

SENATE BILL 970

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By: **Senator Washington**

Introduced and read first time: February 3, 2020

Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 6, 2020

CHAPTER _____

1 AN ACT concerning

2 **Public Ethics – Disclosures and Fines and Penalties – Revisions**

3 FOR the purpose of altering the amount of certain fees and fines that may be imposed by
4 the State Ethics Commission for certain purposes; altering a certain requirement for
5 a certain official to disclose the acceptance of certain tickets or free admission to
6 certain events on a financial disclosure statement; repealing a provision of law
7 exempting certain gifts from being reported on a certain lobbying activities report by
8 individual recipient and by name altering the amount of a certain fine that a court
9 may impose for a certain violation of law; requiring ~~the Ethics Counsel~~ each member
10 of the General Assembly to submit a certain ~~list of names~~ notice regarding a certain
11 meeting with the Ethics Counsel to the presiding officers of the General Assembly
12 each year; and generally relating to public ethics.

13 BY repealing and reenacting, without amendments,

14 Article – General Provisions

15 Section ~~5–405(a) and (h) and~~ 5–607(a), and 5–705(a)(1) and (b)(2)(x)

16 Annotated Code of Maryland

17 (2019 Replacement Volume)

18 BY repealing and reenacting, with amendments,

19 Article – General Provisions

20 Section ~~5–405(d) and (g), 5–607(e), 5–705(c)(2), 5–902, and 5–903~~

21 Annotated Code of Maryland

22 (2019 Replacement Volume)

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 BY repealing and reenacting, with amendments,
2 Article – State Government
3 Section 2–709
4 Annotated Code of Maryland
5 (2014 Replacement Volume and 2019 Supplement)

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

8 **Article – General Provisions**

9 5–405.

10 (a) After the Ethics Commission considers all of the evidence presented at the
11 hearing, the Ethics Commission shall make findings of fact and conclusions of law with
12 respect to each alleged violation.

13 (d) If the Ethics Commission determines that a respondent has violated Subtitle
14 7 of this title, the Ethics Commission may:

15 (1) require a respondent who is a regulated lobbyist to file any additional
16 reports or information that reasonably relates to information required under §§ 5–703 and
17 5–704 of this title;

18 (2) impose a fine not exceeding ~~[\$5,000]~~ **\$15,000** for each violation; or

19 (3) subject to subsection (e) of this section, suspend the registration of a
20 regulated lobbyist.

21 (g) (1) If the respondent is a regulated lobbyist, for each report required under
22 Subtitle 7 of this title that is filed late, the respondent shall pay a fee of ~~[\$10]~~ **\$30** for each
23 late day, not to exceed a total of ~~[\$1,000]~~ **\$3,000**.

24 (2) If the respondent is an official, for each financial disclosure statement
25 found to have been filed late, the respondent shall pay a fee of ~~[\$5]~~ **\$15** for each late day,
26 not to exceed a total of ~~[\$500]~~ **\$1,500**.

27 (h) A penalty, fine, or fee assessed under this section shall be distributed to the
28 Fair Campaign Financing Fund established under § 15–103 of the Election Law Article.

29 5–607.

30 (a) A statement that is required under § 5–601(a) of this subtitle shall contain
31 schedules disclosing the information and interests specified in this section, if known, for
32 the individual making the statement for the applicable period.

1 (e) (1) This subsection does not apply to a gift received from a member of the
2 immediate family, another child, or a parent of the individual.

3 (2) The statement shall include a schedule of each gift, specified in
4 paragraph (3) of this subsection, received during the applicable period:

5 (i) by the individual or by another entity at the direction of the
6 individual; and

7 (ii) directly or indirectly, from or on behalf of an entity that is:

8 1. a regulated lobbyist;

9 2. regulated by the State; or

10 3. otherwise an entity doing business with the State.

11 (3) (i) Except as provided in subparagraph (ii) of this paragraph, the
12 schedule shall include each gift with a value of more than \$20 and each of two or more gifts
13 with a cumulative value of \$100 or more received from one entity during the applicable
14 period.

