

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE BILL 1849

Short Title: Lobbying Reforms 2006. (Public)

Sponsors: Representatives Hackney, Howard, Gibson, Sherrill (Primary Sponsors); Barnhart, Bell, Brubaker, Coates, Earle, Eddins, Fisher, Harrison, Justice, Lucas, Luebke, Martin, McLawhorn, Nye, Ross, Sauls, Setzer, Steen, West, Alexander, L. Allen, Bordsen, Dickson, Glazier, Harrell, Hill, Insko, Jeffus, McGee, Moore, Spear, Underhill, Walend, and Weiss.

Referred to: Judiciary I.

May 10, 2006

A BILL TO BE ENTITLED

1 AN ACT TO AMEND THE LEGISLATIVE LOBBYING LAWS BY
2 ESTABLISHING WAITING PERIODS BEFORE CERTAIN STATE OFFICERS
3 MAY LOBBY; BY BARRING LOBBYISTS FROM CERTAIN APPOINTMENTS
4 AND OTHER ACTIVITIES; BY BANNING CERTAIN GIFTS; BY
5 ESTABLISHING QUARTERLY REPORTING OF EXPENDITURES WITH
6 ADDITIONAL INTERIM REPORTING; BY EXPANDING THE COVERAGE OF
7 THE LOBBYING LAWS TO INCLUDE EXECUTIVE BRANCH OFFICERS; BY
8 LIMITING CAMPAIGN CONTRIBUTIONS BY REGISTERED LOBBYISTS;
9 AND BY MAKING OTHER CONFORMING CHANGES, AS RECOMMENDED
10 BY THE HOUSE SELECT COMMITTEE ON ETHICS AND GOVERNMENTAL
11 REFORM.
12

13 The General Assembly of North Carolina enacts:

14 **SECTION 1.** Article 9A of Chapter 120 of the General Statutes is amended
15 to add a new section to read:

16 "**§ 120-47.7C. Prohibitions.**

17 (a) No member or former member of the General Assembly may be employed as
18 a legislative lobbyist by a lobbyist's principal to lobby as defined in this Article within
19 one year after the end of that member's service in the General Assembly.

20 (b) No person serving, or formerly having served, as Governor, a member of the
21 Council of State, or a head of a principal State department listed in G.S. 143B-6 may be
22 employed as a legislative lobbyist by a lobbyist's principal to lobby as defined in this
23 Article within one year after separation from employment or leaving office.

24 (c) No individual registered as a legislative lobbyist shall serve as a campaign
25 treasurer under Chapter 163 of the General Statutes as defined in G.S. 163-278.6(19) for

1 a campaign for election as a member of the General Assembly, Governor, or Council of
2 State.

3 (d) A legislative lobbyist shall not be eligible for appointment by a State official
4 to any body created under the laws of this State that has regulatory authority over the
5 activities of a person that the legislative lobbyist currently represents or has represented
6 within 60 days after the expiration of the legislative lobbyist's registration representing
7 that person. Nothing herein shall be construed to prohibit appointment by any unit of
8 local government.

9 (e) No legislative lobbyist or another acting on the legislative lobbyist's behalf
10 shall permit a covered person, legislative employee, or that person's immediate family
11 member to use the cash or credit of the lobbyist for the purpose of lobbying unless the
12 lobbyist is in attendance at the time of the expenditure."

13 **SECTION 2.** Article 9A of Chapter 120 of the General Statutes is amended
14 to add a new section to read:

15 **"§ 120-47.7B. Powers and duties of the Secretary of State.**

16 (a) The Secretary of State shall perform systematic reviews of reports required to
17 be filed under G.S. 120-47.6 and G.S. 120-47.7 on a regular basis to assure complete
18 and timely disclosure of expenditures.

19 (b) The Secretary of State may petition the Superior Court of Wake County for
20 the approval to issue subpoenas and subpoenas duces tecum as necessary to conduct
21 investigations of violations of this Article. The court shall authorize subpoenas under
22 this subsection when the court determines they are necessary for the enforcement of this
23 Article. Subpoenas issued pursuant to this subsection shall be enforceable by the court
24 through contempt powers. Venue shall be with the Superior Court of Wake County for
25 any nonresident person, or that person's agent, who makes a reportable expenditure
26 under this Article, and personal jurisdiction may be asserted under G.S. 1-75.4.

27 (c) Complaints of violations of this Article and all other records accumulated in
28 conjunction with the investigation of these complaints shall be considered records of
29 criminal investigations under G.S. 132-1.4."

30 **SECTION 3.** Article 9A of Chapter 120 of the General Statutes reads as
31 rewritten:

32 "Article 9A.

33 "~~Legislative Branch~~ Lobbying.

34 **"§ 120-47.1. Definitions.**

35 ~~The following definitions shall apply in this Article:~~As used in this Article, the
36 following terms mean:

37 (1) ~~The term "covered person" means a legislator, the Governor, or the~~
38 ~~Lieutenant Governor.~~Covered person. – A legislator, legislative
39 employee, or executive branch officer.

40 (1a) Advocacy day. – A day that any lobbyist's principal collectively
41 assembles its membership or employees and advocates for legislative
42 or executive action.

43 (1b) Constitutional officers of the State. – Officers whose offices are
44 established in Article III of the Constitution.

- 1 (1c) Executive action. – Any decision, including administration, approval,
2 disapproval, preparation, recommendation, the rendering of advice,
3 and investigation, made or contemplated in any proceeding,
4 application, submission, request for a ruling or other determination,
5 contract, claim, controversy, investigation, charge, or rule making.
- 6 (1d) Executive branch officer. – All of the following:
- 7 a. Constitutional officers of the State, persons elected or appointed
8 as a Constitutional officer of the State prior to taking office, or a
9 person having filed a notice of candidacy for such office under
10 G.S. 163-106 or Article 11 of Chapter 163 of the General
11 Statutes.
- 12 b. Employees of the Office of the Governor.
- 13 c. Heads of all principal State departments, as set forth in
14 G.S. 143B-6, who are appointed by the Governor.
- 15 d. The chief deputy or chief administrative assistant of each
16 person designated under sub-subdivisions a. and c. of this
17 subdivision.
- 18 e. Confidential assistants and secretaries as defined in
19 G.S. 126-5(c)(2), to persons designated under sub-subdivisions
20 a., c., and d. of this subdivision.
- 21 f. Employees in exempt positions as defined in G.S. 126-5(b) and
22 employees in exempt positions designated in accordance with
23 G.S. 126-5(d)(1), (2), or (2a), and confidential secretaries to
24 these individuals.
- 25 g. Any other employees or appointees in the principal State
26 departments as may be designated by the Governor to the extent
27 that the designation does not conflict with the State Personnel
28 Act.
- 29 h. All voting members of boards, including ex officio members
30 and members serving by executive, legislative, or judicial
31 branch appointment.
- 32 i. For The University of North Carolina, the voting members of
33 the Board of Governors of The University of North Carolina,
34 the president, the vice-presidents, and the chancellors, the
35 vice-chancellors, and voting members of the boards of trustees
36 of the constituent institutions.
- 37 j. For the System of Community Colleges, the voting members of
38 the State Board of Community Colleges, the President and chief
39 financial officer of the System of Community Colleges, the
40 president, chief financial officer and chief administrative officer
41 of each community college, and voting members of the boards
42 of trustees of each community college.
- 43 (1a)(1e) ~~The term "expenditure" means any Expenditure. – Any advance,~~
44 contribution, conveyance, deposit, distribution, payment, gift, retainer,

1 fee, salary, honorarium, reimbursement, loan, pledge or thing of value
2 greater than ten dollars ~~(\$10.00)~~, (\$10.00) per single calendar day or a
3 contract, agreement, promise or other obligation whether or not legally
4 enforceable, that directly or indirectly is made to, at the request of, for
5 the benefit of, or on the behalf of a covered ~~person, legislative~~
6 ~~employee, person~~ or that person's immediate family member.

