

SENATE BILL 1065

G2, L6, P1

3lr3411
CF HB 1397

By: **Senator Raskin (Chair, Workgroup to Conduct a Review of Disclosure Requirements of the Public Ethics Laws) and Senators Ferguson and Simonaire**

Constitutional Requirements Complied with for Introduction in the last 35 Days of Session

Introduced and read first time: March 16, 2013

Assigned to: Rules

Re-referred to: Education, Health, and Environmental Affairs, March 19, 2013

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: April 1, 2013

CHAPTER _____

1 AN ACT concerning

2 **Public Ethics – Public Officials, Local Governments, and Lobbyists –**
3 **Training, Reporting, and Enforcement**

4 FOR the purpose of requiring the State Ethics Commission to adopt certain model
5 ethics provisions for school boards; providing that a model provision may be
6 adopted by or imposed on a school board under certain circumstances;
7 authorizing the State Ethics Commission to include certain limits on the
8 disclosure of certain information in certain model ethics provisions; repealing a
9 requirement that a certain regulated lobbyist attend a certain training course in
10 a certain time period; altering the information related to employment and
11 sources of earned income that a member of the General Assembly is required to
12 report to the Joint Ethics Committee; prohibiting the Department of Legislative
13 Services from posting certain information on the Internet; requiring that a
14 regulated lobbyist ~~to~~ complete a certain training course in a certain ~~time~~ period;
15 requiring an individual who was a public official and registers as a regulated
16 lobbyist in a certain time period to seek certain advice from the State Ethics
17 Commission; authorizing the State Ethics Commission, after making a certain
18 determination, to issue a certain order directing a county or municipal
19 corporation to comply with certain provisions of the Public Ethics Law;
20 authorizing the State Ethics Commission, after making a certain determination,

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 to issue a certain order directing a school board to comply with certain
 2 provisions of the Public Ethics Law; authorizing the State Ethics Commission to
 3 petition a certain circuit court to compel a school board to comply with certain
 4 requirements; altering the duties, reporting requirements, and termination date
 5 of a certain workgroup established to study public ethics; and generally relating
 6 to public ethics, public officials, local governments, and lobbyists.

7 BY repealing and reenacting, with amendments,
 8 Article – State Government
 9 Section 15–205(b) and (e), 15–513(b) and (d), and 15–808
 10 Annotated Code of Maryland
 11 (2009 Replacement Volume and 2012 Supplement)

12 BY repealing and reenacting, without amendments,
 13 Article – State Government
 14 Section 15–513(c) ~~and (d)~~ and 15–607(h) and (i)
 15 Annotated Code of Maryland
 16 (2009 Replacement Volume and 2012 Supplement)

17 BY adding to
 18 Article – State Government
 19 Section 15–716, 15–717, and 15–816
 20 Annotated Code of Maryland
 21 (2009 Replacement Volume and 2012 Supplement)

22 BY repealing and reenacting, with amendments,
 23 Chapter 620 of the Acts of the General Assembly of 2012
 24 Section 2 and 3

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

27 **Article – State Government**

28 15–205.

29 (b) (1) The Ethics Commission shall adopt by regulation model provisions
 30 for local governments **AND SCHOOL BOARDS** that relate to:

- 31 (i) conflicts of interest;
 32 (ii) financial disclosure; and
 33 (iii) regulation of lobbying.

34 (2) **(1) THIS PARAGRAPH APPLIES ONLY TO A MUNICIPAL**
 35 **CORPORATION WITH A POPULATION LESS THAN THE POPULATIONS OF 60% OF**

1 MUNICIPAL CORPORATIONS IN THE STATE AS REPORTED IN THE LAST
2 DECENNIAL CENSUS.

3 (II) THE MODEL PROVISIONS THAT THE ETHICS
4 COMMISSION ADOPTS UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY
5 INCLUDE PROVISIONS THAT LIMIT THE DISCLOSURE OF AN ELECTED LOCAL
6 OFFICIAL'S OR CANDIDATE'S INTEREST IN CORPORATIONS, PARTNERSHIPS,
7 LIMITED LIABILITY PARTNERSHIPS, OR LIMITED LIABILITY COMPANIES TO
8 INCLUDE ONLY THOSE CORPORATIONS, PARTNERSHIPS, LIMITED LIABILITY
9 PARTNERSHIPS, OR LIMITED LIABILITY COMPANIES THAT DO BUSINESS WITH
10 OR ARE REGULATED BY THE MUNICIPAL CORPORATION.

