

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

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HOUSE DRH80273-LY-152 (3/9)

Short Title: Economic Development - Conflict of Interest.

(Public)

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Sponsors: Representative Luebke.

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Referred to:

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A BILL TO BE ENTITLED

1  
2 AN ACT TO PROHIBIT COMPANIES THAT CONSULT WITH THE STATE ON  
3 THE DEVELOPMENT OF ECONOMIC DEVELOPMENT INCENTIVE  
4 PROGRAMS FROM ADVISING BUSINESSES ON OBTAINING INCENTIVES  
5 UNDER THOSE PROGRAMS.

6 The General Assembly of North Carolina enacts:

7       **SECTION 1.** Part 2 of Article 10 of Chapter 143B of the General Statutes is  
8 amended by adding a new section to read:

9 **"§ 143B-437.07. Conflict of interest prohibited.**

10       It is unlawful for a person that advises the State on the creation or substantial  
11 modification of an economic development incentive program to, while advising the  
12 State or within two years after the end of advising the State, advise for compensation, as  
13 a consultant or otherwise, a business or individual that is seeking to utilize that  
14 economic development incentive. Violation of this section is a Class 1 misdemeanor. In  
15 addition to the penalties imposed under G.S. 15A-1340.23, the court shall also make a  
16 finding as to what compensation was received by the defendant, both from the State and  
17 from the private business or individual, for services in violation of this section and shall  
18 order the defendant to forfeit that compensation. If a person is convicted under this  
19 section, the person shall not advise for compensation, as a consultant or otherwise, any  
20 business or individual that is seeking to utilize the economic development incentive  
21 until two years after the person's conviction under this section. This section does not  
22 apply to a State or local official or to a State employee after the official's or employee's  
23 service to the State has ended."

24       **SECTION 2.** This act becomes effective December 1, 2005, and applies to  
25 persons who advise the State on the creation or substantial modification of an economic  
26 development incentive program on or after that date.