
By: **Delegates Wood, Arnick, Taylor, and McIntosh**

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Assigned to: Commerce and Government Matters

Committee Report: Favorable with amendments

House action: Adopted with floor amendments

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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 above which
11 an entity that makes certain communications must register as a regulated
12 lobbyist; clarifying a provision that sets a threshold amount of compensation
13 above which an entity that makes certain communications must register as a
14 regulated lobbyist; exempting from certain lobbyist registration requirements a
15 person who seeks to secure a business grant or loan for the purpose of locating,
16 relocating, or expanding a business in or into the State; specifying that, under
17 certain circumstances, and official or employee may not accept a gift from an
18 individual who is exempt from registration as a regulated lobbyist; requiring the
19 State Ethics Commission to adopt certain regulations authorizing a regulated
20 lobbyist to serve on a State board or commission under certain circumstances;
21 altering the standard for a certain prohibited act of a regulated lobbyist;
22 clarifying the threshold amount over which certain campaign contributions
23 made by certain fiduciaries or subsidiaries of certain entities must be reported;
24 clarifying the threshold amount over which a campaign contribution made by
25 certain fiduciaries of certain entities at the suggestion or direction of the entity
26 must be reported; requiring the State ~~Ethics Commission~~ Board of Elections to
27 adopt certain regulations to clarify campaign contribution reporting
28 requirements for an officer of a nonprofit entity; making this Act an emergency

1 measure; providing for the effective date of certain provisions of this Act; and
2 generally relating to lobbyist ethics and disclosure of campaign contributions.

3 BY repealing and reenacting, without amendments,
4 Article 33 - Election Code
5 Section 14-102(b)
6 Annotated Code of Maryland
7 (1997 Replacement Volume and 2001 Supplement)

8 BY repealing and reenacting, with amendments,
9 Article 33 - Election Code
10 Section 14-103(b) and (c)
11 Annotated Code of Maryland
12 (1997 Replacement Volume and 2001 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article - State Government
15 Section 15-505(b) and (c)(2)(i), 15-701, 15-703(f), 15-713, and 15-715
16 Annotated Code of Maryland
17 (1999 Replacement Volume and 2001 Supplement)

18 BY repealing and reenacting, without amendments,
19 Article - State Government
20 Section 15-703(a)
21 Annotated Code of Maryland
22 (1999 Replacement Volume and 2001 Supplement)

23 BY repealing and reenacting, with amendments,
24 Article - Election Law
25 Section 13-226
26 Annotated Code of Maryland
27 (As enacted by Chapter _____ (S.B. 1) of the Acts of the General Assembly of 2002)

28 Preamble

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

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

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

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

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

12 **Article 33 - Election Code**

13 14-102.

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

20 14-103.

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

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

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

Article - State Government

15-505.

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

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

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

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

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

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

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

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

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

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

4. for a member of the General Assembly, food or beverages received at the time and geographic location of a meeting of a legislative organization

1 for which the member's presiding officer has approved the member's attendance at
2 State expense;

3 15-701.

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

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

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

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

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

20 2. earns at least \$5,000 as compensation FOR SUCH
21 COMMUNICATION AND ACTIVITIES RELATING TO THE COMMUNICATION;

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

26 (3) subject to subsection [(b)(3)] (B)(5) of this section, is compensated to
27 influence executive action on a procurement contract that exceeds \$100,000;

28 (4) subject to subsection [(b)(4)] (B)(6) of this section, is compensated by
29 a business entity to influence executive action to secure from the State a business
30 grant or loan with a value of more than \$100,000 for the business entity;

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

35 (6) spends at least \$500 to provide compensation to one or more entities
36 required to register under this subsection.

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

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

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

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

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

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

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

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

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

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

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

33 (v) appearances before an executive unit at the specific request of a
34 regulated lobbyist, if the witness notifies the executive unit that the witness is
35 testifying at the request of the regulated lobbyist; OR

36 (VI) WITH RESPECT TO THE COMPENSATION THRESHOLDS
37 SPECIFIED IN SUBSECTION (A)(1) OF THIS SECTION, COMMUNICATION ON BEHALF OF
38 ~~A PROFESSIONAL ASSOCIATION OR A TRADE ASSOCIATION, A TRADE ASSOCIATION,~~

1 OR A CHARITABLE OR EDUCATIONAL ENTITY THAT IS FEDERALLY TAX EXEMPT
2 UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE, BY A MEMBER OF THE
3 ASSOCIATION OR ENTITY, UNLESS COMMUNICATION TO INFLUENCE LEGISLATIVE
4 ACTION OR EXECUTIVE ACTION IS A DISTINCT AND CONSISTENT ELEMENT OF THE
5 MEMBER'S SCOPE OF EMPLOYMENT, AND THE PREPARATION AND PLANNING FOR
6 SUCH COMMUNICATION, CONSTITUTES AT LEAST 20 PERCENT OF THE MEMBER'S
7 EMPLOYMENT ACTIVITIES DURING THE CURRENT OR PREVIOUS REPORTING
8 PERIODS.