7 (1f) Extended family. – Spouse, descendant, ascendant, or sibling of the
8 covered person or, descendant, ascendant, or sibling of the spouse of
9 the covered person.

10 (1b) ~~The term "executive lobbyist" means a lobbyist registered pursuant to~~
11 ~~Article 4C of Chapter 147 of the General Statutes.~~

12 (2),(3) Repealed by Session Laws 1991, c. 740, s. 1.1.

13 (2a) Gift. – Anything of value without valuable consideration.

14 (3a) ~~The term "immediate family member" means spouse, descendant, or~~
15 ~~ascendant.~~ Immediate family member. – An unemancipated child of the
16 covered person residing in the household, and the covered person's
17 spouse, if not legally separated.

18 (4) ~~The term "legislative action" means the~~ Legislative action. – The
19 preparation, research, drafting, introduction, consideration,
20 modification, amendment, approval, passage, enactment, tabling,
21 postponement, defeat, or rejection of a bill, resolution, amendment,
22 motion, report, nomination, appointment, or other matter, whether or
23 not the matter is identified by an official title, general title, or other
24 specific reference, by the legislature or by a member or employee of
25 the legislature acting or purporting to act in an official capacity. It also
26 includes the consideration of any bill by the Governor for the
27 Governor's approval or veto under Article II, Section 22(1) of the
28 Constitution or for the Governor to allow the bill to become law under
29 Article II, Section 22(7) of the Constitution.

30 (4a) ~~The term "legislative employee" means employees~~ Legislative
31 employee. – Employees and officers of the General Assembly.

32 (4b) ~~The term "legislative liaison personnel" means any~~ Liaison personnel. –
33 Any State employee or officer whose principal duties, in practice or as
34 set forth in that person's job description, include lobbying the General
35 Assembly. Assembly or executive branch officers.

36 (4c) ~~The term "legislative lobbyist" means any lobbyist for or against~~
37 ~~legislative action.~~

38 (4d) ~~The term "legislator" means a~~ Legislator. – A member or presiding
39 officer of the General Assembly or Assembly, a person elected or
40 appointed a member or presiding officer of the General Assembly
41 prior to taking office, or a person having filed a notice of
42 candidacy for such office under G.S. 163-106 or Article 11 of Chapter
43 163 of the General Statutes.

44 (5) ~~The term "lobbying" means any~~ Lobbying. – Any of the following:

- 1 a. Influencing or attempting to influence legislative or executive
 2 action, or both, through direct communication or activities with
 3 a covered ~~person, legislative employee, person~~ or that person's
 4 immediate family member.
- 5 b. Solicitation of others by ~~legislative~~ lobbyists or lobbyists'
 6 principals to influence legislative or executive action ~~action, or~~
 7 both.
- 8 c. Developing goodwill through communications or activities,
 9 including the building of relationships, with a covered ~~person,~~
 10 ~~legislative employee, person~~ or that person's immediate family
 11 member with the intention of influencing current or future
 12 legislative action, but does not include communications or
 13 activities with a covered ~~person, legislative employee, person~~ or
 14 that person's immediate family member in a business, civic,
 15 religious, fraternal, or commercial relationship which is not
 16 connected to legislative or executive action ~~action, or both~~.
- 17 (6) ~~The term "lobbyist" means an~~ Lobbyist. – An individual who meets any
 18 of the following criteria:
- 19 a. Is employed and receives compensation, or who contracts for
 20 economic consideration, for the purpose of lobbying.
- 21 b. Represents another person and receives compensation for the
 22 purpose of lobbying.
- 23 e. ~~Is legislative liaison personnel.~~
- 24 The term "lobbyist" shall not include those individuals who are
 25 specifically exempted from this Article by G.S. 120-47.8. For the
 26 purpose of determining whether an individual is a lobbyist under this
 27 subdivision, reimbursement of actual travel and subsistence expenses
 28 shall not be considered compensation; provided, however, that
 29 reimbursement in the ordinary course of business of these expenses
 30 shall be considered compensation if a significant part of the
 31 individual's duties involve lobbying before the General
 32 ~~Assembly.~~ Assembly or executive branch officers.
- 33 (7) ~~The terms "lobbyist's principal" and "principal" mean the~~ Lobbyist
 34 principal and principal. – The person on whose behalf the legislative
 35 lobbyist lobbies. In the case where a lobbyist is compensated by a law
 36 firm, consulting firm, or other entity retained by a person for
 37 ~~legislative~~ lobbying, the principal is the person whose interests the
 38 lobbyist represents in lobbying. In the case of a lobbyist employed or
 39 retained by an association or other organization, the lobbyist's
 40 principal is the association or other organization, not the members of
 41 the association or other organization.
- 42 (7a) ~~The term "news medium" means mainstream~~ News medium. –
 43 Mainstream media providers whose sole purpose is to report events
 44 and that does not involve research or advocacy.

- 1 (8) ~~The term "person" means any~~Person. – Any individual, firm,
2 partnership, committee, association, corporation, business entity, or
3 any other organization or group of persons which has an independent
4 legal existence.
- 5 (8a) Public event. – Either of the following:
- 6 a. An organized gathering of individuals open to the general
7 public or to which a legislator or legislative employee is invited
8 along with the entire membership of the House, Senate, a
9 committee, a subcommittee, a county legislative delegation, a
10 joint committee or legislative caucus and to which at least 10
11 employees or members of the principal actually attend.
- 12 b. An organized gathering of individuals open to the general
13 public or to which at least ten executive branch officers are
14 invited to attend and at least 10 employees or members of the
15 principal actually attend.
- 16 (9) ~~The General Assembly is in "regular session" from the~~In regular
17 session. – The date set by law or resolution that the General Assembly
18 convenes until the General Assembly either:
- 19 a. Adjourns sine die; or
- 20 b. Recesses or adjourns for more than 10 days.

