

SENATE BILL 794

D1, C2

7lr2254
CF HB 236

By: **Senator Smith**

Introduced and read first time: February 3, 2017

Assigned to: Judicial Proceedings

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 15, 2017

CHAPTER _____

1 AN ACT concerning

2 **Legal Advice to Corporations – Clarification**

3 FOR the purpose of altering an exception to the requirement that an individual be admitted
4 to the Maryland Bar before the individual may practice law in the State by
5 authorizing an individual who is admitted to the bar of any other state to provide
6 legal advice to the individual's employer or the employer's organizational affiliates;
7 defining certain terms; and generally relating to the provision of legal advice to
8 employers by individuals not admitted to the Maryland Bar.

9 BY repealing and reenacting, without amendments,
10 Article – Business Occupations and Professions
11 Section 10–206(a)
12 Annotated Code of Maryland
13 (2010 Replacement Volume and 2016 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Business Occupations and Professions
16 Section 10–206(d)
17 Annotated Code of Maryland
18 (2010 Replacement Volume and 2016 Supplement)

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

21 **Article – Business Occupations and Professions**

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 10-206.

2 (a) Except as otherwise provided by law, before an individual may practice law in
3 the State, the individual shall:

4 (1) be admitted to the Bar; and

5 (2) meet any requirement that the Court of Appeals may set by rule.

6 (d) (1) **(I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE**
7 **MEANINGS INDICATED.**

8 **(II) "AFFILIATE" MEANS A PERSON THAT, DIRECTLY OR**
9 **INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLS, IS**
10 **CONTROLLED BY, OR IS UNDER COMMON CONTROL WITH AN EMPLOYER.**

11 **(III) "CONTROL" MEANS THE POSSESSION, DIRECTLY OR**
12 **INDIRECTLY, OF THE POWER TO DIRECT OR CAUSE THE DIRECTION OF, WHETHER**
13 **THROUGH THE OWNERSHIP OF VOTING SECURITIES, BY CONTRACT, OR BY SOME**
14 **OTHER MEANS, THE MANAGEMENT AND POLICIES OF A PERSON.**

15 **(2)** Subject to paragraph ~~**(2)**~~ **(3)** of this subsection, this section does not
16 apply to an individual **WHO IS ADMITTED TO THE BAR OF ANY OTHER STATE**, while
17 giving legal advice **TO THE INDIVIDUAL'S EMPLOYER OR THE EMPLOYER'S**
18 **ORGANIZATIONAL AFFILIATES** [to a corporation in this State if the individual is:

19 (i) employed by the corporation; and

20 (ii) admitted to the bar of any other state].

21 ~~**(2)**~~ **(3)** An individual who gives legal advice under this subsection:

22 (i) is subject to disciplinary proceedings as the Maryland Rules
23 provide; and

24 (ii) may not appear before a unit of the State government or of a
25 political subdivision unless a court grants the individual a special admission in accordance
26 with § 10-215 of this subtitle.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 2017.