SENATE BILL 619

G2, F2 9lr2510

By: Senator Carter

Introduced and read first time: February 4, 2019

Assigned to: Finance

AN ACT concerning

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A BILL ENTITLED

2	University of Maryland Medical System Corporation - Board of Directors

3 Conflicts of Interest, Prestige of Office, and Financial Disclosure

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



	2 SENATE BILL 019
1 2 3	Section 5–601(a) Annotated Code of Maryland (2014 Volume and 2018 Supplement)
4 5 6 7 8	BY repealing and reenacting, with amendments, Article – General Provisions Section 5–601(d) Annotated Code of Maryland (2014 Volume and 2018 Supplement)
9 10	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
11	Article - Education
12	13–301.
13 14	(a) In this subtitle, unless the context clearly requires otherwise, the following words have the meanings indicated.
15 16	(c) "Board of Directors" means the Board of Directors of the Medical System Corporation.
17 18 19	(m) "Medical System Corporation" means University of Maryland Medical System Corporation, a private, nonprofit, nonstock corporation formed under the general corporation laws of this State.
20	13–304.
21 22	(a) The government of the Medical System Corporation is vested in the Board of Directors.
23 24 25	(b) (1) Subject to paragraph (2) of this subsection, the Board of Directors consists of 6 nonvoting members and not less than 22 and not more than 27 voting members appointed by the Governor.
26 27 28	(2) (i) On or after October 1, 2014, the Medical System Corporation may amend its articles of incorporation to add up to three voting members to the Board of Directors as the Medical System Corporation determines to be necessary and appropriate.
29 30 31	(ii) Nominations of additional voting members shall be made by the Board of Directors and submitted to the Board of Regents for comment and to the Governor for consideration.
32	(iii) Any member added to the Board of Directors under

subparagraph (i) of this paragraph shall:

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1 Represent an entity that affiliates with the Medical 1. 2 System Corporation on or after October 1, 2014; 3 2. Be appointed by the Governor; and 4 3. Be designated as an affiliate board member. The voting membership of the Board of Directors may not exceed 5 (iv) 6 30 members. 7 (v) Nothing in this paragraph may be construed to require the 8 Medical System Corporation to nominate a representative of an entity that affiliates with the Medical System Corporation on or after October 1, 2014, to be an additional board 9 member. 10 11 (K) A MEMBER OF THE BOARD MAY NOT BE EMPLOYED BY OR HAVE A **(1)** 12 FINANCIAL INTEREST IN: 13 **(I)** A BUSINESS ENTITY SUBJECT TO THE AUTHORITY OF THE 14 MEDICAL SYSTEM CORPORATION OR THE UNIVERSITY SYSTEM OF MARYLAND; OR 15 (II)A BUSINESS ENTITY THAT IS ACTIVELY NEGOTIATING A 16 CONTRACT, HAS ENTERED INTO A CONTRACT, OR IS A SUBCONTRACTOR ON A CONTRACT WITH THE MEDICAL SYSTEM CORPORATION OR THE UNIVERSITY 17 SYSTEM OF MARYLAND. 18 19 A MEMBER OF THE BOARD MAY NOT INTENTIONALLY USE THE **(2)** 20 PRESTIGE OF OFFICE OR PUBLIC POSITION FOR THAT MEMBER'S PRIVATE GAIN OR 21THAT OF ANOTHER. 22 **(3)** A MEMBER OF THE BOARD SHALL FILE A FINANCIAL DISCLOSURE STATEMENT IN ACCORDANCE WITH § 5-607 OF THE GENERAL PROVISIONS 23ARTICLE. 2425[(k)] (L) The Chairman of the Board of Directors shall appoint representatives 26 from the community naturally served by the medical system having interest in the services 27of the medical system to 3-year terms as members of a Community Advisory Council. The 28 Board of Directors shall designate at least one of its members to meet with the Community 29 Advisory Council and advise the Community Advisory Council of matters of potential interest. Recommendations of this Community Advisory Council concerning services 30

offered by the Medical System Corporation and its community relationships shall be

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considered by the Board of Directors.

1 5-601.

- 2 (a) Except as provided in subsections (b) and (c) of this section, and subject to subsections (d) and (e) of this section, each official and candidate for office as a State official 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 subsection, an individual who is a public official only as a member of a board and who receives annual compensation that is less than 25% of the lowest annual compensation at State grade level 16 shall file the statement required by subsection (a) of this section in 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 SYSTEM CORPORATION UNDER § 13–304 OF THE EDUCATION ARTICLE SHALL FILE A STATEMENT IN ACCORDANCE WITH § 5–607 OF THIS SUBTITLE.
- SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 16 October 1, 2019.