

Chapter 198

(Senate Bill 767)

AN ACT concerning

Ethics Law – Statement by Person Providing Lobbyist Compensation and Making Campaign Contributions

FOR the purpose of clarifying and conforming certain provisions of the State ethics law with certain provisions of the State election law relating to a statement required by persons providing lobbyist compensation and making campaign contributions; altering the reporting periods and due dates for a certain statement; authorizing the State Board of Elections to impose fines for the late filing of a certain statement; ~~correcting a cross reference~~; making technical corrections; altering a certain definition; defining a certain term; and generally relating to the statement required by persons providing lobbyist compensation and making campaign contributions.

BY repealing and reenacting, with amendments,Article – Election LawSection 14–107Annotated Code of Maryland(2010 Replacement Volume and 2014 Supplement)

BY repealing and reenacting, with amendments,

Article – General Provisions

Section 5–716

Annotated Code of Maryland

(2014 Volume)

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

Article – Election Law14–107.

(a) (1) Except as provided in paragraph (2) of this subsection, a governmental entity that has awarded a person a contract that causes the person to be doing public business shall:

(i) require the person to certify that the person has filed the statement required under § 14–104(b)(1) of this title; and

(ii) notify the State Board if a person doing public business with the governmental entity fails to file the statement under § 14–104(b)(1) of this title.

(2) This subsection does not apply to a contract for which notice of award has been posted on eMaryland Marketplace.

(b) (1) If a person files a statement under § 14–104 of this title that does not include all the information required, the State Board shall notify the person in writing of the particular deficiencies.

(2) Within 30 days after service of the notice under paragraph (1) of this subsection, the person shall file an amended statement that includes all the information required.

(c) (1) As provided in this subsection, the State Board may impose fees for late filing of:

(i) a statement required under § 14–104 of this title; or

(ii) an amended statement required under subsection (b) of this section.

(2) The State Board may impose late filing fees in the same amounts and in the same manner as provided under § 13–331(a) and (b) of this article for late filing of campaign finance reports.

(3) Late filing fees imposed under this subsection shall be distributed to the General Fund of the State.

(d) A person who knowingly and willfully violates this title is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$1,000 or imprisonment not exceeding 1 year or both.

(e) An officer or partner of a business entity who knowingly authorizes or participates in a violation of this title by the business entity is subject to the penalty provided in subsection [(a)] ~~(c)~~ (D) of this section.

Article – General Provisions

5–716.

(a) (1) In this section the following words have the meanings indicated.

(2) “Applicable contribution” means a political contribution ***OR DONATION*** or series of political contributions ***OR DONATIONS BY A PERSON OR ATTRIBUTED TO A PERSON*** made to or for the benefit of an applicable recipient [in a cumulative amount of more than \$500].

(3) “Applicable recipient” means a candidate for, or an official holding, the office of:

- (i) Governor;
- (ii) Lieutenant Governor;
- (iii) Attorney General;
- (iv) Comptroller; or
- (v) member of the General Assembly.

(4) “DIRECTOR” HAS THE MEANING STATED IN § 14-101 OF THE ELECTION LAW ARTICLE.

(b) A political contribution made to a political committee for an applicable recipient is deemed a political contribution to the applicable recipient.

(c) Subject to subsection (i) of this section, a person shall file a statement in accordance with this section if at any time during the reporting period the person:

(1) spent at least \$500 to provide compensation to one or more regulated lobbyists; and

(2) made or caused to be made an applicable contribution **IN THE CUMULATIVE AMOUNT OF \$500 OR MORE.**

(d) A statement required under this section shall be filed with the State Board of Elections.