21 **§ 120-47.2. Registration procedure.**

22 (a) ~~A legislative lobbyist shall file a registration statement with the Secretary of~~
23 State in a manner prescribed by the Secretary before engaging in any lobbying. It shall
24 be unlawful for a person to lobby without registering unless exempted by this Article. A
25 lobbyist shall file a separate registration statement for each principal the lobbyist
26 represents. ~~The registration shall indicate whether it is registration as a legislative~~
27 ~~lobbyist, executive lobbyist, or both, and a separate registration fee shall be paid for~~
28 ~~each separate type of registration.~~

29 (b) The form of the registration shall be prescribed by the Secretary of State and
30 shall include the registrant's full name, firm, complete address and telephone number;
31 the registrant's place of business; the full name, complete address and telephone number
32 of each person by whom the registrant is employed or retained; and a general
33 description of the matters on which the registrant expects to act as a ~~legislative~~ lobbyist.
34 The Secretary of State shall make available as soon as practicable the registrations of
35 the lobbyists and lobbyists' principals in an electronic, searchable format.

36 (c) Each ~~legislative~~ lobbyist shall file an amended registration form with the
37 Secretary of State no later than 10 business days after any change in the information
38 supplied in the ~~legislative~~ lobbyist's last registration under subsection (b). Each
39 supplementary registration shall include a complete statement of the information that
40 has changed.

41 (d) Within 20 days after the convening of each session of the General Assembly,
42 the Secretary of State shall furnish each member of the ~~General Assembly~~ Assembly,
43 Constitutional officers of the State, the head of each principal department of the
44 Executive Branch, and the State Legislative Library a list of all persons who have

1 registered as executive or legislative lobbyists and whom they represent. Within 20 days
2 after the beginning of the term of a Governor, the Secretary of State shall furnish the
3 Governor, each other member of the Council of State, the head of each principal
4 department of the Executive Branch, and the State Legislative Library a list of all
5 persons who have registered as executive or legislative lobbyists and whom they
6 represent. A supplemental list of legislative lobbyists shall be furnished periodically
7 each 20 days thereafter as the session progresses. while the General Assembly is in
8 session, and every 60 days thereafter. A supplemental list of executive lobbyists shall be
9 furnished periodically each 60 days thereafter. For each special session of the General
10 Assembly, a supplemental list of legislative lobbyists shall be furnished to the State
11 Legislative Library. All lists required by this section may be furnished electronically.

12 (e) Each registration statement of a legislative lobbyist required under this
13 Article shall be effective from the date of filing until January 1 of the following year.
14 The legislative lobbyist shall file a new registration statement after that date, and the
15 applicable fee shall be due and payable.

16 **"§ 120-47.3. Registration fee.**

17 A fee of one hundred dollars (\$100.00) is due and payable to the Secretary of State
18 by either the lobbyist or the lobbyist's principal at the time of each lobbyist registration.
19 Fees so collected shall be deposited in the General Fund of the State. The Secretary of
20 State shall allow fees required under this section to be paid electronically but may not
21 require the fees to be paid electronically. The Secretary of State shall adopt rules
22 providing for the waiver or reduction of the fees required by this section in cases of
23 hardship.

24 **"§ 120-47.4. Authorization from lobbyist's principal; fee from principal.**

25 (a) Each legislative lobbyist or lobbyist's principal shall file with the Secretary of
26 State within 10 business days after the legislative lobbyist's registration a written
27 authorization signed by the lobbyist's principal authorizing the lobbyist to represent the
28 principal.

29 (b) The form of the authorization shall be prescribed by the Secretary of State
30 and shall include the lobbyist's principal's full name, complete address and telephone
31 number, name and title of the official signing for the lobbyist's principal, and the name
32 of each lobbyist registered to represent the lobbyist's principal. The Secretary of State
33 shall make available as soon as practicable the authorization of the lobbyists' principals
34 in an electronic, searchable format.

35 (c) An amended authorization shall be filed with the Secretary of State no later
36 than 10 days after any change in the information supplied for the lobbyist's principal on
37 the previous authorization. Each supplementary authorization shall include a complete
38 statement of the information that has changed.

39 (d) Except as provided for in subsection (e) of this section, a fee of one hundred
40 dollars (\$100.00) is due and payable to the Secretary of State at the time the lobbyist's
41 principal's first authorization statement is filed each calendar year for a legislative
42 lobbyist. ~~The fee for the legislative lobbyist's authorization shall be seventy five dollars~~
43 ~~(\$75.00) if an authorization for the principal to be represented by an executive lobbyist~~

1 is filed at the same time. No additional fee is due for additional authorizations filed for
2 legislative lobbyists.

3 (e) The Secretary of State shall adopt rules providing for the waiver or reduction
4 of the fees required by fee in subsection (d) of this section. The rules shall provide that
5 the fees be reduced to a total of twenty-five dollars (\$25.00) if the lobbyist's principal
6 had annual revenues in its most recent fiscal year of three hundred thousand dollars
7 (\$300,000) or less and is represented by no more than two different lobbyists. This
8 reduced fee covers authorizations filed for the principal's legislative and executive
9 lobbyists.

10 **"§ 120-47.5. Contingency lobbying fees and election influence prohibited.**

11 (a) No person shall act as a legislative lobbyist for compensation that is
12 dependent upon the result or outcome of any legislative action.

13 (b) No legislative lobbyist or legislative lobbyist's principal person shall attempt
14 to influence the action of any covered person by the promise of financial support of the
15 covered person's candidacy, or by threat of financial support in opposition to the
16 covered person's candidacy in any future election.

17 **"§ 120-47.5A. Certain gifts by lobbyists and lobbyist's principals prohibited;**
18 **Exemptions and inclusions for reporting purposes.exemptions.**

19 (a) No lobbyist or lobbyist's principal may give a gift to a covered person.

20 (a)(a1) For purposes of G.S. 120-47.6 and G.S. 120-47.7, the following expenditures
21 need not be reported: Subsection (a) of this section shall not apply to:

- 22 (1) Gifts between an immediate family member or person who is the
23 stepchild, sibling, mother in law, father in law, son in law,
24 daughter in law, or members of the household of the covered person or
25 legislative employee
- 26 (2) Lawful campaign contributions.
- 27 (3) Commercially available loans made on terms not more favorable than
28 generally available to the public in the normal course of business if not
29 made for the purpose of lobbying.
- 30 (4) Contractual arrangements or business relationships or arrangements
31 made in the normal course of business if not made for the purpose of
32 lobbying.
- 33 (5) The cost of attendance or participation provided by the sponsoring
34 entity of lodging, and of food and beverages consumed, at events
35 sponsored by or in conjunction with a civic, charitable, community, or
36 diplomatic event if the activity or event does not last longer than three
37 hours.
- 38 (6) Academic scholarships made on terms not more favorable than
39 scholarships generally available to the public.
- 40 (1) Meals and beverages for immediate consumption in connection with
41 public events.
- 42 (2) Nonmonetary items, other than food or beverages, with a value not to
43 exceed ten dollars (\$10.00) provided by a single donor during a single
44 calendar day.

