

HOUSE BILL 1076
EMERGENCY BILL

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G2

2002 Regular Session
(21r1863)

ENROLLED BILL

-- Commerce and Government Matters/Education, Health, and Environmental Affairs --

Introduced by **Delegates Wood, Arnick, Taylor, and McIntosh**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Lobbyist Ethics - Registration and Reporting Requirements**

3 FOR the purpose of ~~exempting certain communications on behalf of a professional or~~
4 ~~trade association, association, trade association, or certain federally tax exempt~~
5 ~~entities, by a member certain members of the association or entity from the~~
6 ~~criteria that require registration as a regulated lobbyist; exempting certain~~
7 ~~communications by students from the criteria that require registration;~~
8 ~~exempting certain communications made in the capacity as an of a certain~~
9 ~~officer, director, or employee of certain entities from the criteria that require~~
10 ~~registration; increasing the threshold amount of certain expenses or~~
11 ~~compensation above which an entity that makes certain communications must~~
12 ~~register as a regulated lobbyist; increasing the threshold amount of certain~~
13 ~~compensation paid by an entity to one or more lobbyists, above which the entity~~
14 ~~shall be deemed a regulated lobbyist; clarifying a provision that sets a threshold~~
15 ~~amount of compensation above which an entity that makes certain~~
16 ~~communications must register as a regulated lobbyist; exempting from certain~~
17 ~~lobbyist registration requirements a person who seeks to secure a business~~

1 grant or loan for the purpose of locating, relocating, or expanding a business in
 2 or into the State; ~~specifying that, under certain circumstances, and official or~~
 3 ~~employee may not accept a gift from an individual who is exempt from~~
 4 ~~registration as a regulated lobbyist;~~ requiring the State Ethics Commission to
 5 adopt certain regulations authorizing a regulated lobbyist to serve on a State
 6 board or commission under certain circumstances; *specifying that the restriction*
 7 *on a regulated lobbyist serving on a State board or commission may not be*
 8 *enforced until a certain date;* altering the standard for a certain prohibited act of
 9 a regulated lobbyist; clarifying the threshold amount over which certain
 10 campaign contributions made by certain fiduciaries or subsidiaries of certain
 11 entities must be reported; clarifying the threshold amount over which a
 12 campaign contribution made by certain fiduciaries of certain entities at the
 13 suggestion or direction of the entity must be reported; requiring the State ~~Ethics~~
 14 ~~Commission~~ Board of Elections to adopt certain regulations to clarify campaign
 15 contribution reporting requirements for an officer of a nonprofit entity; making
 16 this Act an emergency measure; providing for the effective date of certain
 17 provisions of this Act; and generally relating to lobbyist ethics and disclosure of
 18 campaign contributions.

19 BY repealing and reenacting, without amendments,
 20 Article 33 - Election Code
 21 Section 14-102(b)
 22 Annotated Code of Maryland
 23 (1997 Replacement Volume and 2001 Supplement)

24 BY repealing and reenacting, with amendments,
 25 Article 33 - Election Code
 26 Section 14-103(b) and (c)
 27 Annotated Code of Maryland
 28 (1997 Replacement Volume and 2001 Supplement)

29 BY repealing and reenacting, with amendments,
 30 Article - State Government
 31 Section ~~15-505(b) and (c)(2)(i);~~ 15-701, 15-703(f), 15-713, and 15-715
 32 Annotated Code of Maryland
 33 (1999 Replacement Volume and 2001 Supplement)

34 BY repealing and reenacting, without amendments,
 35 Article - State Government
 36 Section 15-703(a)
 37 Annotated Code of Maryland
 38 (1999 Replacement Volume and 2001 Supplement)

39 BY repealing and reenacting, with amendments,
 40 Article - Election Law

1 Section 13-226
2 Annotated Code of Maryland
3 (As enacted by Chapter _____ (S.B. 1) of the Acts of the General Assembly of 2002)

4 Preamble

5 WHEREAS, To promote and retain confidence and trust in government, the
6 General Assembly has adopted an extensive system of ethics laws to govern the
7 activities of those individuals who are paid to attempt to influence the work of the
8 Legislative Branch and Executive Branch; and

9 WHEREAS, It is of paramount importance that members of the general public
10 who are not paid lobbyists continue to participate in the legislative process without
11 administrative impediments; and

12 WHEREAS, Although the current law governing lobbyist registration and
13 reporting provides substantial and appropriate ethical requirements for paid
14 lobbyists, some provisions of those laws have been misconstrued to apply to members
15 of the general public and individuals who represent their own interests without the
16 services of a paid lobbyist; and

17 WHEREAS, Because of the vital importance of citizen participation in the
18 development of public policy in a democratic society, it is necessary to clarify that the
19 State's extensive registration and disclosure laws for paid lobbyists do not apply to
20 private citizens representing their own interest;

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

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

28 **Article 33 - Election Code**

29 14-102.

