

**Department of Legislative Services**  
Maryland General Assembly  
2014 Session

**FISCAL AND POLICY NOTE**

Senate Bill 845 (Senator Kittleman)  
Education, Health, and Environmental Affairs

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**General Assembly - Rewards Earned Through Use of Housing Allowance -  
Prohibition on Acceptance**

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This bill prohibits a member of the General Assembly who uses the General Assembly housing allowance at an establishment that provides points, perks, or other rewards from accepting those rewards.

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**Fiscal Summary**

**State Effect:** None, assuming that members of the General Assembly currently use lodging rewards only for personal use and not to offset the cost of official travel.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law/Background:**

*Lodging Reimbursements*

Legislators are entitled to reimbursement of expenses for meals and lodging when:

- attending regular, extended, or special sessions of the General Assembly or scheduled committee or subcommittee meetings;
- attending scheduled meetings of the Legislative Policy Committee, its committees and subcommittees, or other statutory committees;

- attending scheduled meetings of commissions, committees, joint legislative/executive committees, task forces, or subcommittees to which the legislator has been appointed by the Governor, the President, or the Speaker;
- attending bill signings;
- attending other official functions in Annapolis directly related to the members' duties and approved by the presiding officers; and
- attending official functions, such as seminars, that take place outside of Annapolis if authorized by the presiding officers.

Reimbursement for lodging is subject to caps equal to the amount allowed for lodging in Annapolis by the Internal Revenue Service (IRS), which was approximately \$101 per day in 2013. The General Assembly Compensation Commission has recommended using the federal General Service Administration's schedule of lodging rates rather than the IRS schedule because the IRS no longer publishes reimbursement rates.

The Ethics Guide published by the Joint Legislative Committee on Ethics advises that members who are offered amenities for long-term guests by the lodging establishments they use during the legislative session may accept such amenities as an appropriate part of the lodging contract entered into by the State on the legislator's behalf. In accordance with Ethics Opinion #9, however, a legislator may not accept any of the following, unless the benefit is available in the normal course of business to *all guests* of the hotel, regardless of their length of stay:

- tangible items over \$20;
- free or discounted travel; or
- free or discounted future lodging.

The cost of a member's stay in lodging during the session is typically paid pursuant to an invoice presented to the Department of Legislative Services. Because of the possible appearance of impropriety in receiving credit card "rewards" for charges that will be reimbursed by the State, the Ethics Committee has ruled that lodging expenses for the entire session, or for a shorter period that is known in advance, should not be paid with a member's credit card. However, the Ethics Committee determined that occasional unanticipated hotel stays (such as for a single night when legislative business extends into the evening) may appropriately be paid with the member's credit card and then be reimbursed.

## *Acceptance of Gifts*

Under State ethics law, a member of the General Assembly may not *solicit* any gift for personal use. Solicitations on behalf of charities, community groups, and other nonprofit recipients are subject to restrictions that are discussed below.

Unless the gift is specifically exempted, a member may not knowingly accept a gift if the member knows or has reason to know that the gift is from:

- a regulated lobbyist (which, by law, includes the direct employer of a lobbyist);
- a person doing business or seeking to do business with the General Assembly; or
- a person who has a specific financial interest that may be affected, in a manner distinguishable from the general public, by an action of the General Assembly.

A member of the General Assembly may accept certain specifically exempted classes of gifts from any source, including lobbyists, so long as the gift would not impair the member's impartiality and independence of judgment. Even if exempted, however, a gift of "significant value" should not be accepted if it *gives the appearance* of impairing the legislator's impartiality and independence of judgment, or if the legislator believes it *was designed to impair* his or her impartiality and independence of judgment.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 17, 2014  
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