- 1 (3) Informational materials relevant to the duties of the covered person.
- 2 (4) Reasonable actual expenses for food, registration, travel, and lodging
- 3 of the covered person for a meeting at which the covered person
- 4 participates in a panel or speaking engagement at the meeting related
- 5 to the public servant's duties and when expenses are incurred on the
- 6 actual day of participation in the engagement or incurred within a
- 7 24-hour time period before or after the engagement.
- 8 (5) Items or services received in connection with a state, national, or
- 9 regional organization in which the covered person or the covered
- 10 person's agency is a member.
- 11 (6) Items and services received relating to an educational conference or
- 12 meeting.
- 13 (7) A plaque or similar nonmonetary memento recognizing individual
- 14 services in a field or specialty or to a charitable cause.
- 15 (8) Gifts accepted on behalf of the State.
- 16 (9) Anything generally available or distributed to the general public or all
- 17 other State employees.
- 18 (10) Anything for which fair market value is paid.
- 19 (11) Commercially available loans made on terms not more favorable than
- 20 generally available to the public in the normal course of business if not
- 21 made for the purpose of lobbying.
- 22 (12) Contractual arrangements or business relationships or arrangements
- 23 made in the normal course of business if not made for the purpose of
- 24 lobbying.
- 25 (13) Academic scholarships made on terms not more favorable than
- 26 scholarships generally available to the public.
- 27 (14) Political contributions properly received and reported as required
- 28 under Article 22A of Chapter 163 of the General Statutes.
- 29 (15) Gifts from the covered person's extended family, or a member of the
- 30 same household of the covered person, or gifts received in conjunction
- 31 with a marriage, birth, adoption, or death.
- 32 (16) Things of monetary value given to a executive branch officer valued in
- 33 excess of ten dollars (\$10.00) where the thing of monetary value is
- 34 entertainment or related expenses associated with the public business
- 35 of industry recruitment, promotion of international trade, or the
- 36 promotion of travel and tourism, and the executive branch officer is
- 37 responsible for conducting the business on behalf of the State,
- 38 provided all the following conditions apply:
- 39 a. The executive branch officer did not solicit the thing of value,
- 40 and the executive branch officer did not accept the thing of
- 41 value in the performance of the executive branch officer's
- 42 official duties.
- 43 b. The executive branch officer reports electronically to the
- 44 Commission within 30 days of receipt of the thing of value. The

1 report shall include a description and value of the thing of value
2 and a description how the thing of value contributed to the
3 public business of industry recruitment, promotion of
4 international trade, or the promotion of travel and tourism. This
5 report shall be posted to the Commission's public Web site.

6 c. A tangible thing of value in excess of ten dollars (\$10.00), other
7 than meals or beverages, shall be turned over as State property
8 to the Department of Commerce within 30 days of receipt.

9 (17) Things of monetary value of personal property valued at less than one
10 hundred dollars (\$100.00) given to an executive branch officer in the
11 commission of the executive branch officer's official duties if the gift
12 is given to the executive branch officer as a personal gift in another
13 country as part of an overseas trade mission, and the giving and
14 receiving of such personal gifts is considered a customary protocol in
15 the other country.

16 (b) For purposes of G.S. 120-47.6 and G.S. 120-47.7, all expenditures made for
17 the purpose of lobbying shall be reported, including the following:

18 (1) Expenditures benefiting or made on behalf of a covered person, a
19 ~~legislative employee~~, or those persons' immediate family members, in
20 the regular course of that person's ~~nonlegislative~~ employment.

21 (2) Contractual arrangements or direct business relationships between a
22 ~~legislative~~ lobbyist or ~~legislative~~ lobbyist's principal and a covered
23 person, ~~legislative employee~~, or that person's immediate family
24 member, in effect during the reporting period or the previous 12
25 months.

26 (3) Expenditures reimbursed to a ~~legislative~~ lobbyist in the ordinary
27 course of business by the lobbyist's principal or other employer.
28 Expenditures reimbursed by the lobbyist's principal or other employer
29 are reported only by the lobbyist.

30 (4) Expenditures for items exempted by subsection (a1) of this section.

31 (e) ~~For reporting purposes of G.S. 120-47.6 and G.S. 120-47.7, legislative~~
32 ~~lobbying with respect to only the legislative actions of the Governor and Lieutenant~~
33 ~~Governor shall be reported.~~

34 (d) The offering or giving of a gift in compliance with this Article without
35 corrupt intent shall not constitute a violation of G.S. 14-217 or G.S. 14-218.

36 **"§ 120-47.6. Statements of ~~legislative~~ lobbyist's lobbying expenditures required.**

37 (a) Each ~~legislative~~ lobbyist shall file ~~monthly~~ quarterly expenditure reports
38 under oath with the Secretary of State, in a manner prescribed by the Secretary of State,
39 which may include electronic reports, with respect to each lobbyist's ~~principal, while the~~
40 ~~General Assembly is in regular session, and quarterly thereafter.~~ principal. The
41 expenditure report shall include all expenditures during the reporting period and shall be
42 due 10 business days after the end of the reporting period. The ~~legislative~~ lobbyist shall
43 file ~~expense~~ expenditure reports whether or not expenditures are made.

1 (a1) In addition to the reports required by subsection (a) of this section, each
2 lobbyist incurring expenditures with respect to lobbying legislators and legislative
3 employees shall file a monthly expenditure report while the General Assembly is in
4 regular session. The monthly expenditure report shall contain information required by
5 this section with respect to all lobbying of legislators and legislative employees, and is
6 due within 10 business days of the end of the month. The information on the monthly
7 expenditure report shall also be included in each quarterly report required by subsection
8 (a) of this section.

9 (b) Each expenditure report shall set forth the fair market ~~value,~~ value or face
10 value if shown, date, a description of the expenditure, name and address of the payee, or
11 beneficiary, and name of any covered person, ~~legislative employee,~~ or that person's
12 immediate family member benefiting from the expenditure. Such expenditures shall be
13 reported using the following categories:

- 14 (1) Transportation and lodging.
- 15 (2) Entertainment, food, and beverages.
- 16 (3) Meetings and events.
- 17 (4) Gifts.
- 18 (5) Other expenditures.
- 19 (6) Solicitation of others to lobby, including if such expenditures are
20 incurred in connection or in concert with other reportable
21 expenditures.

22 ~~In addition, expenses for the solicitation of others to lobby, whether or not a covered~~
23 ~~person, legislative employee, or family member is affected, shall be reportable if such~~
24 ~~expenses are incurred in connection, or in concert, with other expenditures reportable~~
25 ~~under this subsection.~~

26 (c) All reports shall be in the form prescribed by the Secretary of State and shall
27 be open to public inspection upon filing. When more than 15 covered persons benefit
28 from an expenditure, no names of individuals need be reported provided that the report
29 identifies the approximate number of covered persons benefiting and, with particularity,
30 the basis for their selection, including the name of the legislative body, committee,
31 caucus, or other group whose membership list is a matter of public record in accordance
32 with G.S. 132-1 or including a description of the group that clearly distinguishes its
33 purpose or composition from the general membership of the General Assembly. The
34 approximate number of ~~legislative employees and immediate family members of~~
35 ~~covered persons and legislative employees who benefited from the expenditure shall be~~
36 listed separately.