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

1 14-103.

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

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

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

19 **Article - State Government**

20 15-505.

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

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

26 (2) engages in an activity that is regulated or controlled by the official's
 27 or employee's governmental unit;

28 (3) has a financial interest that may be affected substantially and
 29 materially, in a manner distinguishable from the public generally, by the performance
 30 or nonperformance of the official's or employee's official duties; or

31 (4) (I) is a regulated lobbyist with respect to matters within the
 32 jurisdiction of the official or employee; OR

33 (II) IS EXEMPT FROM REGISTRATION AS A REGULATED LOBBYIST
 34 UNDER § 15-701(B)(2)(VI) OR (4) OF THIS TITLE, AND IS SEEKING TO INFLUENCE
 35 LEGISLATIVE ACTION OR EXECUTIVE ACTION WITH RESPECT TO MATTERS WITHIN
 36 THE JURISDICTION OF THE OFFICIAL OR EMPLOYEE.

37 (e) (2) Subject to paragraph (1) of this subsection, subsection (b) of this
 38 section does not apply to:

1 (i) ~~1.~~ ~~except for officials of the Legislative Branch, meals or~~
 2 ~~beverages received and consumed by the official or employee in the presence of the~~
 3 ~~donor or sponsoring entity;~~

4 ~~2.~~ ~~for officials of the Legislative Branch, food or beverages~~
 5 ~~received FROM A DONOR OR SPONSORING ENTITY, OTHER THAN AN INDIVIDUAL WHO~~
 6 ~~IS EXEMPT FROM REGISTRATION AS A REGULATED LOBBYIST UNDER §~~
 7 ~~15-701(B)(2)(VI) OR (4) OF THIS TITLE, and consumed by the official in the presence of~~
 8 ~~the donor or sponsoring entity as part of a meal or reception, to which were invited all~~
 9 ~~members of a legislative unit;~~

10 ~~3.~~ ~~for a member of the General Assembly, food or beverages~~
 11 ~~received from a donor or sponsoring entity, other than an individual regulated~~
 12 ~~lobbyist described in § 15-701(a)(1) of this title OR AN INDIVIDUAL WHO IS EXEMPT~~
 13 ~~FROM REGISTRATION AS A REGULATED LOBBYIST UNDER § 15-701(B)(2)(VI) OR (4) OF~~
 14 ~~THIS TITLE, during a period when the General Assembly is not in session, at a location~~
 15 ~~that is within a county that contains the member's district, provided that the donor or~~
 16 ~~sponsoring entity is located within a county that contains the member's district; or~~

17 ~~4.~~ ~~for a member of the General Assembly, food or beverages~~
 18 ~~received at the time and geographic location of a meeting of a legislative organization~~
 19 ~~for which the member's presiding officer has approved the member's attendance at~~
 20 ~~State expense;~~

21 15-701.

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

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

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

32 2. exclusive of the personal travel or subsistence expenses of
 33 the entity or a representative of the entity, incurs expenses of at least [\$100] \$500 or
 34 earns at least \$500 ~~\$2,000~~ \$2,500 as compensation FOR ALL SUCH COMMUNICATION
 35 AND ACTIVITIES RELATING TO THE COMMUNICATION DURING THE REPORTING
 36 PERIOD; or

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

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

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

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

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

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

14 (v) appearances before an executive unit at the specific request of a
 15 regulated lobbyist, if the witness notifies the executive unit that the witness is
 16 testifying at the request of the regulated lobbyist; ~~OR~~

