

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

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SENATE BILL 612\*  
Judiciary I Committee Substitute Adopted 3/31/05

Short Title: Amend Lobbying Laws.

(Public)

Sponsors:

Referred to:

March 17, 2005

1 A BILL TO BE ENTITLED  
2 AN ACT TO AMEND THE LOBBYING LAWS BY INCREASING THE  
3 INFORMATION REQUIRED TO BE REPORTED ON LOBBYING ACTIVITIES  
4 AND BY REQUIRING REGISTRATION AND REPORTING OF LOBBYING  
5 ACTIVITIES OF EXECUTIVE BRANCH AGENCIES AND EMPLOYEES, AND  
6 TO APPROPRIATE FUNDS TO IMPLEMENT THE ACT.

7 The General Assembly of North Carolina enacts:

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

10 "Article 9A.

11 "Legislative Branch Lobbying.

12 "§ 120-47.1. Definitions.

13 For the purposes of this Article, the following terms shall have the meanings  
14 ascribed to them in this section unless the context clearly indicates a different meaning:

15 (1) The terms "contribution," "compensation" and "expenditure" mean any  
16 advance, conveyance, deposit, payment, gift, retainer, fee, salary,  
17 honorarium, reimbursement, loan, pledge or anything of value and any  
18 contract, agreement, promise or other obligation whether or not legally  
19 enforceable, but those terms do not include prizes, awards, or  
20 compensation not exceeding one hundred dollars (\$100.00) in a  
21 calendar year enforceable.

22 (1b) The term "executive lobbyist" means a lobbyist registered pursuant to  
23 Article 4C of Chapter 147 of the General Statutes.

24 (2), (3) Repealed by Session Laws 1991, c. 740, s. 1.1.

25 (4) The term "legislative action" means the preparation, research, drafting,  
26 introduction, consideration, modification, amendment, approval,  
27 passage, enactment, tabling, postponement, defeat, or rejection of a  
28 bill, resolution, amendment, motion, report, nomination, appointment,  
29 or other matter by the legislature or by a member or employee of the

1 legislature acting or purporting to act in an official capacity. It also  
2 includes the consideration of any bill by the Governor for the  
3 Governor's approval or veto.

4 (4a) The term "legislative employee" means a legislative employee as the  
5 term is defined in G.S. 120-129(2).

6 (4b) The term "legislative liaison personnel" means any State officer or  
7 employee whose principal duties in ~~practice~~-practice, or as set forth in  
8 that person's job ~~description~~-description, involve lobbying the General  
9 Assembly.

10 (4c) The term "legislative lobbyist" means any lobbyist for or against  
11 legislative action.

12 (5) The term "lobbying" ~~means~~means any of the following:

13 a. Influencing or attempting to influence legislative action or  
14 developing legislative goodwill through direct oral or written  
15 communication with a member of the General ~~Assembly;~~  
16 ~~or~~Assembly, a person elected or appointed a legislator prior to  
17 taking office, or a legislative staff person or a legislative  
18 employee.

19 b. Solicitation of others by lobbyists to influence legislative  
20 action.

21 (6) The term "lobbyist" means an individual who:

22 a. Is employed and receives compensation, or who contracts for  
23 economic consideration, for the purpose of lobbying; or

24 b. Represents another person and receives compensation for the  
25 purpose of lobbying.

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

34 (7) The terms "lobbyist's principal" and "principal" mean the entity in  
35 whose behalf the legislative lobbyist influences or attempts to  
36 influence legislative action.

37 (8) The term "person" means any individual, firm, partnership, committee,  
38 association, corporation, or any other organization or group of persons.

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

42 a. Adjourns sine die; or

43 b. Recesses or adjourns for more than 10 days.

44 "**§ 120-47.2. Registration procedure.**

1 (a) A legislative lobbyist shall file a registration statement with the Secretary of  
2 State before engaging in any ~~lobbying-lobbying~~, in a manner prescribed by the Secretary  
3 of State, including electronically. A separate registration statement is required for each  
4 lobbyist's principal. The registration shall indicate whether it is registration as an  
5 executive lobbyist, legislative lobbyist, or both.

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

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

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

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

32 **"§ 120-47.3. Registration fee.**

33 (a) Every lobbyist's principal shall pay to the Secretary of State a fee of two  
34 hundred dollars (\$200.00) that is due and payable by either the legislative lobbyist or  
35 the lobbyist's principal at the time of registration.

36 (b) A separate registration, together with a separate registration fee of two  
37 hundred dollars (\$200.00) is required for each lobbyist's principal for which a person  
38 acts as a legislative lobbyist.

39 (c) Fees so collected shall be deposited in the General Fund of the State.

40 (d) The Secretary of State may prescribe that fees required under this section be  
41 paid electronically.

42 **"§ 120-47.4. Written authority from lobbyist's principal to be filed.**

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

4 **"§ 120-47.5. Contingency lobbying fees and election influence prohibited.**

5 (a) No person shall act as a legislative lobbyist for compensation that is  
6 dependent in any manner upon any legislative action,~~which is dependent in any manner~~  
7 ~~upon the passage or defeat of any proposed legislation or upon any other contingency~~  
8 ~~connected with any action of the General Assembly, the House, the Senate or any~~  
9 ~~committee thereof.~~

10 (b) No person shall attempt to influence the action of any member of the General  
11 Assembly by the promise of financial support of the member's candidacy, or by threat of  
12 financial contribution or expenditure in opposition to the member's candidacy in any  
13 future election.

