

FOR the purpose of altering provisions of law relating to the conflict of interest standards applicable to officials and employees within public senior higher education institutions who are engaged in certain research and development activities; broadening the application of the exemption from certain ethics laws; altering the standards for the adoption of certain policies and procedures; requiring the governing board of an educational institution to provide written notice to the Ethics Commission of certain exemptions granted to certain officials; requiring the governing board of an educational institution to provide certain quarterly reports regarding certain exemptions to the Governor, the Legislative Policy Committee of the General Assembly, and the Ethics Commission; and generally relating to the exemption under certain circumstances of certain individuals from provisions of the Ethics Law.

BY adding to

Article - Education

Section 15-107

Annotated Code of Maryland

(1992 Replacement Volume and 1995 Supplement)

BY repealing and reenacting, with amendments,

Article - State Government

Section 15-523

Annotated Code of Maryland

(1995 Replacement Volume)

#### Preamble

WHEREAS, Newly adopted federal regulations require institutions participating in federally funded research to adopt certain procedures for the prevention and/or management of conflicts of interest; and

WHEREAS, Maryland economic development requires that the State's public higher education institutions be strongly encouraged to bring the results of their basic and applied research to bear in the design, development, production, and marketing of new and improved products, services, and processes; and

WHEREAS, This process will involve institutional initiatives such as industry-sponsored research, incubator programs, technology licensing agreements, research parks, institutional and employee ownership of equity in start-up companies, technical assistance and continuing education programs, and other forms of cooperative economic development efforts; and

WHEREAS, These mechanisms often require working relationships between these institutions, their faculty, and their administrators, and private sector industries, which may be inconsistent with the strict application of provisions in the Maryland Public Ethics Law; and