

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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SENATE BILL 612*
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Finance Committee Substitute Adopted 4/11/05
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Short Title: Amend Lobbying Laws.

(Public)

Sponsors:

Referred to:

March 17, 2005

A BILL TO BE ENTITLED

AN ACT TO AMEND THE LOBBYING LAWS BY INCREASING THE INFORMATION REQUIRED TO BE REPORTED ON LOBBYING ACTIVITIES WITHOUT LIMITING EXPENDITURES; BY REQUIRING MONTHLY REPORTING OF LEGISLATIVE LOBBYING DURING SESSIONS OF THE GENERAL ASSEMBLY AND QUARTERLY THEREAFTER; BY ESTABLISHING A WAITING PERIOD BEFORE CERTAIN STATE OFFICERS MAY LOBBY; BY BARRING LOBBYISTS FROM CERTAIN APPOINTMENTS AND OTHER ACTIVITIES; BY REQUIRING REGISTRATION AND QUARTERLY REPORTING OF LOBBYING ACTIVITIES OF EXECUTIVE BRANCH OFFICERS; AND BY CREATING A NO GIFTS REGISTRY.

The General Assembly of North Carolina enacts:

SECTION 1. Article 9A of Chapter 120 of the General Statutes reads as rewritten:

"Article 9A.

"Legislative Branch Lobbying.

"§ 120-47.1. Definitions.

~~For the purposes of this Article, the following terms shall have the meanings ascribed to them in this section unless the context clearly indicates a different meaning.~~ The following definitions shall apply in this Article:

- (1) The term "covered person" means a legislator, the Governor, or the Lieutenant Governor.

- 1 (1)(1a) The ~~terms "contribution," "compensation" and term~~ "expenditure"
2 ~~mean—means~~ any advance, contribution, conveyance, deposit,
3 distribution, payment, gift, retainer, fee, salary, honorarium,
4 reimbursement, loan, pledge or ~~anything thing~~ of value greater than ten
5 dollars (\$10.00), and ~~any or contracta~~ contract, agreement, promise or
6 other obligation whether or not legally enforceable, ~~but those terms do~~
7 ~~not include prizes, awards, or compensation not exceeding one~~
8 hundred dollars (\$100.00) in a calendar year that directly or indirectly
9 is made to, at the request of, for the benefit of, or on the behalf of a
10 covered person, legislative employee, or that person's immediate
11 family member.
- 12 (1b) The term "executive lobbyist" means a lobbyist registered pursuant to
13 Article 4C of Chapter 147 of the General Statutes.
- 14 (2), (3) Repealed by Session Laws 1991, c. 740, s. 1.1.
- 15 (3a) The term "immediate family member" means spouse, descendant, or
16 ascendant.
- 17 (4) The term "legislative action" means the preparation, research, drafting,
18 introduction, consideration, modification, amendment, approval,
19 passage, enactment, tabling, postponement, defeat, or rejection of a
20 bill, resolution, amendment, motion, report, nomination, appointment,
21 or other ~~matter—matter~~, whether or not the matter is identified by an
22 official title, general title, or other specific reference, by the legislature
23 or by a member or employee of the legislature acting or purporting to
24 act in an official capacity. It also includes the consideration of any bill
25 by the Governor for the Governor's approval or veto under Article II,
26 Section 22(1) of the Constitution or for the Governor to allow the bill
27 to become law under Article II, Section 22(7) of the Constitution.
- 28 (4a) The term "legislative employee" means employees and officers of the
29 General Assembly.
- 30 (4b) The term "legislative liaison personnel" means any State ~~officer or~~
31 ~~employee~~officer whose principal ~~duties—duties~~, in practice or as set
32 forth in that person's job ~~description—description~~, ~~involve—include~~
33 lobbying the General Assembly.
- 34 (4c) The term "legislative lobbyist" means any lobbyist for or against
35 legislative action.
- 36 (4d) The term "legislator" means a member of the General Assembly or a
37 person elected or appointed a member of the General Assembly prior
38 to taking office.
- 39 (5) The term "lobbying" ~~means; means~~ any of the following:
40 a. Influencing or attempting to influence legislative action through
41 direct ~~oral or written~~ communication or activities with a
42 ~~member of the General Assembly; or~~ covered person, legislative
43 employee, or that person's immediate family member.

- 1 b. Solicitation of others by legislative lobbyists or lobbyists'
 2 principals to influence legislative action.
 3 c. Developing goodwill through communications or activities,
 4 including the building of relationships, with a covered person,
 5 legislative employee, or that person's immediate family with the
 6 intention of influencing current or future legislative action, but
 7 does not include communications or activities with a covered
 8 person, legislative employee, or that person's immediate family
 9 member in a business, civic, religious, fraternal, or commercial
 10 relationship which is not connected to legislative action.

11 (6) The term "lobbyist" means an individual ~~who~~who meets any of the
 12 following criteria:

- 13 a. Is employed and receives compensation, or who contracts for
 14 economic consideration, for the purpose of ~~lobbying;~~
 15 ~~or~~lobbying.
 16 b. Represents another person and receives compensation for the
 17 purpose of lobbying.
 18 c. Is legislative liaison personnel.

19 The term "lobbyist" shall not include those individuals who are
 20 specifically exempted from this Article by G.S. 120-47.8. For the
 21 purpose of determining whether an individual is a lobbyist under this
 22 subdivision, reimbursement of actual travel and subsistence expenses
 23 shall not be considered compensation; provided, however, that
 24 reimbursement in the ordinary course of business of these expenses
 25 shall be considered compensation if a significant part of the
 26 individual's duties involve lobbying before the General Assembly.

27 (7) The terms "lobbyist's principal" and "principal" mean the ~~entity~~
 28 ~~in person on~~ person on whose behalf the legislative lobbyist influences or
 29 ~~attempts to influence legislative action.~~lobbies. In the case where a
 30 lobbyist is compensated by a law firm, consulting firm, or other entity
 31 retained by a person for legislative lobbying, the principal is the person
 32 whose interests the lobbyist represents in lobbying.

