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Skadden

Political Law Alert

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Maryland Amends Pay-to-Play Disclosure Law

On April 26, 2016, Maryland Gov. Larry Hogan signed a bill amending the state's pay-to-play disclosure law.

The law currently requires that a filer include on its reports contributions made by or attributed to the filer or subsidiaries 30 percent or more owned or controlled by the filer and doing business with Maryland state or local government, including contributions by officers and directors of those entities. A rule proposed by the Maryland State Board of Elections suggested all 30 percent or more owned or controlled subsidiaries should be covered, regardless of whether they do Maryland government business.

Effective October 1, 2016, the amended law codifies the proposed rule. Maryland Elections guidance suggests inclusion of contributions by officers and directors of those subsidiaries.

The law excludes subsidiaries that (1) do not have a contract "doing public business" and (2) are directly or indirectly owned or controlled by a filer:

- That is a bank holding company defined under 12 U.S.C. § 1841(a);
- The securities of which are traded on a national exchange; and
- For which no individual owns or controls more than 10 percent.

The text of the amendments is at: http://mgaleg.maryland.gov/2016RS/amds/bil_0002/hb0112_84423601.pdf.

Companies with one or more Maryland state or local government contracts worth at least $200,000 are currently required to file semiannual pay-to-play reports with the Board of Elections by each May 31 and November 30, even if they have not received new contracts this year and even if they have no reportable contributions.

In addition, to the extent a company is awarded a new contract with a value of $200,000 or more, it is currently required to file a report disclosing applicable contributions and reportable contracts for the last 24 months within one business day.

We anticipate new proposed regulations will be released in the coming days.

Please contact us with any questions.

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