15 (ii) The statement need not include as a gift:

16 1. food or beverages received and consumed by an official of
17 the Legislative Branch in the presence of the donor or sponsoring entity as part of a meal
18 or reception to which all members of a legislative unit were invited;

19 2. food or beverages received by a member of the General
20 Assembly at the time and geographic location of a meeting of a legislative organization for
21 which the member's presiding officer has approved the member's attendance at State
22 expense; or

23 3. except as provided in subparagraph (iii) of this paragraph,
24 a ticket or free admission extended to a member of the General Assembly by the person
25 sponsoring or conducting the event as a courtesy or ceremony to the office to attend a
26 charitable, cultural, or political event to which all members of a legislative unit were
27 invited.

28 (iii) The statement shall include the acceptance of each [of two or
29 more tickets or free admissions] **TICKET OR FREE ADMISSION**, extended to [a member of
30 the General Assembly] **AN ELECTED CONSTITUTIONAL OFFICER** by the person
31 sponsoring or conducting the event, [with a cumulative value of \$100 or more received from
32 one entity during the applicable period] **AS ALLOWED UNDER § 5-505(C)(2)(VIII) OF**
33 **THIS TITLE.**

1 (4) For each gift subject to this subsection, the schedule shall include:

2 (i) the nature and value of the gift; and

3 (ii) the identity of the entity from which the gift was received,
4 whether directly or indirectly.

5 (5) This subsection does not authorize acceptance of a gift not otherwise
6 allowed by law.

7 5-705.

8 (a) (1) A regulated lobbyist shall file electronically with the Ethics
9 Commission, under oath and for each registration, a separate report concerning the
10 regulated lobbyist's lobbying activities:

11 (i) by May 31 of each year, to cover the period from November 1 of
12 the previous year through April 30 of the current year; and

13 (ii) by November 30 of each year, to cover the period from May 1
14 through October 31 of that year.

15 (b) A report required by this section shall include:

16 (2) total expenditures in connection with influencing executive action or
17 legislative action in each of the following categories:

18 (x) tickets and free admission extended to members of the General
19 Assembly, as a courtesy or ceremony to the office, to attend charitable, cultural, or political
20 events sponsored or conducted by the reporting entity, as allowed under § 5-505(c)(2)(viii)
21 of this title;

22 (c) (2) The following gifts need not be allocated to individual recipients and
23 reported by name:

24 (i) gifts reported under subsection (b)(2)(vii) and (viii) of this
25 section; AND

26 (ii) gifts reported under subsection (b)(2)(ix) of this section with a
27 value of \$200 or less; and

28 (iii) gifts reported under subsection (b)(2)(x) of this section, unless the
29 recipient received from the regulated lobbyist during the reporting period two or more such
30 gifts with a cumulative value of at least \$100].

31 5-902.

- 1 (a) The court may compel compliance with the Ethics Commission's order by:
- 2 (1) issuing an order to cease and desist from the violation; or
- 3 (2) granting other injunctive relief.
- 4 (b) (1) The court may also:
- 5 (i) impose a fine:
- 6 1. not exceeding [~~\$5,000~~] **\$15,000** for a violation of this title;
- 7 2. with each day that the violation occurs being a separate
- 8 offense; and
- 9 3. which shall be paid to the State Treasurer and deposited
- 10 in the General Fund; or
- 11 (ii) except as provided in paragraph (2) of this subsection, void an
- 12 official act of an official or employee if:
- 13 1. the official or employee had a conflict of interest that is
- 14 prohibited by this title;
- 15 2. the act arose from or concerned the subject matter of the
- 16 conflict;
- 17 3. the proceeding was brought within 90 days after the act
- 18 occurred; and
- 19 4. the court determines that the conflict had an impact on the
- 20 act.
- 21 (2) The court may not void an official act that:
- 22 (i) appropriates public funds;
- 23 (ii) imposes a tax; or
- 24 (iii) provides for the issuance of a bond, a note, or any other evidence
- 25 of public obligation.
- 26 (c) After hearing the case, the court may grant all or part of the relief sought.
- 27 5-903.

