

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2017

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SENATE BILL 68  
Education/Higher Education Committee Substitute Adopted 3/14/17  
PROPOSED HOUSE COMMITTEE SUBSTITUTE S68-PCS45400-STf-8

Short Title: Bipartisan Bd of Elections and Ethics Enforce.

(Public)

Sponsors:

Referred to:

February 13, 2017

1 A BILL TO BE ENTITLED  
2 AN ACT TO REPEAL G.S. 126-5(D)(2), AS ENACTED BY S.L. 2016-126; TO REPEAL  
3 S.L. 2016-125; AND TO CONSOLIDATE THE FUNCTIONS OF ELECTIONS,  
4 CAMPAIGN FINANCE, LOBBYING, AND ETHICS UNDER ONE QUASI-JUDICIAL  
5 AND REGULATORY AGENCY BY CREATING THE NORTH CAROLINA  
6 BIPARTISAN STATE BOARD OF ELECTIONS AND ETHICS ENFORCEMENT.

7 Whereas, the functions of ethics, elections, and lobbying affect and regulate a  
8 similar group of persons; and

9 Whereas, the rights of that group of persons affected may include issues directly  
10 related to the First Amendment right of free speech; and

11 Whereas, the General Assembly finds it beneficial and conducive to consistency to  
12 establish one quasi-judicial and regulatory body with oversight authority for ethics, elections,  
13 and lobbying; and

14 Whereas, the General Assembly also finds it imperative to ensure protections of free  
15 speech rights and increase public confidence in the decisions to restrict free speech; and

16 Whereas, the General Assembly finds that voices from all major political parties  
17 should be heard in decisions relating to First Amendment rights of free speech; and

18 Whereas, the General Assembly finds that important governmental and First  
19 Amendment rights will be impacted in the decisions of the quasi-judicial and regulatory body  
20 regulating ethics, elections, and lobbying; Now, therefore,  
21 The General Assembly of North Carolina enacts:

22 **SECTION 1.** G.S. 126-5(d)(2), as enacted by Sections 7 and 8 of S.L. 2016-126, is  
23 repealed.

24 **SECTION 2.** Part I of S.L. 2016-125 is repealed.

25 **SECTION 3.** Recodification; Technical and Conforming Changes. – The Revisor  
26 of Statutes shall recodify Chapter 138A of the General Statutes, Chapter 120C of the General  
27 Statutes, as well as Chapter 163 of the General Statutes, as amended by this act, into a new  
28 Chapter 163A of the General Statutes to be entitled "Elections and Ethics Enforcement Act," as  
29 enacted by Section 4 of this act. The Revisor may also recodify into the new Chapter 163A of  
30 the General Statutes other existing statutory laws relating to elections and ethics enforcement  
31 that are located elsewhere in the General Statutes as the Revisor deems appropriate. The new  
32 Chapter 163A of the General Statutes shall have the following structure:

33 SUBCHAPTER I. GENERAL PROVISIONS.

34 Article 1. Bipartisan State Board of Elections and Ethics Enforcement.

35 SUBCHAPTER II. ETHICS AND LOBBYING.



\* S 6 8 - P C S 4 5 4 0 0 - S T F - 8 \*

- 1 Article 5. General Provisions.  
2 Article 6. Public Disclosure of Economic Interests.  
3 Article 7. Ethical Standards for Covered Persons.  
4 Article 8. Lobbying.  
5 Part 1. Registration.  
6 Part 2. Prohibitions and Restrictions.  
7 Part 3. Reporting.  
8 Part 4. Liaison Personnel.  
9 Part 5. Exemptions.  
10 Part 6. Miscellaneous.  
11 Article 9. Violation Consequences.  
12 SUBCHAPTER III. ELECTION AND ELECTION LAWS.  
13 Article 15. Time of Primaries and Elections.  
14 Part 1. Time of Primaries and Elections.  
15 Part 2. Time of Elections to Fill Vacancies.  
16 Article 16. Election Officers.  
17 Part 1. State Board Powers and Duties.  
18 Part 2. County Boards of Elections.  
19 Part 3. Political Activities by Board of Elections Members and Employees.  
20 Part 4. Precinct Election Officials.  
21 Article 17. Qualifying to Vote.  
22 Part 1. Qualifications of Voters.  
23 Part 2. Registration of Voters.  
24 Part 3. Challenges.  
25 Part 4. HAVA Administrative Complaint Procedure.  
26 Article 18. Political Parties.  
27 Article 19. Nomination of Candidates.  
28 Part 1. Primary Elections.  
29 Part 2. Nomination by Petition.  
30 Part 3. Challenge to Candidacy.  
31 Article 20. Conduct of Primaries and Elections.  
32 Part 1. Precincts and Voting Places.  
33 Part 2. Precinct Boundaries.  
34 Part 3. Voting.  
35 Part 4. Counting Official Ballots, Canvassing Votes, Hearing Protests, and  
36 Certifying Results.  
37 Part 5. Members of United States House of Representatives.  
38 Part 6. Presidential Electors.  
39 Part 7. Presidential Preference Primary Act.  
40 Part 8. Petitions for Elections and Referenda.  
41 Article 21. Absentee Voting.  
42 Part 1. Absentee Ballot.  
43 Part 2. Uniform Military and Overseas Voters Act.  
44 Article 22. Regulation of Election Campaigns.  
45 Part 1. Corrupt Practices and Other Offenses Against the Elective Franchise.  
46 Article 23. Regulating Contributions and Expenditures in Political Campaigns.  
47 Part 1. In General.  
48 Part 2. Disclosure Requirements for Media Advertisements.  
49 Part 3. Municipal Campaign Reporting.  
50 Article 24. The North Carolina Public Campaign Fund.  
51 Article 25. The Voter-Owned Elections Act.