(e) (1) The reporting period is the 6-month period ending on either ~~January 31 or July 31~~ **APRIL 30 OR OCTOBER 31.**

(2) The statement shall be filed ~~within 5 days after the end of the reporting period~~ **ON OR BEFORE THE LAST DAY OF THE MONTH IMMEDIATELY FOLLOWING THE DAY ON WHICH THE REPORTING PERIOD ENDS.**

(f) The statement required under this section shall be made under oath and state:

(1) the name of each applicable recipient to whom an applicable contribution was made or caused to be made during the reporting period and, if not previously reported, during the preceding reporting period;

(2) the office held or sought by each applicable recipient named in item (1) of this subsection;

(3) the aggregate contributions made to each applicable recipient *NAMED IN ITEM (1) OF THIS SUBSECTION*;

(4) the name of each regulated lobbyist employed or retained by the person filing the statement; and

(5) the name of the person who made the political contribution and the relationship of that person to the person filing the statement if a political contribution was made by another person but is attributed to the person filing the statement.

(g) If the person filing the statement is a business entity:

(1) (i) an applicable contribution made by an officer, a director, or a partner of the business entity shall be attributed to the business entity; and

(ii) a political contribution, regardless of amount, if made at the suggestion or direction of the business entity, by an officer, a director, a partner, an employee, an agent, or any other person, shall be attributed to the business entity;

(2) each officer, director, or partner of the business entity who makes or causes to be made an applicable contribution shall report the contribution to the chief executive officer of the business entity;

(3) each officer, director, partner, employee, agent, or other person who makes or causes to be made a political contribution, regardless of amount, at the suggestion or direction of the business entity shall report the political contribution to the chief executive officer of the business entity;

(4) applicable contributions made by, or caused to be made by, a subsidiary, at least 30% of the equity of which the business entity owns or controls, shall be attributed to the business entity; and

(5) if a subsidiary described in item (4) of this subsection made an expenditure to provide compensation to one or more regulated lobbyists, the expenditure shall be attributed to the business entity.

(h) (1) Notwithstanding subsection (g) of this section, a contribution made by an individual who serves as a trustee or member of the board of directors or as an officer of a not-for-profit organization is not attributable to the organization, and the individual is not required to report the contribution to the chief executive officer of the organization, unless:

(i) the contribution is made on the recommendation of the not-for-profit organization; or

(ii) the individual who made the contribution is paid by the not-for-profit organization.

(2) The State Board of Elections shall adopt regulations that define “officer” for the purposes of this subsection.

(i) A person who files, under Title 14 of the Election Law Article, all information required by this section may satisfy the requirements of this section by submitting a notice to that effect on the form required by the State Board of Elections.

(j) The State Board of Elections shall:

(1) prepare and make available forms for the statement and notice required by this section;

(2) retain each statement filed under this section in the same manner and subject to the same standards of public access as a statement filed under Title 14 of the Election Law Article; and

(3) report any violation of this section to the Ethics Commission.

(k) The statement required under this section shall be filed in the manner required for statements filed under Title 14 of the Election Law Article.

(l) (1) A person who knowingly and willfully fails to comply with the requirements of this section is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$1,000 or imprisonment not exceeding 1 year or both.

(2) If a person that violates this section is a business entity, each officer and partner of the business entity who knowingly authorized or participated in violating this section is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$1,000 or imprisonment not exceeding 1 year or both.

(3) THE STATE BOARD OF ELECTIONS MAY IMPOSE FEES FOR THE LATE FILING OF A STATEMENT REQUIRED UNDER THIS SECTION IN THE SAME MANNER AS PROVIDED UNDER § 14-107 OF THE ELECTION LAW ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding § 5-716(e) of the General Provisions Article as enacted by this Act, a person subject to § 5-716 of the General Provisions Article shall file a statement:

(1) on or before August 31, 2015, to cover a 6-month reporting period beginning on February 1, 2015, and ending on July 31, 2015; and

(2) on or before November 30, 2015, to cover a 3-month reporting period beginning on August 1, 2015, and ending on October 31, 2015.

SECTION ~~2.~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ June 1, 2015.

Approved by the Governor, May 12, 2015.