11 **(3)** Model provisions adopted under paragraph (1) of this subsection
12 may be:

13 (i) adopted by any local jurisdiction **OR SCHOOL BOARD**; or

14 (ii) in accordance with Subtitle 8 of this title, imposed on a local
15 jurisdiction **OR SCHOOL BOARD**.

16 (e) (1) **[(i)]** The Ethics Commission shall provide a training course for
17 regulated lobbyists and prospective regulated lobbyists at least twice each year
18 regarding the provisions of the Maryland Public Ethics Law relevant to regulated
19 lobbyists. One such course shall be conducted in the month of January.

20 **[(ii)]** A regulated lobbyist, other than the employer of a regulated
21 lobbyist as described in § 15-701(a)(6) of this title, shall attend a training course
22 provided under subparagraph (i) of this paragraph at least once in any 2-year period
23 during which a lobbyist has registered with the Ethics Commission.]

24 (2) At the time of a person's initial registration as a regulated lobbyist,
25 the Ethics Commission shall provide the person with information relating to the
26 provisions of the Maryland Public Ethics Law relevant to regulated lobbyists.

27 15-513.

28 (b) (1) A legislator shall report the following information in writing to the
29 Joint Ethics Committee at the times and in the manner required by the Joint Ethics
30 Committee:

31 (i) subject to paragraph (2) of this subsection, if representing a
32 person for compensation before a State or local government agency, except in a judicial
33 proceeding or in a quasi-judicial proceeding, the name of the person represented, the
34 services performed, and the consideration. The Joint Ethics Committee may adopt
35 procedures to keep confidential the name of the person represented if that information

1 is privileged or confidential pursuant to any provision of law governing proceedings
2 before that State agency.

3 (ii) if representing a State or local government agency for
4 compensation, the name of the agency, the services performed, and the consideration.

5 (iii) the name of any business enterprise subject to regulation by
6 a State agency in which the legislator and a member of the legislator's immediate
7 family (spouse and children living with the legislator), together or separately, have:

8 1. the lesser of:

9 A. 10 percent or more of the capital stock of any
10 corporation; or

11 B. capital stock of any corporation with a cumulative
12 value of \$25,000 or more; and

13 2. any interest in a partnership, limited liability
14 partnership, or limited liability company.

15 (iv) details of any contractual relationship with the State or a
16 State agency, or a local government in the State, including the subject matter and the
17 consideration.

18 (v) details of any transaction with the State, or a local
19 government in the State, involving a monetary consideration.

20 (vi) [any primary employment or business interest and the
21 employer of the legislator or the spouse of the legislator] **FOR THE LEGISLATOR AND
22 THE LEGISLATOR'S SPOUSE, THE INFORMATION REQUIRED UNDER § 15-607(H)
23 AND (I) OF THIS TITLE**, except for employment as a legislator.

24 (2) A legislator, on the written advice of the Counsel to the Joint
25 Ethics Committee, is not required to report any information under this paragraph if
26 reporting the information would violate standards of client confidentiality or
27 professional conduct.

28 (c) All reports filed under this section shall be:

29 (1) filed electronically on a form required by the Joint Ethics
30 Committee; and

31 (2) maintained as a matter of public record as required in subsection
32 (d) of this section.

33 (d) (1) The Department of Legislative Services shall:

- 1 (i) compile the reports filed under this section;
- 2 (ii) make the reports available for public inspection as provided
3 in the Public Information Act; and
- 4 (iii) as to reports filed on or after January 1, 2013, and except as
5 provided in paragraph (2) of this subsection, make the reports freely available to the
6 public on the Internet through an online registration program.

7 (2) The Department of Legislative Services may not post on the
8 Internet information related to:

9 (I) consideration received that is reported under subsection (b)
10 of this section; OR

11 (II) AN ADDRESS FOR AN EMPLOYER OR BUSINESS ENTITY
12 OR A SPOUSE REPORTED UNDER SUBSECTION (B)(1)(IV) OF THIS SECTION.

13 15-607.

14 (h) The statement shall include a schedule listing the members of the
15 immediate family of the individual who were employed by the State in any capacity at
16 any time during the applicable period.

17 (i) (1) Except as provided in paragraph (2) of this subsection, the
18 statement shall include a schedule listing the name and address of each:

19 (i) place of salaried employment, including secondary
20 employment, of the individual or a member of the individual's immediate family at any
21 time during the applicable period; and

22 (ii) business entity of which the individual or a member of the
23 individual's immediate family was a sole or partial owner, and from which the
24 individual or family member received earned income, at any time during the
25 applicable period.