1 Article 26. Legal Expense Funds.

2 Article 27. Municipal Elections.

3 Part 1. Municipal Election Procedure.

4 Part 2. Conduct of Municipal Elections.

5 Article 28. Nomination and Election of Appellate, Superior, and District Court  
6 Judges.

7 When recodifying, the Revisor is authorized to change all references to the State Ethics  
8 Commission, to the State Board of Elections, or to the Secretary of State, to instead be  
9 references to the Bipartisan State Board of Elections and Ethics Enforcement. The Revisor may  
10 separate subsections of existing statutory sections into new sections and, when necessary to  
11 organize relevant law into its proper place in the above structure, may rearrange sentences that  
12 currently appear within subsections. The Revisor may modify statutory citations throughout the  
13 General Statutes, as appropriate, and may modify any references to statutory divisions, such as  
14 "Chapter," "Subchapter," "Article," "Part," "section," and "subsection," adjust the order of lists  
15 of multiple statutes to maintain statutory order, correct terms and conform names and titles  
16 changed by this act, eliminate duplicative references to the Bipartisan State Board of Elections  
17 and Ethics Enforcement that result from the changes authorized by this section, and make  
18 conforming changes to catch lines and references to catch lines. The Revisor may also adjust  
19 subject and verb agreement and the placement of conjunctions. The Revisor shall consult with  
20 the State Ethics Commission, the State Board of Elections, the Secretary of State, and the new  
21 Bipartisan State Board of Elections and Ethics Enforcement on this recodification.

22 **SECTION 4.(a)** The General Statutes are amended by adding a new Chapter to  
23 read:

24 "Chapter 163A.

25 **"Elections and Ethics Enforcement Act."**

26 **SECTION 4.(b)** Chapter 163A of the General Statutes, as enacted by this act, is  
27 amended by adding a new Subchapter to read:

28 **"SUBCHAPTER I. GENERAL PROVISIONS."**

29 **SECTION 4.(c)** Subchapter I of Chapter 163A of the General Statutes, as enacted  
30 by this act, is amended by adding a new Article to read:

31 "Article 1.

32 "Bipartisan State Board of Elections and Ethics Enforcement.

33 **"§ 163A-1. Bipartisan State Board of Elections and Ethics Enforcement established.**

34 There is established the Bipartisan State Board of Elections and Ethics Enforcement,  
35 referred to as the State Board in this Chapter.

36 **"§ 163A-2. Membership.**

37 (a) The State Board shall consist of eight individuals registered to vote in North  
38 Carolina, appointed by the Governor, four of whom shall be of the political party with the  
39 highest number of registered affiliates and four of whom shall be of the political party with the  
40 second highest number of registered affiliates, as reflected by the latest registration statistics  
41 published by the State Board. The Governor shall appoint four members each from a list of six  
42 nominees submitted by the State party chairs of the two political parties with the highest  
43 number of registered affiliates, as reflected by the latest registration statistics published by the  
44 State Board.

45 (b) Members shall serve for two-year terms, beginning May 1 immediately following  
46 the election of the Governor.

47 (c) Members shall be removed by the Governor from the State Board only for  
48 misfeasance, malfeasance, or nonfeasance.

49 (d) Any vacancy occurring on the State Board shall be filled by an individual affiliated  
50 with the same political party of the vacating member. Any vacancy occurring in the State Board  
51 in an appointment made by the Governor shall be filled by the Governor, and the person so

1 appointed shall fill the unexpired term. The Governor shall fill the vacancy from a list of two  
2 names submitted by the State party chair of the political party with which the vacating member  
3 was affiliated if that list is submitted within 30 days of the occurrence of the vacancy.

4 (e) At the first meeting held after new appointments are made, the members of the State  
5 Board shall take the following oath:

6 "I, \_\_\_\_\_, do solemnly swear (or affirm) that I will support the  
7 Constitution of the United States; that I will be faithful and bear true allegiance to  
8 the State of North Carolina and to the constitutional powers and authorities which  
9 are or may be established for the government thereof; that I will endeavor to  
10 support, maintain, and defend the Constitution of said State; and that I will well and  
11 truly execute the duties of the office of member of the Bipartisan State Board of  
12 Elections and Ethics Enforcement according to the best of my knowledge and  
13 ability, according to law, so help me God."

14 (f) At the first meeting in May, the State Board shall organize by electing one of its  
15 members chair and one of its members vice-chair, each to serve a two-year term as such.

16 (g) At the first meeting held after new appointments are made after taking the oath, the  
17 State Board shall elect one of its members secretary, to serve a two-year term as such.

18 (h) No person shall be eligible to serve as a member of the State Board who:

19 (1) Holds any elective or appointive office under the government of the United  
20 States, the State of North Carolina, or any political subdivision thereof.

21 (2) Holds any office in a political party or organization.

22 (3) Is a candidate for nomination or election to any office.

23 (4) Is a campaign manager or treasurer of any candidate in a primary or election.

24 (5) Has served two full consecutive terms.

25 (i) No person while serving on the State Board shall:

26 (1) Make a reportable contribution to a candidate for a public office over which  
27 the State Board would have jurisdiction or authority.

28 (2) Register as a lobbyist under Article 8 of this Chapter.

29 (3) Make written or oral statements intended for general distribution or  
30 dissemination to the public at large supporting or opposing the nomination  
31 or election of one or more clearly identified candidates for public office.

32 (4) Make written or oral statements intended for general distribution or  
33 dissemination to the public at large supporting or opposing the passage of  
34 one or more clearly identified referendum or ballot issue proposals.

35 (5) Solicit contributions for a candidate, political committee, or referendum  
36 committee.

37 (j) Members of the State Board shall receive per diem, subsistence, and travel, as  
38 provided in G.S. 138-5 and G.S. 138-6.

39 **"§ 163A-3. Meetings; quorum; majority.**

40 (a) The State Board shall meet at least monthly and at other times as called by its chair  
41 or by a majority of its members. In the case of a vacancy in the chair, meetings may be called  
42 by the vice-chair.

43 (b) Five members of the State Board shall be present and shall constitute a quorum for  
44 the transaction of business.

45 (c) Unless otherwise specifically provided in this Chapter, a majority vote of the State  
46 Board shall require the following votes for the following types of actions:

47 (1) At least five votes for any action under Subchapter III of this Chapter,  
48 Election and Election Laws, except for actions under Articles 23, 24, 25, and  
49 26 of that Subchapter.

50 (2) At least six votes for any action under Articles 23, 24, 25, and 26 of  
51 Subchapter III of this Chapter.

1           (3)    At least six votes for any action under Articles 5, 6, 7, and 9 of Subchapter II  
2                of this Chapter.

3           (4)    At least a majority of those present and voting for any other action.

