

# SENATE BILL 146

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By: **Chair, Education, Health, and Environmental Affairs Committee (By Request – Departmental – Ethics Commission, State)**

Introduced and read first time: January 18, 2012

Assigned to: Education, Health, and Environmental Affairs

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## A BILL ENTITLED

1 AN ACT concerning

2 **Public Ethics – Financial Disclosure Statements – Mutual Funds**

3 FOR the purpose of excluding certain interests in certain mutual funds from the  
4 interests in corporations, partnerships, and limited liability partnerships and  
5 companies that must be disclosed on an annual financial disclosure statement  
6 under the Maryland Public Ethics Law; and generally relating to disclosure  
7 requirements under the public ethics law.

8 BY repealing and reenacting, without amendments,  
9 Article – State Government  
10 Section 15–607(a)  
11 Annotated Code of Maryland  
12 (2009 Replacement Volume and 2011 Supplement)

13 BY repealing and reenacting, with amendments,  
14 Article – State Government  
15 Section 15–607(c)  
16 Annotated Code of Maryland  
17 (2009 Replacement Volume and 2011 Supplement)

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

20 **Article – State Government**

21 15–607.

22 (a) A statement that is required by § 15–601(a) of this subtitle shall contain  
23 schedules disclosing the information and interests specified in this section, if known,  
24 for the individual making the statement for the applicable period under this subtitle.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           (c)   (1)   (I)   [The] **EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF**  
2 **THIS PARAGRAPH, THE** statement shall include a schedule of each interest held by  
3 the individual in a corporation, partnership, limited liability partnership, or limited  
4 liability company, whether or not the corporation, partnership, limited liability  
5 partnership, or limited liability company does business with the State.

6                               **(II) THE STATEMENT NEED NOT INCLUDE A SCHEDULE OF**  
7 **EACH INTEREST HELD BY THE INDIVIDUAL IN A MUTUAL FUND THAT IS**  
8 **PUBLICLY TRADED ON A NATIONAL SCALE UNLESS THE MUTUAL FUND IS**  
9 **COMPOSED SOLELY OF HOLDINGS OF STOCKS AND INTERESTS IN A SPECIFIC**  
10 **SECTOR OR AREA THAT IS REGULATED BY THE INDIVIDUAL'S GOVERNMENTAL**  
11 **UNIT.**

12           (2)   For each interest reported, the schedule shall include:

13                               (i)   the name and address of the principal office of the  
14 corporation, partnership, limited liability partnership, or limited liability company;

15                               (ii)   subject to paragraph (3) of this subsection, the nature and  
16 amount of the interest held, including any conditions to and encumbrances on the  
17 interest;

18                               (iii)   except as provided in paragraph (4) of this subsection, if any  
19 interest was acquired during the applicable period:

20   1.   the date and manner in which the interest was  
21 acquired;

22   2.   the identity of the entity from which the interest was  
23 acquired;

24   3.   if the interest was acquired by purchase, the nature  
25 and amount of the consideration given for the interest; and

26   4.   if the interest was acquired in any other manner, the  
27 fair market value of the interest when it was acquired; and

28                               (iv)   if any interest was transferred, in whole or in part, during  
29 the applicable period:

30   1.   a description of the interest transferred;

31   2.   the nature and amount of the consideration received  
32 for the interest; and

1                                   3.    if known, the identity of the entity to which the  
2 interest was transferred.

3                                   (3)    (i)    As to an equity interest in a corporation, the individual may  
4 satisfy paragraph (2)(ii) of this subsection by reporting, instead of a dollar amount:

5   1.    the number of shares held; and

6   2.    unless the corporation's stock is publicly traded, the  
7 percentage of equity interest held.

8                                   (ii)    As to an equity interest in a partnership, limited liability  
9 partnership, or limited liability company, the individual may satisfy paragraph (2)(ii)  
10 of this subsection by reporting, instead of a dollar amount, the percentage of equity  
11 interest held.

12                                   (4)    If an interest acquired during the applicable reporting period  
13 consists of additions to existing publicly traded corporate interests acquired by  
14 dividend or dividend reinvestment, and the total value of the acquisition is less than  
15 \$500, only the manner of acquisition is required to be disclosed under paragraph  
16 (2)(iii) of this subsection.

17                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
18 October 1, 2012.