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

13 (4) AN INDIVIDUAL IS NOT SUBJECT TO THE REGISTRATION
14 REQUIREMENTS OF THIS SECTION BASED ON THE COMPENSATION THRESHOLDS
15 SPECIFIED UNDER SUBSECTION (A)(1) OF THIS SECTION IF THE INDIVIDUAL'S
16 ~~COMMUNICATION~~ COMMUNICATIONS TO INFLUENCE LEGISLATIVE ACTION OR
17 EXECUTIVE ACTION, AND THE PREPARATION AND PLANNING FOR SUCH
18 COMMUNICATIONS:

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

21 (II) ~~IS NOT A DISTINCT AND CONSISTENT ELEMENT OF THE SCOPE~~
22 ~~OF THE INDIVIDUAL'S DUTIES AS AN OFFICER, DIRECTOR, OR EMPLOYEE OF THE~~
23 ~~ENTITY DO NOT CONSTITUTE 20 PERCENT OR MORE OF THE INDIVIDUAL'S~~
24 EMPLOYMENT ACTIVITIES AS AN OFFICER, DIRECTOR, OR EMPLOYEE OF THE ENTITY
25 DURING THE CURRENT OR PREVIOUS REPORTING PERIODS.

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

31 [(4)] (6) [Subsection] IF THE PERSON ENGAGES IN NO OTHER ACTS
32 DURING THE REPORTING PERIOD THAT REQUIRE REGISTRATION, SUBSECTION (a)(4)
33 of this section does not apply to:

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

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

39 (c) (1) Except for providing the authorization required by § 15-702 of this
40 subtitle and the report required by § 15-704(d) of this subtitle, an entity that
41 compensates one or more regulated lobbyists, and that reasonably believes that all

1 expenditures requiring registration will be reported by the regulated lobbyist or
2 lobbyists, is exempt from the registration and reporting requirements of this subtitle
3 if the entity engages in no other act that requires registration.

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

8 15-703.

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

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

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

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

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

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

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

22 (ii) after ceasing activity in accordance with item (i) of this
23 paragraph:

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

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

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

33 (ii) [Subparagraph (i) of this paragraph does not apply to a
34 regulated lobbyist appointed to an advisory governmental body of limited duration]
35 AFTER HOLDING A PUBLIC HEARING, THE ETHICS COMMISSION SHALL ADOPT

1 REGULATIONS ESTABLISHING CRITERIA UNDER WHICH A REGULATED LOBBYIST
2 MAY SERVE ON A STATE BOARD OR COMMISSION.

3 (III) THE REGULATIONS ADOPTED UNDER SUBPARAGRAPH (II) OF
4 THIS PARAGRAPH SHALL:

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

7 2. AT A MINIMUM AUTHORIZE A REGULATED LOBBYIST TO
8 SERVE AS AN APPOINTED MEMBER OF AN ADVISORY GOVERNMENTAL BODY OF
9 LIMITED DURATION; AND

10 3. ESTABLISH DISCLOSURE REQUIREMENTS FOR A
11 REGULATED LOBBYIST WHO SERVES ON A BOARD OR COMMISSION UNDER THIS
12 PARAGRAPH, THAT ARE SUBSTANTIALLY SIMILAR TO DISCLOSURE REQUIREMENTS
13 FOR MEMBERS OF THE GENERAL ASSEMBLY.

14 15-713.