4   **"§ 163A-4. Powers of the State Board in the execution of State Board duties.**

5       (a)    In the performance of the duties enumerated in Article 8 of Subchapter II of this  
6    Chapter and Subchapter III of this Chapter, the State Board, upon a vote of five or more of its  
7    members, with at least two votes from each political party, shall have power to issue  
8    subpoenas, summon witnesses, and compel the production of papers, books, records, and other  
9    evidence. Such subpoenas for designated witnesses or identified papers, books, records, and  
10   other evidence shall be signed and issued by the chair.

11       (b)   In the absence of the chair or upon the chair's refusal to act, the vice-chair may sign  
12   and issue subpoenas, summon witnesses, and compel the production of papers, books, records,  
13   and other evidence approved in accordance with subsection (a) of this section.

14       (c)   In the performance of the duties enumerated in this Chapter, the State Board, acting  
15   through the chair, shall have the power to administer oaths. In the absence of the chair or upon  
16   the chair's refusal to act, any member of the State Board may administer oaths.

17       (d)   Except as provided in subsection (a) of this section, the State Board, upon a vote of  
18   five or more of its members, may petition the Superior Court of Wake County for the approval  
19   to issue subpoenas and subpoenas duces tecum as necessary to conduct investigations of  
20   violations of the remainder this Chapter. The court shall authorize subpoenas under this  
21   subsection when the court determines they are necessary for the enforcement of this Chapter.  
22   Subpoenas issued under this subsection shall be enforceable by the court through contempt  
23   powers. Venue shall be with the Superior Court of Wake County for any nonresident person, or  
24   that person's agent, who makes a reportable expenditure under this Chapter, and personal  
25   jurisdiction may be asserted under G.S. 1-75.4.

26   **"§ 163A-5. Independent agency, staff, and offices.**

27       (a)   The State Board shall be and remain an independent regulatory and quasi-judicial  
28   agency and shall not be placed within any principal administrative department. The State Board  
29   shall exercise its statutory powers, duties, functions, and authority and shall have all powers  
30   and duties conferred upon the heads of principal departments under G.S. 143B-10.

31       (b)   The State Board may employ professional and clerical staff, including an Executive  
32   Director.

33   **"§ 163A-6. Executive Director of the State Board.**

34       (a)   There is hereby created the position of Executive Director of the State Board, who  
35   shall perform all duties imposed by statute and such duties as may be assigned by the State  
36   Board.

37       (b)   The State Board shall appoint an Executive Director for a term of two years with  
38   compensation to be determined by the Office of State Human Resources. The Executive  
39   Director shall serve beginning May 15 after the first meeting held after new appointments to  
40   the State Board are made, unless removed for cause, until a successor is appointed. In the event  
41   of a vacancy, the vacancy shall be filled for the remainder of the term.

42       (c)   The Executive Director shall be responsible for staffing, administration, and  
43   execution of the State Board's decisions and orders and shall perform such other responsibilities  
44   as may be assigned by the State Board.

45       (d)   The Executive Director shall be the chief State elections official."

46       **SECTION 5.(a)** G.S. 138A-6 is repealed.

47       **SECTION 5.(b)** G.S. 138A-7 is repealed.

48       **SECTION 5.(c)** G.S. 138A-8 is repealed.

49       **SECTION 5.(d)** G.S. 138A-9 is repealed.

50       **SECTION 5.(e)** G.S. 138A-12(r) is repealed.

51       **SECTION 5.(f)** G.S. 138A-13 reads as rewritten:

1 **"§ 138A-13. Request for advice.**

2 ...

3 (a2) A request for a formal advisory opinion under subsection (a) of this section shall be  
4 in writing, electronic or otherwise. The ~~Commission~~ State Board shall issue formal advisory  
5 opinions having prospective application only. A public servant or legislative employee who  
6 relies upon the advice provided to that public servant or legislative employee on a specific  
7 matter addressed by the requested formal advisory opinion shall be immune from all of the  
8 following:

- 9 (1) Investigation by the ~~Commission~~ State Board, except for an inquiry under  
10 G.S. 138A-12(b)(3).  
11 (2) Any adverse action by the employing entity.  
12 (3) ~~Investigation by the Secretary of State.~~

13 ...

14 (b1) A request by a legislator for a recommended formal advisory opinion shall be in  
15 writing, electronic or otherwise. The ~~Commission~~ State Board shall issue recommended formal  
16 advisory opinions having prospective application only. Until action is taken by the Committee  
17 under G.S. 120-104, a legislator who relies upon the advice provided to that legislator on a  
18 specific matter addressed by the requested recommended formal advisory opinion shall be  
19 immune from all of the following:

- 20 (1) Investigation by the Committee or ~~Commission~~ State Board, except for an  
21 inquiry under G.S. 138A-12(b)(3).  
22 (2) Any adverse action by the house of which the legislator is a member.  
23 (3) ~~Investigation by the Secretary of State.~~

24 Any recommended formal advisory opinion issued to a legislator under this subsection shall  
25 immediately be delivered to the chairs of the Committee, together with a copy of the request.  
26 Except for the Lieutenant Governor, the immunity granted under this subsection shall not apply  
27 after the time the Committee modifies or overturns the advisory opinion of the Commission in  
28 accordance with G.S. 120-104.

29 ...."

30 **SECTION 6.** Chapter 120C of the General Statutes reads as rewritten:

31 **"Chapter 120C.**

32 **"Lobbying.**

33 ...

34 **"§ 120C-101. Rules and forms.**

35 (a) The ~~Commission~~ State Board shall adopt any rules or definitions necessary to  
36 interpret the provisions of this ~~Chapter~~ Article and adopt any rules necessary to administer the  
37 provisions of this ~~Chapter~~, except for Articles 2, 4 and 8 of this Chapter. The Secretary of State  
38 shall adopt any rules, orders, and forms as are necessary to administer the provisions of Articles  
39 2, 4 and 8 of this Chapter. The Secretary of State may appoint a council to advise the Secretary  
40 in adopting rules under this section. Article.