33 (8) The term "person" means any individual, firm, partnership, committee,
 34 association, corporation, business entity, or any other organization or
 35 group of ~~persons.~~persons which has an independent legal existence.

36 (9) The General Assembly is in "regular session" from the date set by law
 37 or resolution that the General Assembly convenes until the General
 38 Assembly either:

- 39 a. Adjourns sine die; or
 40 b. Recesses or adjourns for more than 10 days.

41 **"§ 120-47.2. Registration procedure.**

42 (a) A legislative lobbyist shall file a registration statement with the Secretary of
 43 State before engaging in any ~~lobbying.~~lobbying in a manner prescribed by the Secretary
 44 of State. It shall be unlawful for a person to lobby without registering unless exempted

1 by this Article. A separate registration statement is required for each lobbyist's
2 principal. The registration shall indicate whether it is registration as a legislative
3 lobbyist, executive lobbyist, or both, and a separate registration fee shall be paid for
4 each separate type of registration.

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

13 (c) Each legislative lobbyist shall register againfile an amended registration form
14 with the Secretary of State no later than 10 days after any change in the information
15 supplied in his the legislative lobbyist's last registration under subsection (b). Each
16 supplementary registration shall include a complete statement of the information that
17 has changed.

18 (d) Within 20 days after the convening of each session of the General Assembly,
19 the Secretary of State shall furnish each member of the General Assembly and the State
20 Legislative Library a list of all persons who have registered as executive or legislative
21 lobbyists and whom they represent. Within 20 days after the beginning of the term of a
22 Governor, the Secretary of State shall furnish the Governor, each other member of the
23 Council of State, the head of each principal department of the Executive Branch, and the
24 State Legislative Library a list of all persons who have registered as executive or
25 legislative lobbyists and whom they represent. A supplemental list of legislative
26 lobbyists shall be furnished periodically each 20 days thereafter as the session
27 progresses. A supplemental list of executive lobbyists shall be furnished periodically
28 each 60 days thereafter. For each special session of the General Assembly, a
29 supplemental list of legislative lobbyists shall be furnished to the State Legislative
30 Library. All lists required by this section may be furnished electronically.

31 (e) Each registration statement of a legislative lobbyist required under this
32 Article shall be effective from the date of filing until January 1 of the following
33 ~~odd numbered~~ year. The legislative lobbyist shall file a new registration statement after
34 that date, and the applicable fee shall be due and payable.

35 **"§ 120-47.3. Registration fee.**

36 (a) Every ~~lobbyist's principal~~legislative lobbyist shall pay to the Secretary of
37 State a fee of ~~two hundred dollars (\$200.00)~~ one hundred dollars (\$100.00) ~~that is due~~
38 ~~and payable by either the lobbyist or the lobbyist's principal~~ at the time of registration.

39 (b) A separate registration, together with a separate registration fee of ~~two~~
40 ~~hundred dollars (\$200.00)~~ one hundred dollars (\$100.00), is required for each lobbyist's
41 principal for which a person acts as a legislative lobbyist. If the lobbyist's principal is
42 also registering a person to act as an executive lobbyist, the fee shall be seventy-five
43 dollars (\$75.00). No lobbyist's principal may be charged a registration fee for legislative
44 lobbying more than one time per year.

1 (c) Fees so collected shall be deposited in the General Fund of the State. The
2 Secretary of State may allow fees required under this section to be paid electronically
3 but may not require those fees to be paid electronically.

4 (d) The Secretary of State shall adopt rules providing for the reduction down to
5 twenty-five dollars (\$25.00) of the fees required by this section if the legislative
6 lobbyist's principal required to pay the fee has annual revenue of three hundred
7 thousand dollars (\$300,000) or less and has no more than two registered legislative
8 lobbyists. The Secretary of State shall also adopt rules providing for the waiver of the
9 fees required by this section in cases of hardship. The rules adopted under this section
10 shall provide that if the lobbyist's principal receiving the reduced fee or waived fee is
11 registering a person to act as both executive and legislative lobbyist, the reduced or
12 waived fee shall cover the cost of registering both.

13 **"§ 120-47.4. Written authority from lobbyist's principal to be filed.**

14 Each legislative lobbyist shall file with the Secretary of State within 10 days after his
15 the legislative lobbyist's registration a written authorization to act as such, signed by the
16 lobbyist's principal.

17 **"§ 120-47.5. Contingency lobbying fees and election influence prohibited.**

18 (a) No person shall act as a legislative lobbyist for compensation that is
19 dependent upon the result or outcome of any legislative action, which is dependent in
20 any manner upon the passage or defeat of any proposed legislation or upon any other
21 contingency connected with any action of the General Assembly, the House, the Senate
22 or any committee thereof.

23 (b) No person legislative lobbyist or legislative lobbyist's principal shall attempt
24 to influence the action of any member of the General Assembly covered person by the
25 promise of financial support of the member's covered person's candidacy, or by threat of
26 financial contribution support in opposition to the member's covered person's candidacy
27 in any future election.

28 **"§ 120-47.5A. Exemptions and inclusions for reporting purposes.**

29 (a) For purposes of G.S. 120-47.6 and G.S. 120-47.7, the following expenditures
30 need not be reported:

31 (1) Gifts from an immediate family member or person who is the child,
32 stepchild, parent, sibling, mother-in-law, father-in-law, son-in-law,
33 daughter-in-law, grandparent, or grandchild of the covered person or
34 legislative employee.

35 (2) Lawful campaign contributions.

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

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

41 (2) Contractual arrangements or direct business relationships between a
42 legislative lobbyist or legislative lobbyist's principal and a covered
43 person, legislative employee, or that person's immediate family

1 member, in effect during the reporting period or the previous 12
2 months.