37 (d) When a ~~legislative~~ lobbyist fails to file an expenditure report as required in
38 this section, the Secretary of State shall send a certified or registered letter advising the
39 ~~legislative~~ lobbyist of the delinquency and the penalties provided by law. Within 20
40 days of the receipt of the letter, the ~~legislative~~ lobbyist shall deliver or post by United
41 States mail to the Secretary of State the required report and an additional late filing fee
42 in an amount equal to the late filing fee under G.S. 163-278.34(a)(2).

43 (e) Filing of the required report and payment of the additional fee within the time
44 extended shall constitute compliance with this section. Failure to file an expenditure

1 report in one of the manners prescribed in this section shall result in revocation of any
2 and all registrations of a legislative lobbyist under this Article. No ~~legislative~~-lobbyist
3 may register or reregister under this Article until the ~~legislative~~-lobbyist has fully
4 complied with this section.

5 (f) Appeal of a decision by the Secretary of State under this section shall be in
6 accordance with Article 3 of Chapter 150B of the General Statutes.

7 (g) The Secretary of State may adopt rules to facilitate complete and timely
8 disclosure of expenditures, including the format of reports and additional categories of
9 information, and to protect the addresses of payees under protective order issued
10 pursuant to Chapter 50B of the General Statutes or participating in the Address
11 Confidentiality Program pursuant to Chapter 15C of the General Statutes. The Secretary
12 of State shall not impose any penalties or late filing fees upon a ~~legislative~~-lobbyist for
13 subsequent failures to comply with the requirements of this section if the Secretary of
14 State failed to provide ~~to~~-the lobbyist with required notifications of the initial violation.
15 This provision shall not apply to a failure by the lobbyist to file an expenditure report in
16 a timely manner.

17 **"§ 120-47.7. Statements of ~~legislative~~-lobbyist's principal lobbying expenditures**
18 **required.**

19 (a) Each ~~legislative~~-lobbyist's principal shall file ~~monthly~~-quarterly expenditure
20 reports under oath with the Secretary of State, in a manner prescribed by the Secretary
21 of State, which may include electronic reports, ~~while the General Assembly is in regular~~
22 ~~session, and quarterly thereafter~~ reports. The expenditure report shall include all
23 expenditures during the reporting period and shall be due 10 business days after the end
24 of the reporting period. The lobbyist's principal shall file the expenditure reports
25 whether or not expenditures are made during a reporting period.

26 (a1) In addition to the reports required by subsection (a) of this section, each
27 lobbyist's principal incurring expenditures with respect to lobbying legislators and
28 legislative employees shall file a monthly expenditure report while the General
29 Assembly is in regular session. The monthly expenditure report shall contain
30 information required by this section with respect to all lobbying of legislators and
31 legislative employees, and is due within 10 business days of the end of the month. The
32 information on the monthly expenditure report shall also be included in each quarterly
33 report required by subsection (a) of this section.

34 (b) Each expenditure report shall set forth the fair market ~~value,~~value or face
35 value if shown, date, a description of the expenditure, name and address of the payee, or
36 beneficiary, and name of any covered person, ~~legislative employee,~~ or that person's
37 immediate family member affected by the expenditure. Such expenditures shall be
38 reported using the following categories:

- 39 (1) Transportation and lodging.
- 40 (2) Entertainment, food, and beverages.
- 41 (3) Meetings and events.
- 42 (4) Gifts.
- 43 (5) Other expenditures.

- 1 (6) Solicitation of others to lobby, including if such expenditures are
2 incurred in connection or in concert with other expenditures reportable
3 under this Article.
- 4 (7) Compensation paid to all lobbyists during the reporting period. If a
5 legislative lobbyist is a full-time employee of the lobbyist's principal,
6 or is compensated by means of an annual fee or retainer, the lobbyist's
7 principal shall estimate and report the portion of the salary, fee, or
8 retainer that compensates for lobbying.
- 9 (8) Expenditures reimbursed or paid to lobbyists for lobbying that are not
10 reported on the lobbyist's report, with an itemized description of those
11 expenditures.

12 ~~In addition, expenses for the solicitation of others to lobby, whether or not a covered~~
13 ~~person, legislative employee, or family member is affected, shall be reportable if such~~
14 ~~expenses are incurred in connection, or in concert, with other expenditures reportable~~
15 ~~under this subsection.~~

16 ~~In addition, the compensation paid or agreed to be paid to all legislative lobbyists~~
17 ~~shall be reported, whether or not a covered person, legislative employee, or family~~
18 ~~member is affected. If a legislative lobbyist is a full time employee of the lobbyist's~~
19 ~~principal, or is compensated by means of an annual fee or retainer, the lobbyist's~~
20 ~~principal shall estimate and report the portion of the salary, fee, or retainer that~~
21 ~~compensates for lobbying. The lobbyist's principal's expenditure report shall include an~~
22 ~~itemized description of all expenditures reimbursed or paid to legislative lobbyists for~~
23 ~~lobbying that are not reported on the legislative lobbyists' reports.~~

24 (c) All reports shall be in the form prescribed by the Secretary of State and open
25 to public inspection upon filing. When more than 15 covered persons benefit from an
26 expenditure, no names of individuals need be reported provided that the report identifies
27 the approximate number of covered persons benefiting and, with particularity, the basis
28 for their selection, including the name of the legislative body, committee, caucus, or
29 other group whose membership list is a matter of public record in accordance with
30 G.S. 132-1 or including a description of the group that clearly distinguishes its purpose
31 or composition from the general membership of the General Assembly. The
32 approximate number of ~~legislative employees and immediate family members of~~
33 ~~covered persons and legislative employees who benefited from the expenditure shall be~~
34 listed separately.

35 (d) When a lobbyist's principal fails to file an expenditure report as required in
36 this section, the Secretary of State shall send a certified or registered letter advising the
37 lobbyist's principal of the delinquency and the penalties provided by law. Within 20
38 days of the receipt of the letter, the lobbyist's principal shall deliver or post by United
39 States mail to the Secretary of State the required report and a late filing fee in an amount
40 equal to the late filing fee under G.S. 163-278.34(a)(2).

41 (e) Filing of the required report and payment of the late fee within the time
42 extended shall constitute compliance with this section. Failure to file an expenditure
43 report in one of the manners prescribed in this section shall result in revocation of any
44 and all registrations of a lobbyist's principal under this Article. No lobbyist's principal

1 may register or reregister under this Article until the lobbyist's principal has fully
2 complied with this section.

3 (f) Appeal of a decision by the Secretary of State under this section shall be in
4 accordance with Article 3 of Chapter 150B of the General Statutes.

5 (g) The Secretary of State may adopt rules to facilitate complete and timely
6 disclosure of expenditures, including the format of reports and additional categories of
7 information, and to protect the addresses of payees under protective order issued
8 pursuant to Chapter 50B of the General Statutes or participating in the Address
9 Confidentiality Program pursuant to Chapter 15C of the General Statutes. The Secretary
10 of State shall not impose any penalties or late filing fees upon a principal for subsequent
11 failures to comply with the requirements of this section if the Secretary of State failed to
12 provide to the lobbyist's principal with required notifications of the initial violation.
13 This provision shall not apply to a failure by the principal to file an expenditure report
14 in a timely manner.

