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By: **Delegates Franchot, Benson, Bobo, and Mandel**  
Introduced and read first time: February 20, 2002  
Assigned to: Rules and Executive Nominations

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A BILL ENTITLED

1 AN ACT concerning

2 **Ethics Law - Lobbying by Nonprofit Entities**

3 FOR the purpose of exempting under certain circumstances certain nonprofit entities,  
4 and officials, or employees of certain nonprofit entities from the requirement to  
5 register with the State Ethics Commission as a regulated lobbyist; specifying  
6 certain expense and compensation thresholds for certain nonprofit entities over  
7 which registration as a regulated lobbyist is required; establishing that certain  
8 nonprofit entities, officials, and employees that engage in certain activity must  
9 register as a regulated lobbyist; and generally relating to the regulation of  
10 lobbying activities on behalf of certain nonprofit entities.

11 BY repealing and reenacting, with amendments,  
12 Article - State Government  
13 Section 15-701(a)  
14 Annotated Code of Maryland  
15 (1999 Replacement Volume and 2001 Supplement)

16 BY adding to  
17 Article - State Government  
18 Section 15-701(d)  
19 Annotated Code of Maryland  
20 (1999 Replacement Volume and 2001 Supplement)

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

23 **Article - State Government**

24 15-701.

25 (a) Unless exempted under subsection (b) of this section AND SUBJECT TO  
26 SUBSECTION (D) OF THIS SECTION, an entity shall register with the Ethics  
27 Commission as provided in this subtitle, and shall be a "regulated lobbyist" for the  
28 purposes of this title, if, during a reporting period, the entity:

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

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

7 2. exclusive of the personal travel or subsistence expenses of  
8 the entity or a representative of the entity, incurs expenses of at least \$100 or earns at  
9 least \$500 as compensation; or

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

12 2. earns at least \$5,000 as compensation;

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

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

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

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

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

28 (D) A NONPROFIT ORGANIZATION OR AN OFFICIAL OR EMPLOYEE OF A  
29 NONPROFIT ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OF  
30 THE INTERNAL REVENUE CODE AND THAT DOES NOT LOBBY ON BEHALF OF ANY  
31 OTHER ENTITY IS ONLY REQUIRED TO REGISTER WITH THE ETHICS COMMISSION  
32 UNDER THIS SUBTITLE IF, DURING THE REPORTING PERIOD, THE ORGANIZATION OR  
33 INDIVIDUAL:

34 (1) FOR THE PURPOSE OF INFLUENCING ANY LEGISLATIVE ACTION OR,  
35 AS TO THE DEVELOPMENT OR ADOPTION OF REGULATIONS OR THE DEVELOPMENT  
36 OR ISSUANCE OF AN EXECUTIVE ORDER, EXECUTIVE ACTION:

1 (I) 1. COMMUNICATES WITH AN OFFICIAL OR EMPLOYEE OF  
2 THE LEGISLATIVE BRANCH OR EXECUTIVE BRANCH IN THE PRESENCE OF THAT  
3 OFFICIAL OR EMPLOYEE; AND

4 2. EXCLUSIVE OF THE PERSONAL TRAVEL OR SUBSISTENCE  
5 EXPENSES OF THE ENTITY OR A REPRESENTATIVE OF THE ENTITY, INCURS  
6 EXPENSES OF AT LEAST \$1,000; OR

7 (II) 1. COMMUNICATES WITH AN OFFICIAL OR EMPLOYEE OF  
8 THE LEGISLATIVE BRANCH OR EXECUTIVE BRANCH; AND

9 2. EARNS AT LEAST \$5,000 AS COMPENSATION;

10 (2) IN CONNECTION WITH OR FOR THE PURPOSE OF INFLUENCING  
11 EXECUTIVE ACTION, SPENDS A CUMULATIVE VALUE OF AT LEAST \$100 FOR MEALS,  
12 BEVERAGES, SPECIAL EVENTS, OR GIFTS ON ONE OR MORE OFFICIALS OR  
13 EMPLOYEES OF THE EXECUTIVE BRANCH;

14 (3) SUBJECT TO SUBSECTION (B)(3) OF THIS SECTION, IS COMPENSATED  
15 TO INFLUENCE EXECUTIVE ACTION ON A PROCUREMENT CONTRACT THAT EXCEEDS  
16 \$100,000;

17 (4) SUBJECT TO SUBSECTION (B)(4) OF THIS SECTION, IS COMPENSATED  
18 BY A BUSINESS ENTITY TO INFLUENCE EXECUTIVE ACTION TO SECURE FROM THE  
19 STATE A BUSINESS GRANT OR LOAN WITH A VALUE OF MORE THAN \$100,000 FOR THE  
20 BUSINESS ENTITY;

21 (5) SPENDS AT LEAST \$2,000, INCLUDING EXPENDITURES FOR SALARIES,  
22 CONTRACTUAL EMPLOYEES, POSTAGE, TELECOMMUNICATIONS SERVICES,  
23 ELECTRONIC SERVICES, ADVERTISING, PRINTING, AND DELIVERY SERVICES FOR THE  
24 EXPRESS PURPOSE OF SOLICITING OTHERS TO COMMUNICATE WITH AN OFFICIAL TO  
25 INFLUENCE LEGISLATIVE ACTION OR EXECUTIVE ACTION;

26 (6) SPENDS AT LEAST \$5,000 TO PROVIDE COMPENSATION TO ONE OR  
27 MORE ENTITIES REQUIRED TO REGISTER UNDER THIS SUBSECTION; OR

28 (7) SPENDS AT LEAST \$500 TO PROVIDE COMPENSATION TO ONE OR  
29 MORE ENTITIES REQUIRED TO BE REGISTERED UNDER SUBSECTION (A) OF THIS  
30 SECTION.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
32 October 1, 2002.