41 (b) With respect to the forms adopted under subsection (a) of this section, the ~~Secretary~~  
42 ~~of State~~ State Board shall adopt rules to protect from disclosure all confidential information  
43 under Chapter 132 of the General Statutes related to economic development initiatives or to  
44 industrial or business recruitment activities. The information shall remain confidential until the  
45 State, a unit of local government, or the business has announced a commitment by the business  
46 to expand or locate a specific project in this State or a final decision not to do so, and the  
47 business has communicated that commitment or decision to the State or local government  
48 agency involved with the project.

49 (c) In adopting rules under this ~~Chapter~~ Article, the ~~Commission~~ State Board is exempt  
50 from the requirements of Article 2A of Chapter 150B of the General Statutes, except that the

1 ~~Commission-State Board~~ shall comply with G.S. 150B-21.2(d). At least 30 business days prior  
2 to adopting a rule, the ~~Commission-State Board~~ shall:

- 3 (1) Publish the proposed rules in the North Carolina Register.
- 4 (2) Submit the rule and a notice of public hearing to the Codifier of Rules, and  
5 the Codifier of Rules shall publish the proposed rule and the notice of public  
6 hearing on the Internet to be posted within five business days.
- 7 (3) Notify those on the mailing list maintained in accordance with  
8 G.S. 150B-21.2(d) and any other interested parties of its intent to adopt a  
9 rule and of the public hearing.
- 10 (4) Accept written comments on the proposed rule for at least 15 business days  
11 prior to adoption of the rule.
- 12 (5) Hold at least one public hearing on the proposed rule no less than five days  
13 after the rule and notice have been published.

14 A rule adopted under this subsection becomes effective the first day of the month following the  
15 month the final rule is submitted to the Codifier of Rules for entry into the North Carolina  
16 Administrative Code, and applies prospectively. A rule adopted by the Commission that does  
17 not comply with the procedural requirements of this subsection shall be null, void, and without  
18 effect. For purposes of this subsection, a rule is any ~~Commission-State Board~~ regulation,  
19 standard, or statement of general applicability that interprets an enactment by the General  
20 Assembly or Congress, or a regulation adopted by a federal agency, or that describes the  
21 procedure or practice requirements of the ~~Commission-State Board~~.

22 ~~(d) For purposes of G.S. 150B-21.3(b2), a written objection filed by the Commission to  
23 a rule adopted by the Secretary of State pursuant to this Chapter shall be deemed written  
24 objections from 10 or more persons under that statute. Notwithstanding G.S. 150B-21.3(b2), a  
25 rule adopted by the Secretary of State pursuant to this Chapter objected to by the Commission  
26 under this subsection shall not become effective until an act of the General Assembly  
27 approving the rule has become law. If the General Assembly does not approve a rule under this  
28 subsection by the day of adjournment of the next regular session of the General Assembly that  
29 begins at least 25 days after the date the Rules Review Commission approves the rule, the  
30 permanent rule shall not become effective and any temporary rule associated with the  
31 permanent rule expires. If the General Assembly fails to approve a rule by the day of  
32 adjournment, the Secretary of State may initiate rulemaking for a new permanent rule,  
33 including by the adoption of a temporary rule.~~

34 **"§ 120C-102. Request for advice.**

35 (a) At the request of any person, State agency, or governmental unit affected by this  
36 ~~Chapter, Article~~, the ~~Commission-State Board~~ shall render advice on specific questions  
37 involving the meaning and application of this ~~Chapter Article~~ and that person's, State agency's,  
38 or any governmental unit's compliance therewith. Requests for advice and advice rendered in  
39 response to those requests shall relate to real or reasonably anticipated fact settings or  
40 circumstances.

41 (a1) A request for a formal opinion under subsection (a) of this section shall be in  
42 writing, electronic or otherwise. The ~~Commission-State Board~~ shall issue formal advisory  
43 opinions having prospective application only. An individual, State agency, or governmental  
44 unit who relies upon the advice provided to that individual, State agency, or governmental unit  
45 on a specific matter addressed by a requested formal advisory opinion shall be immune from all  
46 of the following:

- 47 (1) Investigation by the ~~Commission-State Board~~.
- 48 (2) Any adverse action by the employing entity.
- 49 ~~(3) Investigation by the Secretary of State.~~

50 (b) Staff to the ~~Commission-State Board~~ may issue advice, but not formal advisory  
51 opinions, under procedures adopted by the ~~Commission-State Board~~.

1 (c) The ~~Commission~~ State Board shall publish its formal advisory opinions within 30  
2 days of issuance, edited as necessary to protect the identities of the individuals requesting  
3 opinions.

4 (d) Except as provided under subsections (c) and (d1) of this section, a request for  
5 advice, any advice provided by ~~Commission~~ State Board staff, any formal advisory opinions,  
6 any supporting documents submitted or caused to be submitted to the ~~Commission~~ State Board  
7 or ~~Commission~~ State Board staff, and any documents prepared or collected by the ~~Commission~~  
8 State Board or the ~~Commission~~ State Board staff in connection with a request for advice are  
9 confidential. The identity of the individual, State agency, or governmental unit making the  
10 request for advice, the existence of the request, and any information related to the request may  
11 not be revealed without the consent of the requestor. An individual, State agency, or  
12 governmental unit who requests advice or receives advice, including a formal advisory opinion,  
13 may authorize the release to any other person, the State, or any governmental unit of the  
14 request, the advice, or any supporting documents.

15 For purposes of this section, "document" is as defined in G.S. 120-129. Requests for advice,  
16 any advice, and any documents related to requests for advice are not "public records" as  
17 defined in G.S. 132-1.

18 ~~(d1) Staff to the Commission may share all information and documents related to~~  
19 ~~requests under subsection (a) and (a1) of this section with staff of the Office of the Secretary of~~  
20 ~~State. The information and documents in the possession of the staff of the Office of the~~  
21 ~~Secretary of State shall remain confidential and not public records. The Commission shall~~  
22 ~~forward an unedited copy of each formal advisory opinion under this section to the Secretary of~~  
23 ~~State at the time the formal advisory opinion is issued to the requestor, and the Secretary of~~  
24 ~~State shall treat that unedited advisory opinion as confidential and not a public record.~~

25 (e) Requests for advisory opinions may be withdrawn by the requestor at any time prior  
26 to the issuance of a formal advisory opinion.

27 ...

