

NORTH CAROLINA GENERAL ASSEMBLY  
1979 SESSION

CHAPTER 720  
HOUSE BILL 237

AN ACT TO EXEMPT ELECTED OFFICIALS AND CERTAIN APPOINTED OFFICIALS  
IN CERTAIN VILLAGES, TOWNS, CITIES, AND COUNTIES FROM G.S. 14-234  
UNDER CERTAIN CIRCUMSTANCES.

Whereas, the elected officials of the smaller towns, cities and counties are often the only professional persons or business owners who can conveniently and inexpensively provide services, facilities or supplies to the public bodies they serve; and

Whereas, G.S. 14-234 makes it unlawful for those officials to undertake or contract to provide services, facilities or supplies to the public bodies or agencies that they serve; and

Whereas, it is in the public interest to make it lawful for those officials to undertake or contract to provide services, facilities or supplies to the public bodies and agencies they serve if done properly and openly; Now, therefore,

The General Assembly of North Carolina enacts:

**Section 1.** G.S. 14-234 is amended by redesignating present subsection (e) as subsection (f) and by inserting a new subsection (e) reading as follows:

"(e) The first sentence of subsection (a) shall not apply to (i) any elected official or person appointed to fill an elective office of a village, town, or city having a population of no more than 7,500 according to the most recent official federal census, (ii) any elected official or person appointed to fill an elective office of a county within which there is located no village, town, or city with a population of more than 7,500 according to the most recent official federal census, and (iii) any physician, pharmacist, or dentist appointed to a county social services board, local health board, or area mental health board serving one or more counties within which there is located no village, town, or city with a population of more than 7,500 according to the most recent official federal census if:

- (1) the undertaking or contract or series of undertakings or contracts between the village, town, city, county, county social services board, local health board or area mental health board and one of its officials is approved by specific resolution of the governing body adopted in an open and public meeting, and recorded in its minutes and the amount does not exceed ten thousand dollars (\$10,000) for medically related services and five thousand dollars (\$5,000) for other goods or services within a 12-month period; and
- (2) the official entering into the contract or undertaking with the unit or agency does not in his official capacity participate in any way or vote; and
- (3) the total annual amount of undertakings or contracts with each official, shall be specifically noted in the audited annual financial statement of the village, town, city, or county; and
- (4) the governing board of any village, town, city, county, county social services board, local health board, or area mental health board which undertakes or contracts with any of the officials of their governmental unit shall post in a conspicuous place in its village, town, or city hall, or courthouse, as the case may be, a list of all such officials with whom such undertakings or contracts

have been made, briefly describing the subject matter of the undertakings or contracts and showing their total amounts; this list shall cover the preceding 12 months and shall be brought up-to-date at least quarterly."

**Sec. 2.** This act is effective upon ratification.

In the General Assembly read three times and ratified, this the 31st day of May,

1979.