17 ~~(VI) WITH RESPECT TO THE COMPENSATION THRESHOLDS
 18 SPECIFIED IN SUBSECTION (A)(1) OF THIS SECTION, COMMUNICATION ON BEHALF OF
 19 A PROFESSIONAL ASSOCIATION OR A TRADE ASSOCIATION, A TRADE ASSOCIATION,
 20 OR A CHARITABLE OR EDUCATIONAL ENTITY THAT IS FEDERALLY TAX EXEMPT
 21 UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE, BY A MEMBER OF THE
 22 ASSOCIATION OR ENTITY, UNLESS COMMUNICATION TO INFLUENCE LEGISLATIVE
 23 ACTION OR EXECUTIVE ACTION IS A DISTINCT AND CONSISTENT ELEMENT OF THE
 24 MEMBER'S SCOPE OF EMPLOYMENT, AND THE PREPARATION AND PLANNING FOR
 25 SUCH COMMUNICATION, CONSTITUTES AT LEAST 20 PERCENT OF THE MEMBER'S
 26 EMPLOYMENT ACTIVITIES DURING THE CURRENT OR PREVIOUS REPORTING
 27 PERIODS.~~

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

32 ~~(4) AN INDIVIDUAL IS NOT SUBJECT TO THE REGISTRATION
 33 REQUIREMENTS OF THIS SECTION BASED ON THE COMPENSATION THRESHOLDS
 34 SPECIFIED UNDER SUBSECTION (A)(1) OF THIS SECTION IF THE INDIVIDUAL'S
 35 COMMUNICATION COMMUNICATIONS TO INFLUENCE LEGISLATIVE ACTION OR
 36 EXECUTIVE ACTION, AND THE PREPARATION AND PLANNING FOR SUCH
 37 COMMUNICATIONS;~~

38 ~~(I) IS ARE IN THE INDIVIDUAL'S CAPACITY AS AN OFFICER,
 39 DIRECTOR, OR EMPLOYEE OF THE ENTITY PAYING THE COMPENSATION; AND~~

1 (II) ~~IS NOT A DISTINCT AND CONSISTENT ELEMENT OF THE SCOPE~~
2 ~~OF THE INDIVIDUAL'S DUTIES AS AN OFFICER, DIRECTOR, OR EMPLOYEE OF THE~~
3 ~~ENTITY DO NOT CONSTITUTE 20 PERCENT OR MORE OF THE INDIVIDUAL'S~~
4 ~~EMPLOYMENT ACTIVITIES AS AN OFFICER, DIRECTOR, OR EMPLOYEE OF THE ENTITY~~
5 ~~DURING THE CURRENT OR PREVIOUS REPORTING PERIODS.~~

6 ~~(5)~~ (4) Subsection (a)(3) of this section does not apply to a bona fide
7 salesperson or commercial selling agency employed or maintained by an employer for
8 the purpose of soliciting or securing a procurement contract unless the person
9 engages in acts during the reporting period that require registration under subsection
10 (a)(1) or (2) of this section.

11 [(4)] ~~(6)~~ (5) [Subsection] IF THE PERSON ENGAGES IN NO OTHER ACTS
12 DURING THE REPORTING PERIOD THAT REQUIRE REGISTRATION, SUBSECTION (a)(4)
13 of this section does not apply to:

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

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

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

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

29 15-703.

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

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

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

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

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

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

5 (i) ceasing all activity that requires registration; and

6 (ii) after ceasing activity in accordance with item (i) of this
7 paragraph:

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

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

12 (3) (i) [Except as provided in subparagraph (ii)] SUBJECT TO
13 SUBPARAGRAPHS (II) AND (III) of this paragraph, if a regulated lobbyist is or becomes
14 subject to regulation under this title as an official or employee, the regulated lobbyist
15 shall immediately terminate the registration in accordance with paragraph (2) of this
16 subsection.

17 (ii) [Subparagraph (i) of this paragraph does not apply to a
18 regulated lobbyist appointed to an advisory governmental body of limited duration]
19 AFTER HOLDING A PUBLIC HEARING, THE ETHICS COMMISSION SHALL ADOPT
20 REGULATIONS ESTABLISHING CRITERIA UNDER WHICH A REGULATED LOBBYIST
21 MAY SERVE ON A STATE BOARD OR COMMISSION.

22 (III) THE REGULATIONS ADOPTED UNDER SUBPARAGRAPH (II) OF
23 THIS PARAGRAPH SHALL:

24 1. ESTABLISH A CLASSIFICATION OF STATE BOARDS OR
25 COMMISSIONS ON WHICH REGULATED LOBBYISTS MAY SERVE;

26 2. AT A MINIMUM AUTHORIZE A REGULATED LOBBYIST TO
27 SERVE AS AN APPOINTED MEMBER OF AN ADVISORY GOVERNMENTAL BODY OF
28 LIMITED DURATION; AND

29 3. ESTABLISH DISCLOSURE REQUIREMENTS FOR A
30 REGULATED LOBBYIST WHO SERVES ON A BOARD OR COMMISSION UNDER THIS
31 PARAGRAPH, THAT ARE SUBSTANTIALLY SIMILAR TO DISCLOSURE REQUIREMENTS
32 FOR MEMBERS OF THE GENERAL ASSEMBLY.