3 (3) Expenditures reimbursed to a legislative lobbyist in the ordinary
4 course of business by the lobbyist's principal or other employer.

5 (c) For reporting purposes of G.S. 120-47.6 and G.S. 120-47.7, only legislative
6 lobbying with respect to the legislative actions of the Governor and Lieutenant
7 Governor shall be reported.

8 **"§ 120-47.6. Statements of legislative lobbyist's lobbying expenses–expenditures**
9 **required.**

10 (a) ~~Each legislative lobbyist shall file an expense report with the Secretary of~~
11 ~~State with respect to each principal within 60 days after the last day of the regular~~
12 ~~session. This expense report shall include all expenditures made between January 1 and~~
13 ~~the last day of the regular session. The lobbyist shall file a supplemental report~~
14 ~~including all expenditures made after the last day of the regular session, but during the~~
15 ~~calendar year, by February 28 of the following year. monthly expenditure reports under~~
16 ~~oath with the Secretary of State, in a manner prescribed by the Secretary of State, which~~
17 ~~may include electronic reports, with respect to each lobbyist's principal, while the~~
18 ~~General Assembly is in regular session, and quarterly thereafter. The expenditure report~~
19 ~~shall include all expenditures during the reporting period and shall be due 10 business~~
20 ~~days after the end of the reporting period. The legislative lobbyist shall file both~~
21 ~~expense reports whether or not expenditures are made.~~

22 (b) ~~Each expense–expenditure report shall set forth the date of each expenditure,~~
23 ~~to whom paid, the name of any legislator who benefitted from each expenditure, and the~~
24 ~~amount of each expenditure made during the previous reporting period in connection~~
25 ~~with lobbying, in each of the following categories: (1) transportation, (2) lodging, (3)~~
26 ~~entertainment, (4) food, (5) any item having a cash equivalent value of more than~~
27 ~~twenty five dollars (\$25.00) and (6) contributions made, paid, incurred or promised,~~
28 ~~directly or indirectly. It shall not be necessary to report expenditures of twenty five~~
29 ~~dollars (\$25.00) or less, nor shall it be necessary to report any expenditures made in~~
30 ~~connection with the attendance of a legislator at any fund raising function or event~~
31 ~~sponsored by a nonprofit organization qualified under 26 U.S.C. § 501(c). When more~~
32 ~~than 10 members of the General Assembly benefitted or were invited to benefit from an~~
33 ~~expenditure, the lobbyist shall not be required to report the name of any legislator, but~~
34 ~~shall be required to report the number of legislators or, with particularity, the basis for~~
35 ~~their selection.~~
36 ~~amount, date, a description of the expenditure, name and address of the~~
37 ~~payee, and name of any covered person, legislative employee, or that person's~~
38 ~~immediate family member benefiting from the expenditure. Such expenditures shall be~~
39 ~~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 In addition, expenses for the solicitation of others to lobby, whether or not a covered
2 person, legislative employee, or family member is affected, shall be reportable if such
3 expenses are incurred in connection, or in concert, with other expenditures reportable
4 under this subsection.

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

16 (d) When a legislative lobbyist fails to file a lobbying expensean expenditure
17 report as required herein, in this section, the Secretary of State shall send a certified or
18 registered letter advising the legislative lobbyist of the delinquency and the penalties
19 provided by law. Within 20 days of the receipt of the letter, the legislative lobbyist shall
20 deliver or post by United States mail to the Secretary of State the required report and an
21 additional late filing fee in an amount equal to the late filing fee under
22 G.S. 163-278.34(a)(2).

23 (e) Filing of the required report and payment of the additional fee within the time
24 extended shall constitute compliance with this section. Failure to file an expense
25 expenditure report in one of the manners prescribed herein, in this section shall result in
26 revocation of any and all registrations of a legislative lobbyist under this Article. No
27 legislative lobbyist may register or reregister under this Article until he the legislative
28 lobbyist has fully complied with this section.

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

31 (g) The Secretary of State may adopt rules to facilitate complete and timely
32 disclosure of expenditures, including the format of reports and additional categories of
33 information, and to protect the addresses of payees under protective order issued
34 pursuant to Chapter 50B of the General Statutes or participating in the Address
35 Confidentiality Program pursuant to Chapter 15C of the General Statutes.

36 **"§ 120-47.7. Statements of legislative lobbyist's principal lobbying expenses**
37 **expenditures required.**

38 (a) Each legislative lobbyist's principal shall file an expense report with the
39 Secretary of State within 60 days after the last day of the regular session. This expense
40 report shall include all expenditures made between January 1 and the last day of the
41 regular session. The principal shall file a supplemental expense report, including all
42 expenditures made after the last day of the regular session, but during the calendar year,
43 by February 28 of the following year. monthly expenditure reports under oath with the
44 Secretary of State, in a manner prescribed by the Secretary of State, which may include

1 electronic reports, while the General Assembly is in regular session, and quarterly
2 thereafter. The expenditure report shall include all expenditures during the reporting
3 period and shall be due 10 business days after the end of the reporting period. The
4 lobbyist's principal shall file both ~~expense~~ the expenditure reports whether or not
5 expenditures are made during a reporting period.

