

SENATE BILL 619

G2, F2

9lr2510

By: **Senator Carter**

Introduced and read first time: February 4, 2019

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **University of Maryland Medical System Corporation – Board of Directors –**
3 **Conflicts of Interest, Prestige of Office, and Financial Disclosure**

4 FOR the purpose of prohibiting a member of the Board of Directors of the University of
5 Maryland Medical System Corporation from being employed by or having a financial
6 interest in an entity subject to the authority of the University of Maryland Medical
7 System Corporation; prohibiting a member of the Board from intentionally using the
8 prestige of office for private gain or the gain of another; altering the financial
9 disclosure requirements for certain members of the Board; and generally relating to
10 the Board of Directors of the University of Maryland Medical System Corporation.

11 BY repealing and reenacting, without amendments,
12 Article – Education
13 Section 13–301(a), (c), and (m) and 13–304(a) and (b)
14 Annotated Code of Maryland
15 (2018 Replacement Volume and 2018 Supplement)

16 BY adding to
17 Article – Education
18 Section 13–304(k)
19 Annotated Code of Maryland
20 (2018 Replacement Volume and 2018 Supplement)

21 BY repealing and reenacting, with amendments,
22 Article – Education
23 Section 13–304(k)
24 Annotated Code of Maryland
25 (2018 Replacement Volume and 2018 Supplement)

26 BY repealing and reenacting, without amendments,
27 Article – General Provisions

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 5–601(a)
2 Annotated Code of Maryland
3 (2014 Volume and 2018 Supplement)

4 BY repealing and reenacting, with amendments,
5 Article – General Provisions
6 Section 5–601(d)
7 Annotated Code of Maryland
8 (2014 Volume and 2018 Supplement)

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

11 **Article – Education**

12 13–301.

13 (a) In this subtitle, unless the context clearly requires otherwise, the following
14 words have the meanings indicated.

15 (c) “Board of Directors” means the Board of Directors of the Medical System
16 Corporation.

17 (m) “Medical System Corporation” means University of Maryland Medical System
18 Corporation, a private, nonprofit, nonstock corporation formed under the general
19 corporation laws of this State.

20 13–304.

21 (a) The government of the Medical System Corporation is vested in the Board of
22 Directors.

23 (b) (1) Subject to paragraph (2) of this subsection, the Board of Directors
24 consists of 6 nonvoting members and not less than 22 and not more than 27 voting members
25 appointed by the Governor.

26 (2) (i) On or after October 1, 2014, the Medical System Corporation may
27 amend its articles of incorporation to add up to three voting members to the Board of
28 Directors as the Medical System Corporation determines to be necessary and appropriate.

29 (ii) Nominations of additional voting members shall be made by the
30 Board of Directors and submitted to the Board of Regents for comment and to the Governor
31 for consideration.

32 (iii) Any member added to the Board of Directors under
33 subparagraph (i) of this paragraph shall:

1 5–601.

2 (a) Except as provided in subsections (b) and (c) of this section, and subject to
3 subsections (d) and (e) of this section, each official and candidate for office as a State official
4 shall file a statement as specified in §§ 5–602 through 5–608 of this subtitle.

5 (d) (1) Except as provided in [paragraph] **PARAGRAPHS (2) AND (3)** of this
6 subsection, an individual who is a public official only as a member of a board and who
7 receives annual compensation that is less than 25% of the lowest annual compensation at
8 State grade level 16 shall file the statement required by subsection (a) of this section in
9 accordance with § 5–609 of this subtitle.

10 (2) A member of a board of license commissioners or of a liquor control
11 board shall file a statement in accordance with § 5–607 of this subtitle.

12 **(3) A MEMBER OF THE BOARD OF DIRECTORS OF THE MEDICAL**
13 **SYSTEM CORPORATION UNDER § 13–304 OF THE EDUCATION ARTICLE SHALL FILE**
14 **A STATEMENT IN ACCORDANCE WITH § 5–607 OF THIS SUBTITLE.**

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 October 1, 2019.