

Department of Legislative Services

Maryland General Assembly

2002 Session

FISCAL NOTE

House Bill 1330

(Delegate Franchot, *et al.*)

Commerce and Government Matters

Ethics Law - Lobbying by Nonprofit Entities

This bill alters the requirements for when a nonprofit organization, or an official or employee of a nonprofit organization that is exempt from taxation, must register as a lobbyist under Public Ethics Law.

Fiscal Summary

State Effect: Potential minimal decrease in special fund (Lobbyist Registration Fund) revenues. No impact on expenditures.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The bill alters the registration requirements for nonprofit organizations or officials or employees of nonprofit organizations that are tax exempt. For face-to-face communication, the minimum expense amount for registration is \$1,000, and there is no compensation requirement. The bill also adds a registration requirement -- a nonprofit organization or an official or employee of a nonprofit organization that is tax exempt, and that spends at least \$5,000 on compensation to one or more nonprofit organizations or officials or employees of nonprofit organizations that are tax exempt and required to register as lobbyists, must register as a lobbyist.

Current Law: An entity, including a nonprofit organization, must register as a lobbyist if it:

- for face-to-face communication to influence legislative or executive action, incurs expenses of \$100, or earns compensation of \$500; or for other communication to influence legislative or executive action, it earns at least \$5,000 in compensation;
- spends a cumulative value of \$100 for gifts, including meals, beverages, and special events, to one or more employees of the Executive Branch;
- is compensated to influence action on a procurement contract of \$100,000 or more;
- is compensated by a business entity to secure a State business grant or loan valued at \$100,000 or more for the entity;
- spends at least \$2,000 for the express purpose of soliciting others to communicate with an official to influence legislative or executive action; or
- spends at least \$500 as compensation to one or more entities required to register as lobbyists.

State Fiscal Effect: The State Ethics Commission advises that the bill's requirements could be handled with existing resources but could result in a minimal decrease in lobbyist registrations reducing special fund revenues to the Lobbyist Registration Fund.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 7, 2002
lc/cer

Analysis by: Christine A. Scott

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510