6 (b) ~~Each expense-expenditure report shall set forth the name and address of each~~
7 ~~lobbyist employed, appointed, or retained by the lobbyist's principal, the date of each~~
8 ~~expenditure made, to whom paid, name of any legislator who benefitted from each~~
9 ~~expenditure, and amount of each expenditure made during the previous reporting period~~
10 ~~in connection with lobbying, in each of the following categories: (1) transportation, (2)~~
11 ~~lodging, (3) entertainment, (4) food, (5) any item having a cash equivalent value of~~
12 ~~more than twenty-five dollars (\$25.00), (6) contributions made, paid, incurred or~~
13 ~~promised, directly or indirectly, and (7) compensation to lobbyists in connection with~~
14 ~~their lobbying activities. It shall not be necessary to report expenditures of twenty five~~
15 ~~dollars (\$25.00) or less, nor shall it be necessary to report any expenditures made in~~
16 ~~connection with the attendance of a legislator at any fund raising function or event~~
17 ~~sponsored by a nonprofit organization qualified under 26 U.S.C. § 501(c). When more~~
18 ~~than 10 members of the General Assembly benefitted or were invited to benefit from an~~
19 ~~expenditure, the principal shall not be required to report the name of any legislator, but~~
20 ~~shall be required to report the number of legislators or the basis for their selection. In~~
21 ~~the category of compensation to lobbyists the principal shall estimate and report the~~
22 ~~compensation paid or promised directly or indirectly, to all lobbyists based on the~~
23 ~~estimated time, effort and expense in connection with lobbying activities on behalf of~~
24 ~~the principal. If a lobbyist is a full time employee of the principal, or is compensated by~~
25 ~~means of an annual fee or retainer, the principal shall estimate and report the portion of~~
26 ~~all such lobbyists' salaries or retainers that compensate the lobbyists for lobbying.~~
27 ~~amount, date, a description of the expenditure, name and address of the payee, and name~~
28 ~~of any covered person, legislative employee, or that person's immediate family member~~
29 ~~affected by the expenditure. Such expenditures shall be reported using the following~~
30 ~~categories:~~

- 31 (1) Transportation and lodging.
- 32 (2) Entertainment, food, and beverages.
- 33 (3) Meetings and events.
- 34 (4) Gifts.
- 35 (5) Other expenditures.

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

40 In addition, the compensation paid or agreed to be paid to all legislative lobbyists
41 shall be reported, whether or not a covered person, legislative employee, or family
42 member is affected. If a legislative lobbyist is a full-time employee of the lobbyist's
43 principal, or is compensated by means of an annual fee or retainer, the lobbyist's
44 principal shall estimate and report the portion of the salary, fee, or retainer that

1 compensates for lobbying. The lobbyist's principal's expenditure report shall include an
2 itemized description of all expenditures reimbursed or paid to legislative lobbyists for
3 lobbying that are not reported on the legislative lobbyists' reports.

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

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

21 (e) Filing of the required report and payment of the late fee within the time
22 extended shall constitute compliance with this section. Failure to file an expenditure
23 report in one of the manners prescribed in this section shall result in revocation of any
24 and all registrations of a lobbyist's principal under this Article. No lobbyist's principal
25 may register or reregister under this Article until the lobbyist's principal has fully
26 complied with this section.

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

29 (g) The Secretary of State may adopt rules to facilitate complete and timely
30 disclosure of expenditures, including the format of reports and additional categories of
31 information, and to protect the addresses of payees under protective order issued
32 pursuant to Chapter 50B of the General Statutes or participating in the Address
33 Confidentiality Program pursuant to Chapter 15C of the General Statutes.

34 **"§ 120-47.7B. Powers and duties of the Secretary of State.**

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

38 (b) The Secretary of State may petition the Superior Court of Wake County for
39 the approval to issue subpoenas and subpoenas duces tecum as necessary to conduct
40 investigations of violations of this Article. The court shall authorize subpoenas under
41 this subsection when the court determines they are necessary for the enforcement of this
42 Article. Subpoenas issued pursuant to this subsection shall be enforceable by the court
43 through contempt powers. Venue shall be with the Superior Court of Wake County for

1 any nonresident person, or that person's agent, who makes a reportable expenditure
2 under this Article, and personal jurisdiction may be asserted under G.S. 1-75.4.

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

6 **"§ 120-47.7C. Prohibitions.**

7 (a) No member or former member of the General Assembly may be employed as
8 an executive or legislative lobbyist by a lobbyist's principal to lobby as defined in this
9 Article or Article 4C of Chapter 147 of the General Statutes within 60 days after the end
10 of that member's service in the General Assembly.

11 (b) No person serving as Governor, as a member of the Council of State, or as a
12 head of a principal State department listed in G.S. 143B-6 may be employed as an
13 executive or legislative lobbyist by a lobbyist's principal to lobby as defined in this
14 Article or Article 4C of Chapter 147 of the General Statutes within 60 days after
15 separation from employment or leaving office.

16 (c) No individual registered as a legislative lobbyist shall serve as a campaign
17 treasurer under Chapter 163 of the General Statutes for a campaign for election as a
18 member of the General Assembly.

19 (d) A legislative or executive lobbyist shall not be eligible for appointment by a
20 State official to any body created under the laws of this State that has regulatory
21 authority over the activities of a person that the lobbyist represented within 60 days after
22 the expiration of the lobbyist's registration representing that person. Nothing herein
23 shall be construed to prohibit appointment by any unit of local government.

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

28 **"§ 120-47.8. Persons exempted from provisions of Article.**

29 The~~Except~~ as otherwise provided in this Article, the provisions of this Article shall
30 not be construed to apply to any of the following:

- 31 (1) An individual, not acting as a lobbyist, individual solely engaged in
32 expressing a personal opinion or stating facts or recommendations on
33 legislative matters to his own legislative delegation or other members
34 of the General Assembly. Assembly and not acting as a legislative
35 lobbyist.
- 36 (2) A person appearing before a legislative committee at the invitation or
37 request of the committee or a member thereof and who engages in no
38 further activities as a legislative lobbyist in connection with that or any
39 other legislative matter. lobbyist.
- 40 (3) a. A duly elected or appointed official or employee of the State,
41 the United States, a county, municipality, school district or
42 other governmental agency, when appearing solely in
43 connection with matters pertaining to his the office and public
44 duties.