15 "§ 120-47.7A. Reserved for future codification purposes.

16 "§ 120-47.7B. Powers and duties of the Secretary of State.

17 (a) The Secretary of State shall perform systematic reviews of reports required to
18 be filed under G.S. 120-47.6 and G.S. 120-47.7 on a regular basis to assure complete
19 and timely disclosure of allowable expenditures.

20 (b) The Secretary of State may petition the Superior Court of Wake County for
21 the approval to issue subpoenas and subpoenas duces tecum as necessary to conduct
22 investigations of violations of this Article. The court shall authorize subpoenas under
23 this subsection when the court determines they are necessary for the enforcement of this
24 Article. Subpoenas issued pursuant to this subsection shall be enforceable by the court
25 through contempt powers. Venue shall be with the Superior Court of Wake County for
26 any nonresident person, or that person's agent, who makes a reportable expenditure
27 under this Article, and personal jurisdiction may be asserted under G.S. 1-75.4.

28 (c) Complaints of violations of this Article and all other records accumulated in
29 conjunction with the investigation of these complaints shall be considered records of
30 criminal investigations under G.S. 132-1.4.

31 "§ 120-47.7C. Prohibitions.

32 (a) No member or former member of the General Assembly may be employed as
33 ~~an executive or legislative~~ a lobbyist by a lobbyist's principal to lobby as defined in this
34 Article ~~or Article 4C of Chapter 147 of the General Statutes~~ within ~~six months~~ one year
35 after the end of that member's service in the General Assembly.

36 (b) No person serving as ~~Governor, as a member of the Council of State, a~~
37 Constitutional officer of the State or as a head of a principal State department listed in
38 G.S. 143B-6 may be employed as ~~an executive or legislative~~ a lobbyist by a lobbyist's
39 principal to lobby as defined in this Article ~~or Article 4C of Chapter 147 of the General~~
40 ~~Statutes~~ within ~~six months~~ one year after separation from employment or leaving office.

41 (c) No individual registered as a ~~legislative~~ lobbyist shall serve as a campaign
42 treasurer ~~under Chapter 163 of the General Statutes~~ as defined in G.S. 163-278.6(19) for
43 a campaign for election as a member of the ~~General Assembly~~ Assembly or a
44 Constitutional officer of the State.

1 (d) A ~~legislative or executive~~ lobbyist shall not be eligible for appointment by a
2 State official to any body created under the laws of this State that has regulatory
3 authority over the activities of a person that the lobbyist currently represents or has
4 represented within 60 days after the expiration of the lobbyist's registration representing
5 that person. Nothing herein shall be construed to prohibit appointment by any unit of
6 local government.

7 (e) No ~~legislative or executive~~ lobbyist or another acting on the lobbyist's behalf
8 shall permit a covered ~~person~~ person, ~~legislative employee, executive branch officer,~~ or
9 that person's immediate family member, to use the cash or credit of the lobbyist for the
10 purpose of lobbying unless the lobbyist is in attendance at the time of the expenditure.

11 **"§ 120-47.8. Persons exempted from provisions of Article.**

12 Except as otherwise provided in this Article, the provisions of this Article shall not
13 be construed to apply to any of the ~~following~~ following lobbying activities:

- 14 (1) An individual solely engaged in expressing a personal opinion or
15 stating facts or recommendations on legislative matters to members of
16 the General Assembly and not acting as a legislative lobbyist.
- 17 (2) A person appearing before a ~~legislative committee~~ committee,
18 commission, board, council, or other collective body whose
19 membership includes one or more covered persons at the invitation or
20 request of the committee or a member thereof and who engages in no
21 further activities as a legislative lobbyist.
- 22 (3) a. A duly elected or appointed official or employee of the State,
23 the United States, a county, municipality, school district or
24 other governmental agency, when appearing solely in
25 connection with matters pertaining to the office and public
26 duties.
- 27 b. Notwithstanding the persons exempted in this Article, the
28 ~~Governor, Council of State, Constitutional officers of the State~~
29 and all appointed heads of State departments, agencies and
30 institutions, shall designate all authorized official ~~legislative~~
31 liaison personnel and shall file and maintain current lists of
32 designated ~~legislative~~ liaison personnel with the Secretary of
33 State.
- 34 (4) A person performing professional services in drafting ~~bills~~ bills, or in
35 advising and rendering opinions to clients, or to covered persons on
36 behalf of clients, as to the construction and effect of proposed or
37 pending ~~legislation~~ legislative or executive action where the
38 professional services are not otherwise connected with the legislative
39 or executive action.
- 40 (5) A person who owns, publishes or is employed by any news medium
41 while engaged in the acquisition or dissemination of news on behalf of
42 the news medium.
- 43 (6) Repealed by Session Laws 1991, c. 740, s. 1.1.

- 1 (7) ~~Covered persons and legislative employees,~~persons while acting in
2 their official capacity.
- 3 (8) ~~A person responding to inquiries from a member of the General~~
4 ~~Assembly or a legislative employee,~~covered person and who engages
5 in no further activities as a ~~legislative lobbyist~~ in connection with that
6 or any other legislative ~~matter~~ or executive action.
- 7 (9) ~~An employee who represents the employer's interests in action for no~~
8 ~~more than three hours in a quarter, provided that neither the employee~~
9 ~~nor the employer makes any expenditure as defined in G.S. 120-47.1.~~
10 individual while participating in an advocacy day.
- 11 (10) A person appearing before an executive branch agency or department
12 on behalf of another person, on an individual application for a license
13 or permit, or a disciplinary action on a license or permit.
- 14 (11) A person appearing before an executive branch officer on behalf of
15 another person with respect to a proposed sale or lease of real property,
16 goods or services to the State, or construction of property by the State.
- 17 (12) A person appearing before an executive branch agency or department
18 or an executive branch officer on behalf of another person or entity in
19 connection with an application for a grant, loan, determination or
20 eligibility, or certification.

21 **"§ 120-47.8A. Expenditures made by persons exempted or not covered by this**
22 **Article.**

23 (a) ~~If a covered person or a legislative employee~~ accepts an expenditure made for
24 the purpose of lobbying valued over two hundred dollars (\$200.00) from a person or
25 group of persons acting together, exempted or not otherwise covered by this Article, the
26 person, or group of persons, making the expenditure shall report the date, a description
27 of the expenditure, the name and address of the person, or group of persons, making the
28 expenditure, the name of the covered person ~~or legislative employee~~ accepting the
29 expenditure, and the estimated fair market value of the expenditure.

30 (b) If the person making the expenditure in subsection (a) of this section is
31 outside North Carolina, and the covered person ~~or legislative employee~~ accepting the
32 expenditure is also outside North Carolina at the time the person accepts the
33 expenditure, then the person accepting the expenditure shall be responsible for filing the
34 report using available information.