33 15-713.

34 A regulated lobbyist may not:

35 (1) be engaged for lobbying purposes for compensation that is dependent
36 in any manner on:

- 1 (i) the enactment or defeat of legislation;
- 2 (ii) the outcome of any executive action relating to the solicitation
3 or securing of a procurement contract; or
- 4 (iii) any other contingency related to executive action or legislative
5 action;
- 6 (2) initiate or encourage the introduction of legislation for the purpose of
7 opposing the legislation;
- 8 (3) KNOWINGLY counsel any person to violate any provisions of this title
9 or any other State or federal law;
- 10 (4) engage in or counsel any person to engage in fraudulent conduct;
- 11 (5) while engaging in lobbying activities, knowingly make to an official
12 or employee a statement of material fact relating to lobbying activity that the
13 regulated lobbyist knows to be false;
- 14 (6) engage in lobbying without being properly registered as a regulated
15 lobbyist in accordance with § 15-701 of this subtitle;
- 16 (7) request an official or employee to recommend to a potential client the
17 lobbying services of the regulated lobbyist or any other regulated lobbyist;
- 18 (8) make a gift, directly or indirectly, to an official or employee if the
19 regulated lobbyist knows or has reason to know the gift is in violation of Subtitle 5 of
20 this title;
- 21 (9) make a gift directly or indirectly as a result of a solicitation or
22 facilitation, which the regulated lobbyist knows or has reason to know is prohibited
23 under § 15-505(a)(2) of this title;
- 24 (10) if the regulated lobbyist is an individual, engage in any charitable
25 fund-raising activity at the request of an official or employee, including soliciting,
26 transmitting the solicitation of, or transmitting a charitable contribution;
- 27 (11) unless in the ordinary course of business of the regulated lobbyist,
28 make or facilitate the making of any loan of money, goods, or services to an official or
29 employee;
- 30 (12) while engaging in lobbying activities on behalf of an entity, knowingly
31 conceal from an official or employee, the identity of the entity;
- 32 (13) commit a criminal offense arising from lobbying activity; or
- 33 (14) if serving on the State or a local central committee of a political party,
34 participate:
- 35 (i) as an officer of the central committee;

1 (ii) in fund-raising activity on behalf of the political party; or

2 (iii) in actions relating to filling a vacancy in a public office.

3 15-715.

4 (a) (1) In this section the following words have the meanings indicated.

5 (2) "Applicable contribution" means a contribution or series of
6 contributions made to or for the benefit of an applicable recipient in a cumulative
7 amount of more than \$500. A contribution made to a political committee for an
8 applicable recipient is deemed a contribution to the applicable recipient.

9 (3) "Applicable recipient" means a candidate for, or an official holding,
10 any of the following offices:

11 (i) Governor;

12 (ii) Lieutenant Governor;

13 (iii) Attorney General;

14 (iv) Comptroller; or

15 (v) member of the General Assembly.

16 (b) Subject to subsection (h) of this section, a person shall file a statement in
17 accordance with this section if at any time during the reporting period the person:

18 (1) spent at least \$500 to provide compensation to one or more regulated
19 lobbyists; and

20 (2) made or caused to be made an applicable contribution.

21 (c) A statement required by this section shall be filed with the State Board of
22 Elections.

23 (d) (1) The reporting period is the 6-month period ending on either January
24 31 or July 31.

25 (2) The statement shall be filed within 5 days after the end of the
26 reporting period.

27 (e) The statement required by this section shall be made under oath and shall
28 contain:

29 (1) the name of each applicable recipient to whom an applicable
30 contribution was made or caused to be made during the reporting period and, if not
31 previously reported, during the preceding reporting period;

1 (2) the office held or sought by each applicable recipient named in item
2 (1) of this paragraph;

3 (3) the aggregate contributions made to each applicable recipient;

4 (4) the name of each regulated lobbyist employed or retained by the
5 person filing the statement; and

6 (5) if a contribution was made by another person but is attributed to the
7 person filing the statement, the name of the person who made the contribution and
8 the relationship of that person to the person filing the statement.