- 1 b. Notwithstanding the persons exempted in this Article, the
2 Governor, Council of State, and all appointed heads of State
3 departments, agencies and institutions, shall designate all
4 authorized official legislative liaison personnel and shall file
5 and maintain current lists of designated legislative liaison
6 personnel with the Secretary of State and shall likewise file
7 with the Secretary of State a full and accurate accounting of all
8 money expended on lobbying, other than the salaries of regular
9 full-time employees, at the same times lobbyists are required to
10 file expense reports under G.S. 120-47.6.State.
- 11 (4) A person performing professional services in drafting bills or in
12 advising and rendering opinions to clients, or to legislators covered
13 persons on behalf of clients, as to the construction and effect of
14 proposed or pending legislation where the professional services are not
15 otherwise, directly or indirectly, otherwise connected with legislative
16 action.
- 17 (5) A person who owns, publishes or is employed by any news medium
18 while engaged in the acquisition or dissemination of news on behalf of
19 the news medium.
- 20 (6) Repealed by Session Laws 1991, c. 740, s. 1.1.
- 21 (7) ~~Members of the General Assembly.~~ Covered persons and legislative
22 employees.
- 23 (8) A person responding to inquiries from a member of the General
24 Assembly or a legislative employee, and who engages in no further
25 activities as a legislative lobbyist in connection with that or any other
26 legislative matter.
- 27 (9) ~~An individual giving facts or recommendations pertaining to~~
28 ~~legislative matters to his own legislative delegation only.~~ An employee
29 who represents the employer's interests in legislative action for no
30 more than three hours in a quarter, provided that neither the employee
31 nor the employer makes any expenditure as defined in G.S. 120-47.1.

32 "**§ 120-47.8A. Expenditures made by persons exempted or not covered by this**
33 **Article.**

34 (a) If a covered person or a legislative employee accepts an expenditure made for
35 the purpose of lobbying valued over two hundred dollars (\$200.00) from a person or
36 group of persons acting together, exempted or not otherwise covered by this Article, the
37 person, or group of persons, making the expenditure shall report the date, a description
38 of the expenditure, the name and address of the person, or group of persons, making the
39 expenditure, the name of the covered person or legislative employee accepting the
40 expenditure, and the estimated fair market value of the expenditure.

41 (b) If the person making the expenditure in subsection (a) of this section is
42 outside North Carolina, the covered person or legislative employee accepting the
43 expenditure shall be responsible for filing the report.

1 (c) If a covered person or a legislative employee accepts a scholarship valued
2 over two hundred dollars (\$200.00) from a person, or group of persons, acting together,
3 exempted or not covered by this Article, the person, or group of persons, granting the
4 scholarship shall report the date of the scholarship, a description of the event involved,
5 the name and address of the person, or group of persons, granting the scholarship, the
6 name of the covered person or legislative employee accepting the scholarship, and the
7 estimated fair market value.

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

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

12 (1) Lawful campaign contributions.

13 (2) Any gift from a family member to a covered person or legislative
14 employee.

15 (3) Gifts associated primarily with the covered person's, legislative
16 employee's, or that person's immediate family member's nonlegislative
17 employment.

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

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

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

26 **"§ 120-47.9. Punishment for violation.**

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

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

34 **"§ 120-47.10. Enforcement of Article by Attorney General.**

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

41 **"§ 120-47.11. Rules and forms.**

42 The Secretary of State shall ~~make, amend, and rescind~~ adopt any rules, orders, forms,
43 and definitions as are necessary to carry out the provisions of this Article. The Secretary

1 of State may appoint a council to advise the Secretary in adopting rules under this
2 section.

3 **"§ 120-47.12. Limitations on agency legislative ~~liaisons~~ liaison personnel.**

4 (a) No ~~principal~~-State department may use State funds to contract with persons
5 who are not employed by the State to lobby the General Assembly.

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

9 (c) All persons designated as legislative liaison personnel pursuant to this Article
10 and the State department or constituent institution of The University of North Carolina
11 that employs the legislative liaison personnel shall report all expenditures made for
12 lobbying purposes in the same manner as required for legislative lobbyists under
13 G.S. 120-47.6 and lobbyists' principals under G.S. 120-47.7."

14 **SECTION 2.** Chapter 147 of the General Statutes is amended by adding a
15 new Article to read:

16 "Article 4C.

17 "Executive Branch Lobbying.

18 **"§ 147-54.31. Definitions.**

19 The following definitions shall apply in this Article:

- 20 (1) The term "executive action" means the preparation, research, drafting,
21 introduction, consideration, modification, amendment, approval,
22 passage, adoption, tabling, postponement, defeat, or rejection of a rule,
23 regulation, executive order, policy, resolution, contract, request for
24 proposal, amendment, motion, report, nomination, or appointment by
25 the executive branch or by a member or employee of the executive
26 branch acting or purporting to act in an official capacity. This term
27 shall not include any action by an attorney representing a client with
28 respect to the executive action.
- 29 (2) The term "executive branch officers" means the Governor, any
30 member of the Council of State, and heads of those departments listed
31 in G.S. 143B-6 and those persons' deputy secretaries, and the Board of
32 Governors and the presidents of the universities of The University of
33 North Carolina System.
- 34 (3) The term "executive lobbyist" means any lobbyist for or against
35 executive action.
- 36 (4) The term "expenditure" means any advance, contribution, conveyance,
37 deposit, distribution, payment, gift, retainer, fee, salary, honorarium,
38 reimbursement, loan, pledge, or thing of value greater than ten dollars
39 (\$10.00), or a contract, agreement, promise, or other obligation
40 whether or not legally enforceable, that directly or indirectly is made
41 to, at the request of, for the benefit of, or on the behalf of an executive
42 branch officer or that person's immediate family member.
- 43 (5) The term "immediate family member" means spouse, descendant, or
44 ascendant.