1 (a) Except as provided in § 5–716 of this title, a person that knowingly and
 2 willfully violates Subtitle 7 of this title is guilty of a misdemeanor and on conviction is
 3 subject to a fine not exceeding ~~[\$10,000]~~ **\$30,000** or imprisonment not exceeding 1 year or
 4 both.

5 (b) If the person is not an individual, each officer or partner who knowingly
 6 authorizes or participates in a violation of Subtitle 7 of this title is guilty of a misdemeanor
 7 and on conviction is subject to the penalty specified in subsection (a) of this section.

8 (c) A fine assessed under this section shall be distributed to the Fair Campaign
 9 Financing Fund established under § 15–103 of the Election Law Article.

10 Article – State Government

11 2–709.

12 (a) The Executive Director of the Department of Legislative Services, subject to
 13 the approval of the President and Speaker, shall appoint an attorney to serve as Counsel
 14 to the Committee.

15 (b) The Counsel:

16 (1) shall devote full time to the duties of the Committee, but may not
 17 participate in any investigatory or prosecutorial function;

18 (2) may provide information to any person regarding laws, rules, and other
 19 standards of ethical conduct applicable to members of the General Assembly;

20 (3) shall carry out any duties prescribed under Title 15, Subtitle 5 of this
 21 article;

22 (4) shall meet individually with each member of the General Assembly
 23 each year to:

24 (i) advise the member regarding the requirements of any applicable
 25 ethics law, rule, or standard of conduct; and

26 (ii) assist the member in preparing statements and reports required
 27 to be filed with the Committee under Title 5, Subtitle 5, Part II of the General Provisions
 28 Article; ~~and~~

29 ~~(5) SHALL, EACH YEAR, SUBMIT TO THE PRESIDING OFFICER OF EACH~~
 30 ~~HOUSE A LIST OF THE NAMES OF THE MEMBERS FROM THEIR RESPECTIVE HOUSES,~~
 31 ~~WITH WHOM THE COUNSEL MET FOR THE PURPOSE OF COMPLYING WITH ITEM (4)~~
 32 ~~OF THIS SUBSECTION; AND~~

1 ~~[(5)] (6)~~ shall conduct seminars, workshops, and briefings for the benefit
 2 of members of the General Assembly, as directed by the Committee, the President, or the
 3 Speaker.

4 (c) **(1) EACH MEMBER OF THE GENERAL ASSEMBLY SHALL PROVIDE AN**
 5 **ANNUAL NOTICE TO THE PRESIDING OFFICER OF THE MEMBER’S HOUSE INDICATING**
 6 **WHETHER THE MEMBER MET WITH COUNSEL FOR THE PURPOSE OF COMPLYING**
 7 **WITH SUBSECTION (B)(4) OF THIS SECTION.**

8 **(2) THE NOTICE REQUIRED UNDER PARAGRAPH (1) OF THIS**
 9 **SUBSECTION SHALL BE IN THE FORM AND MANNER REQUIRED BY THE PRESIDING**
 10 **OFFICER OF THE HOUSE TO WHICH A MEMBER SUBMITTING THE NOTICE BELONGS.**

11 **(D)** The assistance of the Counsel to members of the General Assembly:

12 (1) is subject to the attorney client privilege, as set forth in § 9–108 of the
 13 Courts Article;

14 (2) is subject to confidentiality under § 5–517 of the General Provisions
 15 Article; and

16 (3) is intended as a service to the members and may not be deemed to
 17 diminish a member’s personal responsibility for adherence to applicable laws, rules, and
 18 standards of ethical conduct.

19 ~~(d)~~ **(E)** The Committee shall have other staff assistance as requested by the
 20 Committee and as provided in the budget of the General Assembly.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 22 October 1, 2020.

Approved:

 Governor.

 President of the Senate.

 Speaker of the House of Delegates.