9 (f) If the person filing the statement is a business entity:

10 (1) (I) [a] AN APPLICABLE contribution[, regardless of amount,]
11 made by an officer, director, or partner of the business entity [or, if made at the
12 suggestion or direction of the business entity, by an employee, agent, or other person,]
13 shall be attributed to the business entity; OR

14 (II) A CONTRIBUTION, REGARDLESS OF AMOUNT, IF MADE AT THE
15 SUGGESTION OR DIRECTION OF THE BUSINESS ENTITY, BY AN OFFICER, DIRECTOR,
16 PARTNER, EMPLOYEE, AGENT, OR OTHER PERSON, SHALL BE ATTRIBUTED TO THE
17 BUSINESS ENTITY.

18 (2) each officer, director, or partner of the business entity who makes or
19 causes to be made [a] AN APPLICABLE contribution[, regardless of amount,] shall
20 report the contribution to the chief executive officer of the business entity;

21 (3) each OFFICER, DIRECTOR, PARTNER, employee, agent, or other person
22 who makes or causes to be made a contribution, regardless of amount, at the
23 suggestion or direction of the business entity shall report the contribution to the chief
24 executive officer of the business entity;

25 (4) APPLICABLE contributions made by, or caused to be made by, a
26 subsidiary, 30% or more of the equity of which the business entity owns or controls,
27 shall be attributed to the business entity; and

28 (5) if a subsidiary described in item (4) of this subsection made an
29 expenditure to provide compensation to one or more regulated lobbyists, the
30 expenditure shall be attributed to the business entity.

31 (g) (1) Notwithstanding the requirements of subsection (f) of this section, a
32 contribution made by an individual who serves as a trustee or member of the board of
33 directors or as an officer of a not for profit organization is not attributable to the
34 organization and the individual is not required to report the contribution to the chief
35 executive officer of the organization, unless:

36 [(1)] (I) the contribution is made on the recommendation of the not for
37 profit organization; or

1 causes to be made [a] AN APPLICABLE contribution shall report the APPLICABLE
2 contribution to the chief executive officer of the business entity.

3 (c) A CONTRIBUTION BY AN OFFICER, DIRECTOR, PARTNER, EMPLOYEE,
4 AGENT, OR OTHER PERSON MADE AT THE SUGGESTION OR DIRECTION OF A
5 BUSINESS ENTITY DOING PUBLIC BUSINESS SHALL BE ATTRIBUTED TO THE
6 BUSINESS ENTITY.

7 (D) Each OFFICER, DIRECTOR, PARTNER, employee, agent, or other person
8 who, at the suggestion or direction of a business entity DOING PUBLIC BUSINESS,
9 makes a contribution or causes a contribution to be made, shall report the
10 contribution to the chief executive officer of the business entity.

11 [(d)] (E) (1) Business done with a governmental entity by a subsidiary of a
12 business entity shall be attributed to the business entity if 30% or more of the equity
13 of the subsidiary is owned or controlled by the business entity.

14 (2) Contributions made by, caused to be made by, or attributed to a
15 subsidiary described in paragraph (1) of this subsection shall be attributed to the
16 business entity.

17 [(e)] (F) (1) Subject to paragraph (2) of this subsection, a contribution made
18 by an individual who serves as a trustee or member of the board of directors of a
19 not-for-profit organization DOING PUBLIC BUSINESS is not attributable to the
20 organization, and the individual is not required to report the contribution to the chief
21 executive officer of the organization.

22 (2) This subsection does not apply if:

23 (i) the contribution is made on the recommendation of the
24 not-for-profit organization; or

25 (ii) the individual described in paragraph (1) of this subsection is
26 paid by the not-for-profit organization.

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

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

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

33 SECTION 4. 5. AND BE IT FURTHER ENACTED, That Section 3 of this Act
34 shall take effect on the taking effect of Chapter ____ (S.B. 1) of the Acts of the General
35 Assembly of 2002. If Section 3 of this Act takes effect, Section 1 of this Act shall be
36 abrogated and of no further force and effect.

1 SECTION ~~2.~~ 5. ~~6.~~ AND BE IT FURTHER ENACTED, That this Act is an
2 emergency measure, is necessary for the immediate preservation of the public health
3 or safety, has been passed by a ye and nay vote supported by three-fifths of all the
4 members elected to each of the two Houses of the General Assembly, and, except as
5 provided in Section 4.5 of this Act, shall take effect from the date it is enacted.