- 1 (6) The term "lobbying" means any of the following:
2 a. Influencing or attempting to influence executive action through
3 direct communication or activities with an executive branch
4 officer.
5 b. Solicitation of others by an executive lobbyist or lobbyist's
6 principal to influence executive action.
7 c. Developing executive goodwill through communications or
8 activities, including the building of relationships, with an
9 executive branch officer or that person's immediate family with
10 the intention of influencing current or future executive action,
11 but does not include communications or activities with
12 executive branch officers or that person's immediate family
13 member in a business, civic, religious, fraternal, or commercial
14 relationship which is not connected to executive action.

- 15 (7) The term "lobbyist" means an individual who meets any of the
16 following criteria:
17 a. Is employed and receives compensation, or who contracts for
18 economic consideration, for the purpose of lobbying.
19 b. Represents another person and receives compensation for the
20 purpose of lobbying.

21 The term "lobbyist" shall not include those individuals who are
22 specifically exempted from this Article by G.S. 147-54.40. For the
23 purpose of determining whether an individual is an executive lobbyist
24 under this subdivision, reimbursement of actual travel and subsistence
25 expenses shall not be considered compensation; provided, however,
26 that reimbursement in the ordinary course of business of these
27 expenses shall be considered compensation if a significant part of the
28 individual's duties involves executive lobbying.

- 29 (8) The terms "lobbyist's principal" and "principal" mean the person on
30 whose behalf the executive lobbyist lobbies. In the case where a
31 lobbyist is compensated by a law firm, consulting firm, or other entity
32 retained by a person for executive lobbying, the principal is the person
33 whose interests the lobbyist represents in lobbying.

- 34 (9) The term "person" means any individual, firm, partnership, committee,
35 association, corporation, business entity, or any other organization or
36 group of persons which has an independent legal existence.

37 **§ 147-54.32. Registration procedure.**

38 (a) An executive lobbyist shall file a registration statement with the Secretary of
39 State before engaging in any lobbying in a manner prescribed by the Secretary of State.
40 It shall be unlawful for a person to lobby without registering unless exempted by this
41 Article. A separate registration statement is required for each lobbyist's principal. The
42 registration shall indicate whether it is registration as a legislative lobbyist, executive
43 lobbyist, or both, and a separate registration fee shall be paid for each separate type of
44 registration.

1 (b) The form of the registration shall be prescribed by the Secretary of State and
2 shall include the registrant's full name, firm, and complete address and telephone
3 number; the registrant's place of business; the full name and complete address and
4 telephone number of each person by whom the registrant is employed or retained; and a
5 general description of the matters on which the registrant expects to act as an executive
6 lobbyist. The Secretary of State shall make available as soon as practicable the
7 registrations of the lobbyists and lobbyists' principals in an electronic, searchable
8 format.

9 (c) Each executive lobbyist shall file an amended registration form with the
10 Secretary of State no later than 10 business days after any change in the information
11 supplied in the executive lobbyist's last registration under subsection (b) of this section.
12 Each supplementary registration shall include a complete statement of the information
13 that has changed.

14 (d) Each registration statement of an executive lobbyist required under this
15 Article shall be effective from the date of filing until January 1 of the following year.
16 The executive lobbyist shall file a new registration statement after that date.

17 **"§ 147-54.33. Registration fee.**

18 (a) Every executive lobbyist shall pay to the Secretary of State a fee of one
19 hundred dollars (\$100.00) at the time of registration.

20 (b) A separate registration, together with a separate registration fee of one
21 hundred dollars (\$100.00), is required for each lobbyist's principal for which a person
22 acts as an executive lobbyist. If the lobbyist's principal is also registering a person to act
23 as a legislative lobbyist, the fee shall be seventy-five dollars (\$75.00). No lobbyist's
24 principal may be charged a registration fee for executive lobbying more than one time
25 per year.

26 (c) Fees so collected shall be deposited in the General Fund of the State. The
27 Secretary of State may allow fees required under this section to be paid electronically,
28 but may not require those fees to be paid electronically.

29 (d) The Secretary of State shall adopt rules providing for the reduction down to
30 twenty-five dollars (\$25.00) of the fees required by this section if the executive
31 lobbyist's principal required to pay the fee has annual revenue of three hundred
32 thousand dollars (\$300,000) or less and has no more than two registered executive
33 lobbyists. The Secretary of State shall also adopt rules providing for the waiver of the
34 fees required by this section in cases of hardship. The rules adopted under this section
35 shall provide that if the lobbyist's principal receiving the reduced fee or waived fee is
36 registering a person to act as both executive and legislative lobbyist, the reduced or
37 waived fee shall cover the cost of registering both.

38 **"§ 147-54.34. Written authority from lobbyist's principal to be filed.**

39 Each executive lobbyist shall file with the Secretary of State within 10 business days
40 after the executive lobbyist's registration a written authorization to act as such, signed
41 by the lobbyist's principal.

42 **"§ 147-54.35. Contingency lobbying fees and election influence prohibited.**

43 (a) No person shall act as an executive lobbyist for compensation that is
44 dependent upon the result or outcome of any executive action.

1 (b) No executive lobbyist or executive lobbyist's principal shall attempt to
2 influence the action of an executive branch officer by the promise of financial support
3 of the executive branch officer's candidacy or appointment, or by threat of financial
4 support in opposition to the executive branch officer's candidacy in any future election
5 or future reappointment.

6 **"§ 147-54.36. Exemptions and inclusions for reporting purposes.**

7 (a) For purposes of G.S. 147-54.37 and G.S. 147-54.38, the following
8 expenditures need not be reported:

9 (1) Gifts from an immediate family member or person who is the child,
10 stepchild, parent, sibling, mother-in-law, father-in-law, son-in-law,
11 daughter-in-law, grandparent, or grandchild of the executive branch
12 officer.

13 (2) Lawful campaign contributions.