28 **"§ 120C-601. Powers and duties of the ~~Commission~~ State Board.**

29 (a) The ~~Commission~~ State Board may investigate complaints of violations of this  
30 ~~Chapter and shall refer complaints related solely to Articles 2, 4, or 8 of this Chapter to the~~  
31 ~~Secretary of State.~~ Article.

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

40 (c) Complaints of violations of this ~~Chapter~~ Article and all other records accumulated in  
41 conjunction with the investigation of these complaints shall be considered confidential records  
42 and may be released only by order of a court of competent jurisdiction. Any information  
43 obtained by the ~~Commission~~ State Board from any law enforcement agency, administrative  
44 agency, or regulatory organization on a confidential or otherwise restricted basis in the course  
45 of an investigation shall be confidential and exempt from G.S. 132-6 to the same extent that it  
46 is confidential in the possession of the providing agency or organization.

47 (d) The ~~Commission~~ State Board shall publish annual statistics on complaints,  
48 including the number of complaints, the number of apparent violations of this ~~Chapter~~ Article  
49 referred to a district attorney, the number of dismissals, and the number and age of complaints  
50 pending.

51 **"§ 120C-602. Punishment for violation.**



1 (a) Whoever willfully violates any provision of ~~Article 2 or Article 3 of this Chapter~~  
2 ~~Part 2 or Part 3 of this Article~~ shall be guilty of a Class 1 misdemeanor, except as provided in  
3 those Articles. In addition, no lobbyist who is convicted of a violation of the provisions of this  
4 ~~Chapter Article~~ shall in any way act as a lobbyist for a period of two years from the date of  
5 conviction.

6 (b) ~~In addition to the criminal penalties set forth in this section, the Secretary of State~~  
7 ~~may levy civil fines for a violation of any provision of Articles 2, 4, or 8 of this Chapter up to~~  
8 ~~five thousand dollars (\$5,000) per violation.~~ In addition to the criminal penalties set forth in  
9 this section, the ~~Commission State Board~~ may levy civil fines for a violation of any provision  
10 of this ~~Chapter except Article 2, 4, or 8 of this Chapter Article~~ up to five thousand dollars  
11 (\$5,000) per violation.

12 **"§ 120C-603. Enforcement by district attorney and Attorney General.**

13 (a) ~~The Commission or the Secretary of State, as appropriate, State Board~~ may  
14 investigate complaints of violations of this ~~Chapter Article~~ and shall report apparent violations  
15 of this ~~Chapter Article~~ to the district attorney of the prosecutorial district as defined in  
16 G.S. 7A-60 of which Wake County is a part, who shall prosecute any person or governmental  
17 unit who violates any provisions of this ~~Chapter Article~~.

18 (b) Complaints of violations of this ~~Chapter Article~~ involving the ~~Commission State~~  
19 ~~Board~~ or any member employee of the ~~Commission State Board~~ shall be referred to the  
20 Attorney General for investigation. The Attorney General shall, upon receipt of a complaint,  
21 make an appropriate investigation thereof, and the Attorney General shall forward a copy of the  
22 investigation to the district attorney of the prosecutorial district as defined in G.S. 7A-60 of  
23 which Wake County is a part, who shall prosecute any person or governmental unit who  
24 violates any provisions of this ~~Chapter Article~~.

25 ...."

26 **SECTION 7.(a)** G.S. 163-19 is repealed.

27 **SECTION 7.(b)** G.S. 163-20 reads as rewritten:

28 **"§ 163-20. Meetings of Board; quorum; minutes.**

29 (a) ~~Call of Meeting.~~—~~The State Board of Elections shall meet at the call of the~~  
30 ~~chairman whenever necessary to discharge the duties and functions imposed upon it by this~~  
31 ~~Chapter. The chairman shall call a meeting of the Board upon the written application or~~  
32 ~~applications of any two members thereof. If there is no chairman, or if the chairman does not~~  
33 ~~call a meeting within three days after receiving a written request or requests from two~~  
34 ~~members, any three members of the Board shall have power to call a meeting of the Board, and~~  
35 ~~any duties imposed or powers conferred on the Board by this Chapter may be performed or~~  
36 ~~exercised at that meeting, although the time for performing or exercising the same prescribed~~  
37 ~~by this Chapter may have expired.~~

38 (b) Place of Meeting. – Except as provided in subsection (c), below, the State Board of  
39 ~~Elections~~ shall meet in its offices in the City of Raleigh, or at another place in Raleigh to be  
40 designated by the chairman. However, subject to the limitation imposed by subsection (c),  
41 below, upon the prior written request of any four a majority of its members, the State Board of  
42 ~~Elections~~ shall meet at any other place in the State designated by ~~the four a majority of its~~  
43 members.

44 (c) Meetings to Investigate Alleged Violations of This Chapter. – When called upon to  
45 investigate or hear sworn alleged violations of this Chapter, the State Board of ~~Elections~~ shall  
46 meet and hear the matter in the county in which the violations are alleged to have occurred.

47 (d) Quorum. — ~~A majority of the members constitutes a quorum for the transaction of~~  
48 ~~business by the State Board of Elections. If any member of the Board fails to attend a meeting,~~  
49 ~~and by reason thereof there is no quorum, the members present shall adjourn from day to day~~  
50 ~~for not more than three days, by the end of which time, if there is no quorum, the Governor~~  
51 ~~may summarily remove any member failing to attend and appoint his successor.~~

1 (e) Minutes. – The State Board of ~~Elections~~ shall keep minutes recording all  
2 proceedings and findings at each of its meetings. The minutes shall be recorded in a book  
3 which shall be kept in the office of the Board in Raleigh."

4 **SECTION 7.(c)** G.S. 163-21 is repealed.

5 **SECTION 7.(d)** G.S. 163-23 is repealed.

6 **SECTION 7.(e)** G.S. 163-26 is repealed.

7 **SECTION 7.(f)** G.S. 163-27 is repealed.

8 **SECTION 7.(g)** G.S. 163-28 is repealed.

