

HOUSE BILL 362

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By: **Chair, Environmental Matters Committee (By Request – Departmental – Ethics Commission, State)**

Introduced and read first time: January 25, 2013

Assigned to: Environmental Matters

Committee Report: Favorable

House action: Adopted

Read second time: March 16, 2013

CHAPTER _____

1 AN ACT concerning

2 **Public Ethics – Definition of “Interest” – Mutual Funds**

3 FOR the purpose of altering the definition of “interest” in the Maryland Public Ethics
4 Law to exclude certain mutual funds; and generally relating to the Maryland
5 Public Ethics Law.

6 BY repealing and reenacting, with amendments,
7 Article – State Government
8 Section 15–102(t)
9 Annotated Code of Maryland
10 (2009 Replacement Volume and 2012 Supplement)

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

13 **Article – State Government**

14 15–102.

15 (t) (1) “Interest” means a legal or equitable economic interest that is
16 owned or held wholly or partly, jointly or severally, or directly or indirectly, whether or
17 not the economic interest is subject to an encumbrance or condition.

18 (2) “Interest” does not include:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (i) an interest held in the capacity of agent, custodian,
 2 fiduciary, personal representative, or trustee, unless the holder has an equitable
 3 interest in the subject matter;

4 (ii) an interest in a time or demand deposit in a financial
 5 institution;

6 (iii) an interest in an insurance policy, endowment policy, or
 7 annuity contract by which an insurer promises to pay a fixed amount of money in a
 8 lump sum or periodically for life or a specified period; [or]

9 (iv) a common trust fund or a trust that forms part of a pension
 10 or a profit-sharing plan that:

11 1. has more than 25 participants; and

12 2. is determined by the Internal Revenue Service to be a
 13 qualified trust or college savings plan under the Internal Revenue Code; OR

14 (v) **A MUTUAL FUND THAT IS PUBLICLY TRADED ON A**
 15 **NATIONAL SCALE UNLESS THE MUTUAL FUND IS COMPOSED PRIMARILY OF**
 16 **HOLDINGS OF STOCKS AND INTERESTS IN A SPECIFIC SECTOR OR AREA THAT IS**
 17 **REGULATED BY THE INDIVIDUAL'S GOVERNMENTAL UNIT.**

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 19 October 1, 2013.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.