14 (b) For purposes of G.S. 147-54.37 and G.S. 147-54.38, all expenditures made
15 for the purpose of lobbying need to be reported, including:

16 (1) Expenditures benefiting or made on behalf of an executive branch
17 officer or that person's immediate family members, in the regular
18 course of that person's nonexecutive employment.

19 (2) Contractual arrangements or direct business relationships between an
20 executive lobbyist or executive lobbyist's principal and an executive
21 branch officer or that person's immediate family member, in effect
22 during the reporting period or the previous 12 months.

23 (3) Expenditures reimbursed to an executive lobbyist in the ordinary
24 course of business by the lobbyist's principal or other employer.

25 (c) For reporting purposes of G.S. 147-54.37 and G.S. 147-54.38, only executive
26 lobbying with respect to the executive actions of the Governor and Lieutenant Governor
27 shall be reported.

28 **"§ 147-54.37. Statements of executive lobbyist's lobbying expenditures required.**

29 (a) Each executive lobbyist shall file quarterly expenditure reports under oath
30 with the Secretary of State, in a manner prescribed by the Secretary of State, which may
31 include electronic reports, with respect to each lobbyist's principal within 10 business
32 days after the end of the reporting period. The expenditure report shall include all
33 expenditures during the reporting period. The executive lobbyist shall file an
34 expenditure report whether or not expenditures are made.

35 (b) Each expenditure report shall set forth the amount, date, a description of the
36 expenditure, name and address of the payee, and name of any executive branch officer,
37 or that person's immediate family member benefiting by the expenditure. Such
38 expenditures shall be 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 In addition, expenses for the solicitation of others to lobby, whether or not an
2 executive branch officer or that person's immediate family member is affected, shall be
3 reportable if such expenses are incurred in connection, or in concert, with other
4 expenditures reportable under this subsection.

5 (c) All reports shall be in the form prescribed by the Secretary of State and shall
6 be open to public inspection upon filing. When more than 15 executive branch officers
7 benefit from an expenditure, no names of individuals need be reported, provided that the
8 report identifies the approximate number of executive branch officers benefiting and,
9 with particularity, the basis for their selection. The approximate number of immediate
10 family members who benefited from the expenditure shall be listed separately.

11 (d) When an executive lobbyist fails to file an expenditure report as required in
12 this section, the Secretary of State shall send a certified or registered letter advising the
13 executive lobbyist of the delinquency and the penalties provided by law. Within 20 days
14 of the receipt of the letter, the executive lobbyist shall deliver or post by United States
15 mail to the Secretary of State the required report and an additional late filing fee in an
16 amount equal to the late filing fee under G.S. 163-278.34(a)(2).

17 (e) Filing of the required report and payment of the additional fee within the time
18 extended shall constitute compliance with this section. Failure to file an expense report
19 in one of the manners prescribed herein shall result in revocation of any and all
20 registrations of an executive lobbyist under this Article. No executive lobbyist may
21 register or reregister under this Article until the executive lobbyist has fully complied
22 with this section.

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

25 (g) The Secretary of State may adopt rules to facilitate complete and timely
26 disclosure of expenditures, including the format of reports and additional categories of
27 information, and to protect the addresses of payees under protective order issued
28 pursuant to Chapter 50B of the General Statutes or participating in the Address
29 Confidentiality Program pursuant to Chapter 15C of the General Statutes.

30 **"§ 147-54.38. Statements of lobbyist's principal lobbying expenses required.**

31 (a) Each executive lobbyist's principal shall file quarterly expenditure reports
32 under oath with the Secretary of State, in a manner prescribed by the Secretary of State,
33 which may include electronic reports, within 10 business days after the end of the
34 reporting period. The expenditure report shall include all expenditures during the
35 reporting period. The lobbyist's principal shall file an expenditure report whether or not
36 expenditures are made during a reporting period.

37 (b) Each expenditure report shall set forth the amount, date, a description of the
38 expenditure, name and address of the payee, and name of any executive branch officers,
39 or that person's immediate family member affected by the expenditure. Such
40 expenditures shall be reported using the following categories:

- 41 (1) Transportation and lodging.
- 42 (2) Entertainment, food, and beverages.
- 43 (3) Meetings and events.
- 44 (4) Gifts.

1 (5) Other expenditures.

2 In addition, expenses for the solicitation of others to lobby, whether or not an
3 executive branch officer or that person's immediate family member is affected, shall be
4 reportable if such expenses are incurred in connection, or in concert, with other
5 expenditures reportable under this subsection.

6 (c) All reports shall be in the form prescribed by the Secretary of State and open
7 to public inspection upon filing. When more than 15 executive branch officers benefit
8 from an expenditure, no names of individuals need be reported provided that the report
9 identifies the approximate number of executive branch officers benefiting and, with
10 particularity, the basis for their selection. The approximate number of immediate family
11 members who benefited from the expenditure shall be listed separately.

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

18 (e) Filing of the required report and payment of the late fee within the time
19 extended shall constitute compliance with this section. Failure to file an expense report
20 in one of the manners prescribed herein shall result in revocation of any and all
21 registrations of an executive lobbyist's principal under this Article. No executive
22 lobbyist's principal may register or reregister under this Article until the executive
23 lobbyist's principal has fully complied with this section.

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

26 (g) The Secretary of State may adopt rules to facilitate complete and timely
27 disclosure of expenditures, including the format of reports and additional categories of
28 information, and to protect the addresses of payees under protective order issued
29 pursuant to Chapter 50B of the General Statutes or participating in the Address
30 Confidentiality Program pursuant to Chapter 15C of the General Statutes.

31 **"§ 147-54.39. Powers and duties of the Secretary of State.**

32 (a) The Secretary of State shall perform systematic reviews of reports required to
33 be filed under G.S. 147-54.37 and G.S. 147-54.38 on a regular basis to assure complete
34 and timely disclosure of expenditures.