9 **SECTION 7.(h)** G.S. 163-30 reads as rewritten:

10 **"§ 163-30. County boards of elections; appointments; terms of office; qualifications;**  
11 **vacancies; oath of office; instructional meetings.**

12 In every county of the State there shall be a county board of elections, to consist of ~~three~~  
13 four persons of good moral character who are registered voters in the county in which they are  
14 to act. ~~Members~~ Two of the members of the county board of elections shall be of the political  
15 party with the highest number of registered affiliates, and two shall be of the political party  
16 with the second highest number of registered affiliates, as reflected by the latest registration  
17 statistics published by the State Board. In 2017, members of county boards of elections shall be  
18 appointed by the State Board on the second Tuesday in July. In 2019, members of county  
19 boards of elections shall be appointed by the State Board of ~~Elections~~ on the last Tuesday in  
20 June 1985, and every two years thereafter, and their terms of office shall continue for two years  
21 from the specified date of appointment and until their successors are appointed and qualified.  
22 ~~Not more than two members of the county board of elections shall belong to the same political~~  
23 ~~party.~~

24 No person shall be eligible to serve as a member of a county board of elections who holds  
25 any elective office under the government of the United States, or of the State of North Carolina  
26 or any political subdivision thereof.

27 No person who holds any office in a state, congressional district, county or precinct  
28 political party or organization, or who is a campaign manager or treasurer of any candidate or  
29 political party in a primary or election, shall be eligible to serve as a member of a county board  
30 of elections, provided however that the position of delegate to a political party convention shall  
31 not be considered an office for the purpose of this section.

32 No person shall be eligible to serve as a member of a county board of elections who is a  
33 candidate for nomination or election.

34 No person shall be eligible to serve as a member of a county board of elections who is the  
35 wife, husband, son, son-in-law, daughter, daughter-in-law, mother, mother-in-law, father,  
36 father-in-law, sister, sister-in-law, brother, brother-in-law, aunt, uncle, niece, or nephew of any  
37 candidate for nomination or election. Upon any member of the board of elections becoming  
38 ineligible, that member's seat shall be declared vacant. This paragraph only applies if the  
39 county board of elections is conducting the election for which the relative is a candidate.

40 The State ~~chairman~~ chair of each political party shall have the right to recommend to the  
41 State Board of ~~Elections~~ three registered voters in each county for appointment to the board of  
42 elections for that county. If such recommendations are received by the Board 15 or more days  
43 before the last Tuesday in June ~~1985, 2017~~, and each two years thereafter, it shall be the duty of  
44 the State Board of ~~Elections~~ to appoint the county boards from the names thus recommended.

45 Whenever a vacancy occurs in the membership of a county board of elections for any cause  
46 the State ~~chairman~~ chair of the political party of the vacating member shall have the right to  
47 recommend two registered voters of the affected county for such office, and it shall be the duty  
48 of the State Board of ~~Elections~~ to fill the vacancy from the names thus recommended.

49 At the meeting of the county board of elections required by G.S. 163-31 to be held on  
50 Tuesday following the third Monday in July in the year of their appointment the members shall  
51 take the following oath of office:

1 "I, \_\_\_\_\_, do solemnly swear (or affirm) that I will support the  
2 Constitution of the United States; that I will be faithful and bear true allegiance  
3 to the State of North Carolina and to the constitutional powers and authorities  
4 which are or may be established for the government thereof; that I will endeavor  
5 to support, maintain and defend the Constitution of said State, not inconsistent  
6 with the Constitution of the United States; and that I will well and truly execute  
7 the duties of the office of member of the \_\_\_\_\_ County Board of Elections  
8 to the best of my knowledge and ability, according to law; so help me God."

9 At the first meeting in July annually, the county boards shall organize by electing one of its  
10 members chair and one of its members vice-chair, each to serve a one-year term as such. In the  
11 odd-numbered year, the chair shall be a member of the political party with the highest number  
12 of registered affiliates, as reflected by the latest registration statistics published by the State  
13 Board, and the vice-chair a member of the political party with the second highest number of  
14 registered affiliates. In the even-numbered year, the chair shall be a member of the political  
15 party with the second highest number of registered affiliates, as reflected by the latest  
16 registration statistics published by the State Board, and the vice-chair a member of the political  
17 party with the highest number of registered affiliates.

18 Each member of the county board of elections shall attend each instructional meeting held  
19 pursuant to G.S. 163-46, unless excused for good cause by the ~~chairman~~ chair of the board, and  
20 shall be paid the sum of twenty-five dollars (\$25.00) per day for attending each of those  
21 meetings."

22 **SECTION 7.(i)** G.S. 163-31 reads as rewritten:

23 **"§ 163-31. Meetings of county boards of elections; quorum; majority; minutes.**

24 In each county of the State the members of the county board of elections shall meet at the  
25 courthouse or board office at noon on the Tuesday following the third Monday in July in the  
26 year of their appointment by the State Board of Elections and, after taking the oath of office  
27 provided in G.S. 163-30, they shall organize by electing one member ~~chairman~~ chair and  
28 another member secretary of the county board of elections. On the Tuesday following the third  
29 Monday in August of the year in which they are appointed the county board of elections shall  
30 meet and appoint precinct chief judges and judges of elections. The board may hold other  
31 meetings at such times as the ~~chairman~~ chair of the board, or any ~~two~~ three members thereof,  
32 may direct, for the performance of duties prescribed by law. ~~A majority of the Three~~ members  
33 shall constitute a quorum for the transaction of board business. Except where required by law to  
34 act unanimously, a majority vote for action of the board shall require three of the four  
35 members. The ~~chairman~~ chair shall notify, or cause to be notified, all members regarding every  
36 meeting to be held by the board.

37 The county board of elections shall keep minutes recording all proceedings and findings at  
38 each of its meetings. The minutes shall be recorded in a book which shall be kept in the board  
39 office and it shall be the responsibility of the secretary, elected by the board, to keep the  
40 required minute book current and accurate. The secretary of the board may designate the  
41 director of elections to record and maintain the minutes under his or her supervision."

42 **SECTION 7.(j)** G.S. 163-182.13 reads as rewritten:

43 **"§ 163-182.13. New elections.**

44 (a) When State Board May Order New Election. – The State Board ~~of Elections~~ may  
45 order a new election, upon agreement of at least ~~four~~ six of its members, in the case of any one  
46 or more of the following:

- 47 (1) Ineligible voters sufficient in number to change the outcome of the election  
48 were allowed to vote in the election, and it is not possible from examination  
49 of the official ballots to determine how those ineligible voters voted and to  
50 correct the totals.