35 (c) ~~If a covered person or a legislative employee~~ accepts a scholarship valued
36 over two hundred dollars (\$200.00) from a person, or group of persons, acting together,
37 exempted or not covered by this Article, the person, or group of persons, granting the
38 scholarship shall report the date of the scholarship, a description of the event involved,
39 the name and address of the person, or group of persons, granting the scholarship, the
40 name of the covered person ~~or legislative employee~~ accepting the scholarship, and the
41 estimated fair market value.

42 (d) If the person granting the scholarship in subsection (c) of this section is
43 outside North Carolina, the covered person ~~or legislative employee~~ accepting the
44 scholarship shall be responsible for filing the report.

1 (e) This section shall not apply to any of the following:

2 (1) Lawful campaign ~~contributions~~, contributions properly received and
3 reported as required under Article 22A of Chapter 163 of the General
4 Statutes.

5 (2) Any gift from a an extended family member to a covered person.
6 person or legislative employee.

7 (3) Gifts associated primarily with the covered person's, legislative
8 employee's, person's or that person's immediate family member's
9 nonlegislative employment.

10 (4) Gifts, other than food, beverages, travel, and lodging, which are
11 received from a person who is a citizen of a country other than the
12 United States or a state other than North Carolina and given during a
13 ceremonial presentation or as a custom.

14 (5) A thing of value that is paid for by the State.

15 (f) Reports required by this section shall be filed within 10 business days after
16 the end of the quarter in which the expenditure was made, with the Secretary of State in
17 a manner prescribed by the Secretary of State, which may include electronic reports.

18 **"§ 120-47.8B. Advocacy Day.**

19 (a) No lobbyist's principal may conduct more than one advocacy day per
20 calendar year.

21 (b) All advocacy days to lobby the General Assembly must be scheduled through
22 the Legislative Services Office.

23 (c) All advocacy days to lobby executive branch officers must be scheduled
24 through the Governor's Office.

25 (d) All lobbyists' principals conducting an advocacy day shall comply with this
26 Article while conducting the advocacy day.

27 **"§ 120-47.9. Punishment for violation.**

28 (a) Whoever willfully violates any provision of this Article shall be guilty of a
29 Class 1 misdemeanor. In addition, no ~~legislative~~ lobbyist who is convicted of a violation
30 of the provisions of this Article shall in any way act as a ~~legislative or executive~~
31 lobbyist for a period of two years following conviction.

32 (b) In addition to the criminal penalties set forth in this section, the Secretary of
33 State may levy civil fines for willful false or incomplete reporting up to five thousand
34 dollars (\$5,000) per violation.

35 **"§ 120-47.10. Enforcement of Article by Attorney General.**

36 (a) The Secretary of State may investigate complaints of violations of this
37 Article, ~~The Secretary of State~~ and shall report apparent violations of this Article to the
38 Attorney General. The Attorney General shall, upon complaint, make an appropriate
39 investigation thereof, and the Attorney General shall forward a copy of the investigation
40 to the district attorney of the prosecutorial district as defined in G.S. 7A-60 of which
41 Wake County is a part, who shall prosecute any person who violates any provisions of
42 this Article.

43 (b) Complaints of violations of this Article involving the Secretary of State or
44 any member of the Department of the Secretary of State shall be referred to the

1 Attorney General for investigation in accordance with G.S. 120-47.7B. Any portion of
2 the complaint not involving alleged violations of this Article by the Secretary of State or
3 any member of the Department of the Secretary of State shall remain with the Secretary
4 of State for investigation. The Attorney General shall, upon receipt of a complaint,
5 make an appropriate investigation thereof, and the Attorney General shall forward a
6 copy of the investigation to the District Attorney of the prosecutorial district as defined
7 in G.S. 7A-60 of which Wake County is a part, who shall prosecute any person who
8 violates any provisions of this Article.

9 (c) Complaints of improper lobbying involving the Attorney General or any
10 member of the Department of Justice shall be investigated by the Secretary of State and
11 any apparent violations reported to the District Attorney of that prosecutorial district as
12 defined in G.S. 7A-60 of which Wake County is a part. The District Attorney of that
13 prosecutorial district shall, upon receipt of the Secretary of State's report, prosecute any
14 person who violates any provisions of this Article.

15 **"§ 120-47.11. Rules and forms.**

16 (a) The Secretary of State shall adopt any rules, orders, forms, and definitions as
17 are necessary to carry out the provisions of this Article. The Secretary of State may
18 appoint a council to advise the Secretary in adopting rules under this section.

19 (b) The Secretary of State shall adopt rules to protect from disclosure all
20 confidential information under Chapter 132 related to economic development initiatives
21 or to industrial or business recruitment activities. The information shall remain
22 confidential until the State, a unit of local government or the business has announced a
23 commitment by the business to expand or locate a specific project in this State or a final
24 decision not to do so and the business has communicated that commitment or decision
25 to the State or local government agency involved with the project.

26 **"§ 120-47.12. Limitations on agency ~~legislative~~ liaison personnel.**

27 (a) No State department may use State funds to contract with persons who are
28 not employed by the State to lobby the General Assembly.

29 (b) No more than two persons in each State department and constituent
30 institution of The University of North Carolina may be registered to lobby the General
31 Assembly or designated as ~~legislative~~ liaison personnel pursuant to this Article.

32 (c) All persons designated as ~~legislative~~ liaison personnel pursuant to this Article
33 and the State department or constituent institution of The University of North Carolina
34 that employs the ~~legislative~~ liaison personnel shall report all expenditures made for
35 lobbying purposes in the same manner as required for ~~legislative~~ lobbyists under
36 G.S. 120-47.6 and lobbyists' principals under G.S. 120-47.7. The registration and
37 authorization fees required under G.S. 120-47.3 and G.S. 120-47.4 shall not apply to
38 ~~legislative~~ liaison personnel or the State department or constituent institution that
39 employs the ~~legislative~~ liaison personnel."

40 **"§ 120-47.13. Advisory opinions.**

41 (a) At the request of any person affected by this Article, the Secretary of State
42 shall render advisory opinions on specific questions involving the meaning and
43 application of this Article and the covered person's compliance therewith. The request
44 shall be in writing and relate prospectively to real or reasonably anticipated fact settings

1 or circumstances. The Secretary of State shall issue advisory opinions having
2 prospective application only. Reliance upon a requested written advisory opinion on a
3 specific matter shall immunize the covered person, on that matter, from both of the
4 following:

5 (1) Investigation by the Secretary of State.

6 (2) Any adverse action by the employing entity.

7 (b) Staff to the Secretary of State may issue advisory opinions under rules
8 adopted by the Secretary of State.

9 (c) The Secretary of State shall interpret the provisions of this Article by rules,
10 and these interpretations shall be binding on all covered persons, lobbyists, and
11 lobbyists' principal upon publication.

12 (d) The Secretary of State shall publish its advisory opinions at least once a year,
13 edited as necessary to protect the identities of the individuals requesting opinions.