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

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

4 **"§ 147-54.40. Persons exempted from provisions of Article.**

5 Except as otherwise provided in this Article, the provisions of this Article shall not
6 be construed to apply to any of the following:

- 7 (1) An individual solely engaged in expressing a personal opinion on an
8 executive action and not acting as an executive lobbyist.
- 9 (2) A person appearing before a committee, commission, board, council,
10 or other collective body at the invitation or request of the collective
11 body or a member thereof and who engages in no further activities as
12 an executive lobbyist in connection with that or any other executive
13 action.
- 14 (3) A duly elected or appointed official or employee of the State, the
15 United States, a county, municipality, school district, or other
16 governmental agency, when appearing solely in connection with
17 matters pertaining to the office and its public duties.
- 18 (4) A person performing professional services in advising and rendering
19 opinions to clients, or to executive branch officers on behalf of clients,
20 as to the construction and effect of proposed or pending executive
21 action where the professional services are not otherwise connected
22 with executive action.
- 23 (5) A person who owns, publishes, or is employed by any news medium
24 while engaged in the acquisition or dissemination of news on behalf of
25 the news medium.
- 26 (6) A person responding to inquiries from an executive branch officer and
27 who engages in no further activities as an executive lobbyist in
28 connection with that or any other executive action.
- 29 (7) A person appearing before an executive branch agency or department
30 on behalf of another person, on an individual application for a license
31 or permit, or a disciplinary action on a license or permit.
- 32 (8) A person appearing before an executive branch officer on behalf of
33 another person with respect to a proposed sale or lease of real property,
34 goods or services to the State, or construction of property by the State.
- 35 (9) An employee who represents the employer's interests in executive
36 action for no more than six hours during a six-month reporting period,
37 provided that neither the employee nor the employer make any
38 expenditure as defined in G.S. 147-54.31.

39 **"§ 147-54.41. Expenditures made by persons exempted or not covered by this**
40 **Article.**

41 (a) If an executive branch officer accepts an expenditure made for the purpose of
42 lobbying valued over two hundred dollars (\$200.00) from a person or group of persons
43 acting together, exempted or not otherwise covered by this Article, the person, or group
44 of persons, making the expenditure shall report the date, a description of the

1 expenditure, the name and address of the person, or group of persons, making the
2 expenditure, the name of the executive branch officer accepting the expenditure, and the
3 estimated fair market value of the expenditure.

4 (b) If the person making the expenditure in subsection (a) of this section is
5 outside North Carolina, the executive branch officer accepting the expenditure shall be
6 responsible for filing the report.

7 (c) If an executive branch officer accepts a scholarship valued over two hundred
8 dollars (\$200.00) from a person, or group of persons, acting together, exempted or not
9 otherwise covered by this Article, the person, or group of persons, granting the
10 scholarship shall report the date of the scholarship, a description of the event involved,
11 the name and address of the person, or group of persons, granting the scholarship, the
12 name of the executive branch officer accepting the scholarship, and the estimated fair
13 market value.

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

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

18 (1) Lawful campaign contributions.

19 (2) Any gift from a family member to a covered person or legislative
20 employee.

21 (3) Gifts associated primarily with the executive branch officer's or that
22 person's immediate family member's nonexecutive employment.

23 (4) Gifts, other than food, beverages, travel, and lodging, received by an
24 executive branch officer which are received from a person who is a
25 citizen of a country other than the United States or a state other than
26 North Carolina and given during a ceremonial presentation or as a
27 custom.

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

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

32 **"§ 147-54.42. Punishment for violation.**

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

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

40 **"§ 147-54.43. Enforcement of Article by Attorney General.**

41 The Secretary of State shall report apparent violations of this Article to the Attorney
42 General. The Attorney General shall, upon complaint, make an appropriate investigation
43 thereof, and the Attorney General shall forward a copy of the investigation to the district

1 attorney of the prosecutorial district as defined in G.S. 7A-60, of which Wake County is
2 a part, who shall prosecute any person who violates any provisions of this Article.

3 **"§ 147-54.44. Rules and forms.**

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

7 (b) The Secretary of State shall adopt rules providing for delayed reporting under
8 G.S. 147-54.37 and G.S. 147-54.38 if the report would release information that is
9 confidential information under Chapter 132 of the General Statutes related to industrial
10 or business recruitment activities."

11 **SECTION 3.** Article 4 of Chapter 147 of the General Statutes is amended by
12 adding a new section to read:

13 **"§ 147-54.8. No gifts registry.**

14 (a) The Secretary of State shall establish a 'No Gifts' registry for persons subject
15 to Article 9A of Chapter 120 of the General Statutes or Article 4C of this Chapter. The
16 'No Gifts' registry shall be published and updated with the list of lobbyists and lobbyists'
17 principals required under G.S. 120-47.2.

18 (b) Except as provided in this subsection, executive lobbyists, legislative
19 lobbyists, and lobbyists' principals shall not give gifts to persons placing their names on
20 the registry. Gifts of informational directories may be given to persons placing their
21 names on the registry.

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

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

27 (2) The registration shall be in writing.

28 (d) For purposes of this section, the term "gift" means any payment,
29 entertainment, advance, services, forgiveness of an obligation or debt, or thing of value,
30 unless consideration of equal or greater value has been given therefor."

31 **SECTION 4.** The Secretary of State shall implement electronic filing of all
32 lobbyists' and lobbyists' principals' reports required under Article 9A of Chapter 120 of
33 the General Statutes and provide public access via the Internet to all these filings as
34 soon as practicable.

35 **SECTION 5.** Sections 4 and 5 of this act become effective July 1, 2005.
36 G.S. 120-47.7C(d), as enacted by Section 1 of this act, shall apply to appointments
37 made on or after January 1, 2007. The remainder of this act becomes effective January
38 1, 2007.