- 1 (2) Eligible voters sufficient in number to change the outcome of the election  
2 were improperly prevented from voting.
- 3 (3) Other irregularities affected a sufficient number of votes to change the  
4 outcome of the election.
- 5 (4) Irregularities or improprieties occurred to such an extent that they taint the  
6 results of the entire election and cast doubt on its fairness.
- 7 (b) State Board to Set Procedures. – The State Board of Elections shall determine when  
8 a new election shall be held and shall set the schedule for publication of the notice, preparation  
9 of absentee official ballots, and the other actions necessary to conduct the election.
- 10 (c) Eligibility to Vote in New Election. – Eligibility to vote in the new election shall be  
11 determined by the voter's eligibility at the time of the new election, except that in a primary, no  
12 person who voted in the initial primary of one party shall vote in the new election in the  
13 primary of another party. The State Board of Elections shall ~~promulgate~~ adopt rules to effect  
14 the provisions of this subsection.
- 15 (d) Jurisdiction in Which New Election Held. – The new election shall be held in the  
16 entire jurisdiction in which the original election was held.
- 17 (e) Which Candidates to Be on Official Ballot. – All the candidates who were listed on  
18 the official ballot in the original election shall be listed in the same order on the official ballot  
19 for the new election, except in either of the following:

- 20 (1) If a candidate dies or otherwise becomes ineligible between the time of the  
21 original election and the new election, that candidate may be replaced in the  
22 same manner as if the vacancy occurred before the original election.
- 23 (2) If the election is for a multiseat office, and the irregularities could not have  
24 affected the election of one or more of the candidates, the new election, upon  
25 agreement of at least ~~four~~ six members of the State Board, may be held  
26 among only those candidates whose election could have been affected by the  
27 irregularities.

28 (f) Tie Votes. – If ineligible voters voted in an election and it is possible to determine  
29 from the official ballots the way in which those votes were cast and to correct the results, and  
30 consequently the election ends in a tie, the provisions of G.S. 163-182.8 concerning tie votes  
31 shall apply."

32 **SECTION 7.(k)** G.S. 163-278.22(7) reads as rewritten:

33 "(7) To make investigations to the extent the State Board deems necessary with  
34 respect to statements filed under the provisions of this Article and with  
35 respect to alleged failures to file any statement required under the provisions  
36 of this Article or Article 22M of the General Statutes and, upon complaint  
37 under oath by any registered voter, with respect to alleged violations of any  
38 part of this Article or Article 22M of the General Statutes. The State Board  
39 shall conclude all investigations no later than one year from the date of the  
40 start of the investigation, unless the State Board has reported an apparent  
41 violation to the proper district attorney and additional investigation of the  
42 apparent violation is deemed necessary by the State Board."

43 **SECTION 8.** G.S. 120-70.141 reads as rewritten:

44 "**§ 120-70.141. Purpose and powers of Committee.**

45 (a) The Joint Legislative Elections Oversight Committee shall examine, on a continuing  
46 basis, election administration and campaign finance regulation in North Carolina, in order to  
47 make ongoing recommendations to the General Assembly on ways to improve elections  
48 administration and campaign finance regulation. In this examination, the Committee shall do  
49 the following:

- 50 (1) Study the budgets, programs, and policies of the Bipartisan State Board of  
51 Elections and Ethics Enforcement and the county boards of elections to

1 determine ways in which the General Assembly may improve election  
2 ~~administration and campaign finance regulation.~~administration.

3 (1a) Study the budgets, programs, and policies of the Bipartisan State Board of  
4 Elections and Ethics Enforcement and the county boards of elections to  
5 determine ways in which the General Assembly may improve campaign  
6 finance regulation.

7 (2) Examine election statutes and court decisions to determine any legislative  
8 changes that are needed to improve election administration and campaign  
9 finance regulation.

10 (3) Study other states' initiatives in election administration and campaign  
11 finance regulation to provide an ongoing commentary to the General  
12 Assembly on these initiatives and to make recommendations for  
13 implementing similar initiatives in North Carolina; and

14 (4) Study any other election matters that the Committee considers necessary to  
15 fulfill its mandate.

16 (b) The Committee may make interim reports to the General Assembly on matters for  
17 which it may report to a regular session of the General Assembly. A report to the General  
18 Assembly may contain any legislation needed to implement a recommendation of the  
19 Committee."

20 **SECTION 9.** Notwithstanding G.S. 163A-2, as enacted by Section 4 of this act, the  
21 chairs of the two political parties shall submit a list of names to the Governor on or before April  
22 20, 2017, and the Governor shall make appointments from those lists no later than May 1,  
23 2017. The State chairs of the two political parties shall not nominate, and the Governor shall  
24 not appoint, any individual who has served two or more full consecutive terms on the State  
25 Board of Elections or State Ethics Commission, as of April 30, 2017.

26 **SECTION 10.** Notwithstanding G.S. 163A-2, as enacted by Section 4 of this act,  
27 the Governor shall appoint a member of the State Board to serve as chair of the State Board  
28 until its first meeting in May 2019, at which time the State Board shall select its chairs in  
29 accordance with G.S. 163A-2.

30 **SECTION 11.** Any previous assignment of duties of a quasi-legislative or  
31 quasi-judicial nature by the Governor or General Assembly to the agencies or functions  
32 transferred by this act shall have continued validity with the transfer under this act. Except as  
33 otherwise specifically provided in this act, each enumerated commission, board, or other  
34 function of State government transferred to the Bipartisan State Board of Elections and Ethics  
35 Enforcement, as created in this act, is a continuation of the former entity for purposes of  
36 succession to all the rights, powers, duties, and obligations of the former. Where the former  
37 entities are referred to by law, contract, or other document in their former name, the Bipartisan  
38 State Board of Elections and Ethics Enforcement, as created in this act, is charged with  
39 exercising the functions of the former named entity.

40 **SECTION 12.** No action or proceeding pending on May 1, 2017, brought by or  
41 against the State Board of Elections, the State Ethics Commission, or the Secretary of State  
42 regarding the lobbyist registration and lobbying enforcement of the Secretary of State shall be  
43 affected by any provision of this act, but the same may be prosecuted or defended in the name  
44 of the Bipartisan State Board of Elections and Ethics Enforcement, as created in this act. In  
45 these actions and proceedings, the Bipartisan State Board of Elections and Ethics Enforcement  
46 or its Executive Director, as appropriate, shall be substituted as a party upon proper application  
47 to the courts or other administrative or quasi-judicial bodies.

