the business entity so that it may be included in the statement filed by the business entity.

(c) For the purposes of this title, and except as provided in subsection (e) of this section, a contribution made by an officer, director, or partner of a business entity, and a [contribution] GIFT, DONATION, OR PAYMENT OF MONEY, REGARDLESS OF AMOUNT, made by an OFFICER, DIRECTOR, PARTNER, employee, agent, or other person at the suggestion or direction of a business entity, shall be attributed to the business entity and shall be included in the statement filed by the business entity as though made directly by it.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - State Government

15-701.

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

(1) for the purpose of influencing any legislative action or, as to the development or adoption of regulations or the development or issuance of an executive order, executive action:

(i) 1. communicates with an official or employee of the Legislative Branch or Executive Branch in the presence of that official or employee; and

2. exclusive of the personal travel or subsistence expenses of the entity or a representative of the entity, incurs expenses of at least [\$100] \$500 or earns at least [\$500] \$2,500 as compensation FOR ALL SUCH COMMUNICATION AND ACTIVITIES RELATING TO THE COMMUNICATION DURING THE REPORTING PERIOD; or

(ii) 1. communicates with an official or employee of the Legislative Branch or Executive Branch; and

2. earns at least \$5,000 as compensation FOR ALL SUCH COMMUNICATION AND ACTIVITIES RELATING TO THE COMMUNICATION DURING THE REPORTING PERIOD;

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

(3) subject to subsection [(b)(3)] (B)(4) of this section, is compensated to influence executive action on a procurement contract that exceeds \$100,000;

(4) subject to subsection [(b)(4)] (B)(5) of this section, is compensated by a business entity to influence executive action to secure from the State a business grant or loan with a value of more than \$100,000 for the business entity;

(5) spends at least \$2,000, including expenditures for salaries, contractual employees, postage, telecommunications services, electronic services, advertising, printing, and delivery services for the express purpose of soliciting others to communicate with an official to influence legislative action or executive action; or

(6) spends at least [~~\$500~~] \$2,500 to provide compensation to one or more entities required to register under this subsection.

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

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

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

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

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

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

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

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

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

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

(iv) appearances before an executive unit at the specific request of the executive unit involved; or

(v) appearances before an executive unit at the specific request of a regulated lobbyist, if the witness notifies the executive unit that the witness is testifying at the request of the regulated lobbyist.

(3) AN ELEMENTARY, SECONDARY, OR POSTSECONDARY SCHOOL STUDENT OR STUDENT ORGANIZATION THAT COMMUNICATES AS PART OF A COURSE OR STUDENT ACTIVITY IS NOT SUBJECT TO THE REGISTRATION REQUIREMENTS BASED ON THE EXPENSE THRESHOLD UNDER SUBSECTION (A)(1)(I) OF THIS SECTION.

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

[(4)] (5) [Subsection] IF THE PERSON ENGAGES IN NO OTHER ACTS DURING THE REPORTING PERIOD THAT REQUIRE REGISTRATION, SUBSECTION (a)(4) of this section does not apply to:

(I) a bona fide full-time official or employee of a business entity seeking to secure a business grant or loan; OR

(Over)

(II) A PERSON WHO SEEKS TO SECURE A BUSINESS GRANT OR LOAN FOR THE PURPOSE OF LOCATING, RELOCATING, OR EXPANDING A BUSINESS IN OR INTO THE STATE.

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

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

15-703.

(a) (1) At the times specified in subsection (d) of this section, each regulated lobbyist shall register with the Ethics Commission on a form provided by the Ethics Commission.

(2) A regulated lobbyist shall register separately for each entity that has engaged the regulated lobbyist for lobbying purposes.

(f) (1) Except as provided in paragraph (2) of this subsection, each registration shall terminate on the earlier of:

(i) the October 31 following the filing of the registration; or

(ii) an earlier termination date specified in an authorization filed with respect to that registration under § 15-702 of this subtitle.

(2) A regulated lobbyist may terminate the registration before the date specified in paragraph (1) of this subsection by:

- (i) ceasing all activity that requires registration; and
- (ii) after ceasing activity in accordance with item (i) of this paragraph:

1. filing a notice of termination with the Ethics Commission;
and

2. filing all reports required by this subtitle within 30 days after the filing of the notice of termination.”.

On page 4 of the bill, in line 3, strike “(f)”.

AMENDMENT NO. 3

On page 17 of the Commerce and Government Matters Committee Amendments, after the last line of Amendment No. 3, insert:

“SECTION 4. AND BE IT FURTHER ENACTED, That:

(a) The regulations required under § 15-703(f)(3) of the State Government Article, as enacted by this Act, shall be adopted not later than October 31, 2002.

(b) Notwithstanding Chapter 631 of the Acts of the General Assembly of 2001, the provisions of § 15-703(f)(3)(i) of the State Government Article may not be enforced until November 1, 2002.”.

On page 18 of the Commerce and Government Matters Committee Amendments, in line 1 of Amendment No. 3, strike “4.” and substitute “5.”; in line 4, strike “5.” and substitute “6.”; and in line 7, strike “4” and substitute “5”.

On page 4 of the bill, strike lines 24 and 25 in their entirety.