14 (e) Except as provided under subsection (d) of this section, requests for advisory
15 opinions and advisory opinions issued pursuant to this section are confidential and not
16 matters of public record.

17 **"§ 120A-14. Lobbying education program.**

18 (a) The Secretary of State shall develop and implement a lobbying education and
19 awareness program designed to instill in all covered persons, lobbyists, and lobbyists'
20 principals a keen and continuing awareness of their obligations and a sensitivity to
21 situations that might result in real or potential violation of this Article or other related
22 laws. The Secretary shall make basic lobbying education and awareness presentations to
23 all covered persons upon their election, appointment or hiring and shall offer periodic
24 refresher presentations as the Secretary deems appropriate. Every covered person shall
25 participate in a lobbying presentation approved by the Secretary within six months of
26 the person's election, appointment or hiring, and shall attend refresher ethics education
27 presentations at least every two years thereafter in a manner the Secretary deems
28 appropriate. Upon request, the Secretary shall assist each agency in developing in-house
29 education programs and procedures necessary or desirable to meet the agency's
30 particular needs for lobbying education.

31 (b) The Secretary shall publish a newsletter containing summaries of the
32 Secretary's opinions, policies, procedures, and interpretive bulletins as issued from time
33 to time. The newsletter shall be distributed to all covered persons, lobbyists, and
34 lobbyists' principals. Publication under this subsection may be done electronically.

35 (c) The Secretary shall assemble and maintain a collection of relevant State laws,
36 rules, and regulations that set forth lobbying standards applicable to covered persons.
37 The collection of laws, rules and regulations shall be made available electronically as
38 resource material to covered persons, lobbyists and lobbyists' principals, upon request.

39 **"§ 120-15. No gift registry.**

40 (a) The Secretary of State shall establish a "No Gifts" registry for persons subject
41 to this Article. The "No Gifts" registry shall be published and updated with the list of
42 lobbyists and lobbyists' principals required under G.S. 120-47.2.

43 (b) Except as provided in this subsection, lobbyists and lobbyists' principals shall
44 not give unsolicited gifts allowed under G.S. 120-47.5A(a1)(2) to persons placing their

1 names on the registry, without the persons' expressed consent. Gifts of informational
2 directories may be given to persons placing their names on the registry.

3 (c) The Secretary shall have the authority to adopt rules to implement this section
4 in compliance with the following criteria:

5 (1) The registration is valid from the time the person registers until
6 January 1 of the following year, unless the person requests in writing
7 the removal of that person's name.

8 (2) The registration shall be in writing.

9 (d) Violations of this section shall not constitute a crime but shall be subject to
10 civil fines of up to five hundred dollars (\$500.00) as levied by the Secretary of State."

11 **SECTION 4.** Sections 2 and 3 of S.L. 2005-456 are repealed.

12 **SECTION 5.1.** G.S. 163-278.6 is amended by adding a new subsection to

13 read:

14 **"§ 163-278.6. Definitions.**

15 When used in this Article:

16 ...

17 (5a) The term 'Constitutional officers of the State' means officers whose
18 offices are established in Article III of the Constitution.

19 ..."

20 **SECTION 5.2.** Article 22A of Chapter 163 of the General Statutes is
21 amended by adding a new section G.S. 163-278.19A to read:

22 **"§ 163-278.13C. Limitation on contributions by registered lobbyists.**

23 (a) No lobbyist registered under Article 9A of Chapter 120 shall do any of the
24 following:

25 (1) Make or offer to make a contribution to a legislator, executive branch
26 official, or candidate campaign committee.

27 (2) Make a contribution to any candidate, officeholder, or political
28 committee, directing or requesting that the contribution be made in
29 turn to a legislator, executive branch official, or candidate campaign
30 committee.

31 (3) Transfer any amount of money or anything of value to any entity,
32 directing or requesting that the entity use what was transferred to
33 contribute to a legislator, executive branch officer, or candidate
34 campaign committee.

35 (4) Solicit a contribution from any individual, political committee, or other
36 entity on behalf of a legislator, executive branch official, or candidate
37 campaign committee. This subdivision does not apply to a registered
38 lobbyist soliciting a contribution on behalf of a political party
39 executive committee if the solicitation is solely for a separate
40 segregated fund kept by the political party limited to use for activities
41 that are not candidate-specific, including generic voter registration and
42 get-out-the-vote efforts, pollings, mailings, and other general activities
43 and advertising that do not refer to a specific individual candidate.

1 (b) No legislator, executive branch official, or candidate campaign committee or
2 the real or purported agent of that legislator, executive branch official, or candidate
3 campaign committee shall do any of the following:

4 (1) Solicit a contribution from a lobbyist registered under Article 9A of
5 Chapter 120 of the General Statutes.

6 (2) Solicit a third party, requesting or directing that the third party directly
7 or indirectly solicit a contribution from a lobbyist registered under
8 Article 9A of Chapter 120 of the General Statutes or relay to the
9 lobbyist registered under Article 9A of Chapter 120 of the General
10 Statutes the legislator's, executive branch official's, or candidate
11 campaign committee's solicitation of a contribution.

12 (3) Accept a contribution from a lobbyist registered under Article 9A of
13 Chapter 120 of the General Statutes.

14 (c) It shall not be deemed a violation of this section for a legislator or executive
15 branch official to serve on a board or committee of an organization that makes a
16 solicitation of a lobbyist registered under Article 9A of Chapter 120 of the General
17 Statutes as long as that legislator or executive branch official does not directly
18 participate in the solicitation and that legislator or executive branch official does not
19 directly benefit from the solicitation.

20 (d) As used in this section, the following terms mean:

21 (1) Candidate campaign committee. – As defined in G.S. 163-278.38Z and
22 that candidate has filed a notice of candidacy for office as a member of
23 the General Assembly or a Constitutional officer of the State.

24 (2) Executive branch official. – As defined in G.S. 120-47.1(1d)(a).

25 (3) Legislator. – As defined in G.S. 120-47.1(4d).

26 (e) A violation of this section is a Class 2 misdemeanor.

27 **SECTION 5.3.** G.S. 163-278.13B(a)(1) reads as rewritten:

28 "(1) ~~"Limited contributor" means a lobbyist registered pursuant to Article~~
29 ~~9A of Chapter 120 of the General Statutes, that lobbyist's agent, that~~
30 ~~lobbyist's principal as defined in G.S. 120-47.1(7), G.S. 120-47 or a~~
31 ~~political committee that employs or contracts with or whose parent~~
32 ~~entity employs or contracts with a lobbyist registered pursuant to~~
33 ~~Article 9A of Chapter 120 of the General Statutes."~~

34 **SECTION 6.** If any section or provision of this act is declared
35 unconstitutional or invalid by the courts, it does not affect the validity of this act as a
36 whole or any part other than the part so declared to be unconstitutional or invalid.

37 **SECTION 7.** Sections 1, 2, 6, and 7 of this act are effective when the act
38 becomes law, and the new G.S. 120-47.7C(d) applies to appointments made on or after
39 that date. The remainder of this act becomes effective January 1, 2007.