26 (2) The statement may not include a listing of a minor child's
27 employment or business entities of which the child is sole or partial owner, unless the
28 place of employment or the business entity:

29 (i) is subject to the regulation or authority of the agency that
30 employs the individual; or

31 (ii) has contracts in excess of \$10,000 with the agency that
32 employs the individual.

1 **15-716.**

2 **A REGULATED LOBBYIST, OTHER THAN THE EMPLOYER OF A REGULATED**
3 **LOBBYIST AS DESCRIBED IN § 15-701(A)(6) OF THIS SUBTITLE, SHALL**
4 **COMPLETE A TRAINING COURSE PROVIDED UNDER § 15-205(E)(1) OF THIS**
5 **TITLE AT LEAST ONCE IN EACH YEAR DURING WHICH THE LOBBYIST IS**
6 **REGISTERED WITH THE ETHICS COMMISSION.**

7 **15-717.**

8 **(A) THIS SECTION DOES NOT APPLY TO AN INDIVIDUAL WHO WAS A**
9 **PUBLIC OFFICIAL ONLY AS AN UNCOMPENSATED MEMBER OF A STATE BOARD**
10 **OR COMMISSION.**

11 **(B) WITHIN 45 DAYS OF INITIALLY REGISTERING AS A REGULATED**
12 **LOBBYIST AFTER BEING A PUBLIC OFFICIAL, AN INDIVIDUAL WHO WAS A PUBLIC**
13 **OFFICIAL IN THE EXECUTIVE OR LEGISLATIVE BRANCH AT ANY POINT IN THE**
14 **PRIOR 2 YEARS SHALL SEEK ADVICE FROM THE ETHICS COMMISSION**
15 **REGARDING THE APPLICATION OF THE PUBLIC ETHICS LAW TO THE**
16 **INDIVIDUAL.**

17 **15-808.**

18 **(a) If the Ethics Commission determines that a county or municipal**
19 **corporation has not complied with AND HAS NOT MADE GOOD-FAITH EFFORTS**
20 **TOWARD COMPLIANCE WITH the requirements of this Part I, the Ethics Commission:**

21 **(1) MAY ISSUE AN ORDER DIRECTING THE COUNTY OR MUNICIPAL**
22 **CORPORATION TO COMPLY WITH THIS PART I, INCLUDING A LISTING OF**
23 **SPECIFIC AREAS OF NONCOMPLIANCE; AND**

24 **(2) may petition a circuit court with venue over the proceeding for**
25 **appropriate relief to compel compliance.**

26 **(b) The circuit court may grant any available equitable relief.**

27 **15-816.**

28 **(A) IF THE ETHICS COMMISSION DETERMINES THAT A SCHOOL BOARD**
29 **HAS NOT COMPLIED WITH AND HAS NOT MADE GOOD-FAITH EFFORTS TOWARD**
30 **COMPLIANCE WITH THE REQUIREMENTS OF THIS PART II, THE ETHICS**
31 **COMMISSION:**

1 (3) consider the feasibility and desirability of requiring different levels
2 of public ethics disclosure for different categories of persons based on the person's
3 position of authority and policy making duties;

4 (4) review the information that is currently required to be disclosed
5 and determine:

6 (i) additional information that should be required to be
7 disclosed; and

8 (ii) information that is currently disclosed that no longer needs
9 to be disclosed;

10 ~~(5) consider the implications of current and any proposed disclosure~~
11 ~~requirements under the Maryland Public Ethics Law on counties and municipal~~
12 ~~corporations;~~

13 ~~(6)~~ **(5)** review the composition, duties, and procedures of the Joint
14 Ethics Committee;

15 ~~(7)~~ **(6)** review any other aspect of the disclosure requirements [under]
16 **AND ADMINISTRATION OF** the Maryland Public Ethics Law; and

17 ~~(8)~~ **(7)** on or before December 31, [2012] **2014**, submit, in accordance
18 with § 2-1246 of the State Government Article, any recommended legislation [for the
19 2013 regular session] to the Senate Education, Health, and Environmental Affairs
20 Committee and the House Environmental Matters Committee.

21 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 June 1, 2012. Section 2 of this Act shall remain effective for a period of [1 year] **3**
23 **YEARS** and, at the end of [May 31, 2013] **MAY 31, 2015**, with no further action
24 required by the General Assembly, Section 2 of this Act shall be abrogated and of no
25 further force and effect.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 June 1, 2013.