15 A regulated lobbyist may not:

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

18 (i) the enactment or defeat of legislation;

19 (ii) the outcome of any executive action relating to the solicitation
20 or securing of a procurement contract; or

21 (iii) any other contingency related to executive action or legislative
22 action;

23 (2) initiate or encourage the introduction of legislation for the purpose of
24 opposing the legislation;

25 (3) KNOWINGLY counsel any person to violate any provisions of this title
26 or any other State or federal law;

27 (4) engage in or counsel any person to engage in fraudulent conduct;

28 (5) while engaging in lobbying activities, knowingly make to an official
29 or employee a statement of material fact relating to lobbying activity that the
30 regulated lobbyist knows to be false;

31 (6) engage in lobbying without being properly registered as a regulated
32 lobbyist in accordance with § 15-701 of this subtitle;

33 (7) request an official or employee to recommend to a potential client the
34 lobbying services of the regulated lobbyist or any other regulated lobbyist;

1 (8) make a gift, directly or indirectly, to an official or employee if the
2 regulated lobbyist knows or has reason to know the gift is in violation of Subtitle 5 of
3 this title;

4 (9) make a gift directly or indirectly as a result of a solicitation or
5 facilitation, which the regulated lobbyist knows or has reason to know is prohibited
6 under § 15-505(a)(2) of this title;

7 (10) if the regulated lobbyist is an individual, engage in any charitable
8 fund-raising activity at the request of an official or employee, including soliciting,
9 transmitting the solicitation of, or transmitting a charitable contribution;

10 (11) unless in the ordinary course of business of the regulated lobbyist,
11 make or facilitate the making of any loan of money, goods, or services to an official or
12 employee;

13 (12) while engaging in lobbying activities on behalf of an entity, knowingly
14 conceal from an official or employee, the identity of the entity;

15 (13) commit a criminal offense arising from lobbying activity; or

16 (14) if serving on the State or a local central committee of a political party,
17 participate:

18 (i) as an officer of the central committee;

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

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

21 15-715.

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

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

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

29 (i) Governor;

30 (ii) Lieutenant Governor;

31 (iii) Attorney General;

32 (iv) Comptroller; or

33 (v) member of the General Assembly.

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

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

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

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

8 (d) (1) The reporting period is the 6-month period ending on either January
9 31 or July 31.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 [(2)] (II) the individual who made the contribution is paid by the not for
19 profit organization.

20 (2) ~~THE ETHICS COMMISSION~~ STATE BOARD OF ELECTIONS SHALL
21 ADOPT REGULATIONS THAT DEFINE "OFFICER" FOR THE PURPOSES OF THIS
22 SUBSECTION.

23 (h) A person who files, under the provisions of Article 33, Title 14 of the Code,
24 all information required by this section may satisfy the requirements of this section
25 by submitting a notice to that effect on the appropriate prescribed form.

26 (i) The State Board of Elections shall:

27 (1) prescribe and make available forms for the statement and notice
28 required by this section;

29 (2) retain each statement filed under this section in the same manner,
30 and subject to the same standards of public access, as a statement filed under the
31 provisions of Article 33, Title 14 of the Code; and

32 (3) report any violation of this section to the Ethics Commission.

33 (j) The statement required under this section shall be filed in the manner
34 prescribed for statements filed under Article 33, Title 14 of the Code.

35 (k) (1) A person who knowingly and willfully fails to comply with the
36 requirements of this section is guilty of a misdemeanor and on conviction is subject to
37 a fine not exceeding \$1,000 or imprisonment not exceeding 1 year or both.

1 (2) If a person in violation of this section is a business entity, each officer
2 and partner of a business entity who knowingly authorized or participated in the
3 violation of this section is guilty of a misdemeanor and on conviction is subject to a
4 fine not exceeding \$1,000 or imprisonment not exceeding 1 year or both.

5 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland
6 read as follows:

7 **Article - Election Law**

8 14-105.

9 (a) Except as provided in subsection [(e)] (F) of this section, [a] AN
10 APPLICABLE contribution made by an officer, director, or partner of a business entity
11 DOING PUBLIC BUSINESS [or, if made at the suggestion or direction of a business
12 entity, by an employee, agent, or other person,] shall be attributed to the business
13 entity.

14 (b) Except as provided in subsection [(e)] (F) of this section, each officer,
15 director, or partner of a business entity DOING PUBLIC BUSINESS who makes or
16 causes to be made [a] AN APPLICABLE contribution shall report the APPLICABLE
17 contribution to the chief executive officer of the business entity.

18 (c) A CONTRIBUTION BY AN OFFICER, DIRECTOR, PARTNER, EMPLOYEE,
19 AGENT, OR OTHER PERSON MADE AT THE SUGGESTION OR DIRECTION OF A
20 BUSINESS ENTITY DOING PUBLIC BUSINESS SHALL BE ATTRIBUTED TO THE
21 BUSINESS ENTITY.

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

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

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

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

37 (2) This subsection does not apply if:

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

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

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

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