48 Any business or other matter undertaken or commanded by any State program or  
49 office or contract transferred by this act to the Bipartisan State Board of Elections and Ethics  
50 Enforcement pertaining to or connected with the functions, powers, obligations, and duties set  
51 forth herein, which is pending on May 1, 2017, may be conducted and completed by the

1 Bipartisan State Board of Elections and Ethics Enforcement in the same manner and under the  
2 same terms and conditions and with the same effect as if conducted and completed by the  
3 original program, office, or commissioners or directors thereof.

4 **SECTION 13.** The consolidation provided for under this act shall not affect any  
5 ongoing investigation or audit. Any ongoing hearing or other proceeding before the State Ethics  
6 Commission or State Board of Elections on May 1, 2017, shall be transferred to the Bipartisan  
7 State Board of Elections and Ethics Enforcement, as created by this act, on May 1, 2017.  
8 Prosecutions for offenses or violations committed before May 1, 2017, are not abated or  
9 affected by this act, and the statutes that would be applicable but for this act remain applicable  
10 to those prosecutions.

11 **SECTION 14.** Rules and forms adopted by the State Ethics Commission, Secretary  
12 of State related to lobbying, and the State Board of Elections shall remain in effect as provided  
13 in G.S. 150B-21.7. Policies, procedures, and guidance shall remain in effect until amended or  
14 repealed by the Bipartisan State Board of Elections and Ethics Enforcement. The list of covered  
15 boards adopted by the State Ethics Commission under G.S. 138A-11 as of April 30, 2017, shall  
16 continue in effect until amended or repealed by the Bipartisan State Board of Elections and  
17 Ethics Enforcement.

18 **SECTION 15.** Any evaluation of a statement of economic interest issued by the  
19 State Ethics Commission pursuant to Article 3 of Chapter 138A of the General Statutes in 2016  
20 shall remain in effect until amended or repealed by the Bipartisan State Board of Elections and  
21 Ethics Enforcement.

22 **SECTION 16.** The authority, powers, duties and functions, records, personnel,  
23 property, and unexpended balances of appropriations, allocations, or other funds, including the  
24 functions of budgeting and purchasing, of the State Ethics Commission are transferred to the  
25 Bipartisan State Board of Elections and Ethics Enforcement, as created in this act. The  
26 authority, powers, duties and functions, records, personnel, property, and unexpended balances  
27 of appropriations, allocations, or other funds, including the functions of budgeting and  
28 purchasing, of the State Board of Elections are transferred to the Bipartisan State Board of  
29 Elections and Ethics Enforcement, as created in this act. The authority, powers, duties and  
30 functions, records, personnel, property, and unexpended balances of appropriations, allocations,  
31 or other funds, including the functions of budgeting and purchasing, of the lobbying  
32 registration and lobbying enforcement functions of the Secretary of State are transferred to the  
33 Bipartisan State Board of Elections and Ethics Enforcement, as created in this act. The Director  
34 of the Budget shall resolve any disputes arising out of this transfer.

35 **SECTION 17.** Notwithstanding G.S. 163A-6, the Bipartisan State Board of  
36 Elections and Ethics Enforcement shall not appoint an Executive Director until May 2019.  
37 Until such time as the Bipartisan State Board of Elections and Ethics Enforcement appoints an  
38 Executive Director in accordance with G.S. 163A-6, as enacted by this act, the Executive  
39 Director of the State Board of Elections under G.S. 163-26, as of December 31, 2016, shall be  
40 the Executive Director.

41 **SECTION 18.** The appropriations and resources of the State Ethics Commission is  
42 transferred to the Bipartisan State Board of Elections and Ethics Enforcement, and the transfer  
43 shall have all the elements of a Type I transfer under G.S. 143A-6.

44 **SECTION 19.** The appropriations and resources of the State Board of Elections,  
45 including any office space of the State Board of Elections, is transferred to the Bipartisan State  
46 Board of Elections and Ethics Enforcement, and the transfer shall have all the elements of a  
47 Type I transfer under G.S. 143A-6, with the Budget Code for the newly established State Board  
48 being the previous State Board of Elections Budget Code of 18025.

49 **SECTION 20.** The appropriations and resources of the lobbying registration and  
50 lobbying enforcement functions of the Secretary of State are transferred to the Bipartisan State  
51 Board of Elections and Ethics Enforcement, and the transfers shall have all the elements of a

1 Type I transfer under G.S. 143A-6. Specifically, the following positions shall be transferred:  
2 Lobbying Compliance Director (Position 60008800), Law Enforcement Agent (Position  
3 60008806), Administrative Assistant II (Position 60008801), Administrative Assistant II  
4 (Position 60008802), and Administrative Assistant II (Position 60008803).

5 **SECTION 21.** The Bipartisan State Board of Elections and Ethics Enforcement  
6 shall report to the Joint Legislative Commission on Governmental Operations, Joint Legislative  
7 Elections Oversight Committee, and the Legislative Ethics Committee on or before April 1,  
8 2018, and again on or before March 1, 2019, as to recommendations for statutory changes  
9 necessary to further implement this consolidation.

10 **SECTION 22.** Notwithstanding the recodification in Section 3 of this act, the  
11 Bipartisan State Board of Elections and Ethics Enforcement shall not administer or enforce Part  
12 1, Part 3, or Part 6 of Article 8 of Chapter 163A of the General Statutes, and the Secretary of  
13 State shall maintain the authority to administer and enforce Articles 2, 4, and 8 of Chapter  
14 120C of the General Statutes, as those Articles existed on May 1, 2017, until October 1, 2017.  
15 Section 20 of this act becomes effective October 1, 2017. Sections 9 and 10 of this act become  
16 effective when it becomes law. G.S. 163-30, as amended by Section 7(h) of this act, and  
17 G.S. 163-31, as amended by Section 7(i) of this act, become effective July 1, 2017.  
18 G.S. 163-278.22(7), as amended by Section 7(k) of this act, becomes effective May 1, 2017,  
19 and applies to investigations initiated on or after that date. Except as otherwise provided, this  
20 act becomes effective May 1, 2017.