14 **"§ 120-47.5A. Certain expenditures prohibited.**

15 No legislative lobbyist, lobbyist's principal, legislative liaison personnel, or the  
16 Governor, a member of the Council of State, appointed heads of State departments,  
17 agencies, and institutions who employs the legislative liaison personnel, shall give to, or  
18 pay for any of the following for, any legislator, legislative staff person, legislative  
19 employee, any other person elected or appointed a legislator prior to taking office, or the  
20 immediate family of any of these listed individuals:

21 (1) Gifts, meals, event tickets, transportation, speaking fees, and other  
22 expenses made directly or indirectly to support lobbying, including  
23 developing legislative goodwill, having a cumulative value in excess  
24 of one hundred dollars (\$100.00) in a calendar year that benefits one  
25 legislator, legislative staff person, legislative employee, or any person  
26 elected or appointed a legislator prior to taking office. Expenses  
27 benefiting more than one recipient shall be prorated among the  
28 recipients. Expenses benefiting a family member count toward the  
29 limit of expenses for the legislator, legislative staff, or legislative  
30 employee. Expenses paid by a legislative lobbyist count toward the  
31 limit of the lobbyist's principal.

32 (2) Loans, other than commercially available loans made on terms not  
33 more favorable than generally available to the public in the normal  
34 course of business.

35 (3) Contributions, other than lawful campaign contributions.

36 **"§ 120-47.6. Statements of lobbyist's lobbying expenses required.**

37 (a) Each legislative lobbyist shall file an expense report under oath with the  
38 Secretary of ~~State~~ State, in a manner prescribed by the Secretary of State including  
39 electronically, with respect to each principal within 60 days after the last day of ~~the each~~  
40 annual regular session. This expense report shall include all expenditures made between  
41 January 1 and the last day of ~~the each~~ annual regular session. The legislative lobbyist  
42 shall file a supplemental report including all expenditures made after the last day of ~~the~~  
43 each annual regular session, but during the calendar year, by February 28 of the

1 following year. The legislative lobbyist shall file both expense reports whether or not  
2 expenditures are made.

3 (b) Each expense report shall set forth the following information:

4 (1) ~~date of each expenditure, to whom paid, the name of any legislator~~  
5 ~~who benefitted from each expenditure, and the amount of each~~  
6 ~~expenditure made during the previous reporting period in connection~~  
7 ~~with lobbying, in each of the following categories: (1) transportation,~~  
8 ~~(2) lodging, (3) entertainment, (4) food, (5) any item having a cash~~  
9 ~~equivalent value of more than twenty five dollars (\$25.00) and (6)~~  
10 ~~contributions made, paid, incurred or promised, directly or indirectly.~~  
11 ~~It shall not be necessary to report expenditures of twenty five dollars~~  
12 ~~(\$25.00) or less, nor shall it be necessary to report any expenditures~~  
13 ~~made in connection with the attendance of a legislator at any~~  
14 ~~fund raising function or event sponsored by a nonprofit organization~~  
15 ~~qualified under 26 U.S.C. § 501(c). When more than 10 members of~~  
16 ~~the General Assembly benefitted or were invited to benefit from an~~  
17 ~~expenditure, the lobbyist shall not be required to report the name of~~  
18 ~~any legislator, but shall be required to report the number of legislators~~  
19 ~~or, with particularity, the basis for their selection. The amount, date,~~  
20 ~~the name and address of the beneficiary, and the type of item or~~  
21 ~~activity of each expenditure made directly or indirectly to support~~  
22 ~~lobbying, including developing legislative goodwill, that benefitted any~~  
23 ~~legislator, legislative staff person, legislative employee, or that~~  
24 ~~person's immediate family member, and the name of each such person~~  
25 ~~who benefitted.~~

26 (2) The date, the name and address of the beneficiary, and the type of item  
27 or activity of each contractual arrangement or direct business  
28 relationship between a legislative lobbyist or lobbyist's principal and a  
29 legislator, legislative staff person, legislative employee, or that  
30 person's immediate family member, in effect during the reporting  
31 period or previous 12 months.

32 (c) All reports shall be in the form prescribed by the Secretary of State and shall  
33 be open to public ~~inspection~~inspection upon filing.

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

40 (e) Filing of the required report and payment of the additional fee within the time  
41 extended shall constitute compliance with this section. Failure to file an expense report  
42 in one of the manners prescribed ~~herein in this section~~ shall result in revocation of any  
43 and all registrations of a legislative lobbyist under this Article. No legislative lobbyist  
44 may register or reregister under this Article until ~~he~~the legislative lobbyist has fully

1 complied with this section. Appeal of a decision by the Secretary of State shall be in  
2 accordance with Article 3 of Chapter 150B of the General Statutes.

3 (f) The oath required under this section shall attest to the truthfulness and  
4 completeness of the report.

5 **"§ 120-47.7. Statements of lobbyist's principal lobbying expenses required.**

6 (a) Each lobbyist's principal shall file an expense report under oath with the  
7 Secretary of State ~~State~~, in a manner prescribed by the Secretary of State including  
8 electronically, within 60 days after the last day of ~~the each annual~~ regular session. This  
9 expense report shall include all expenditures made between January 1 and the last day  
10 of ~~the each annual~~ regular session. The lobbyist's principal shall file a supplemental  
11 expense report, including all expenditures made after the last day of ~~the each annual~~  
12 regular session, but during the calendar year, by February 28 of the following year. The  
13 lobbyist's principal shall file both expense reports whether or not expenditures are made  
14 during a reporting period.

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

37 (1) The amount, date, the name and address of the beneficiary, and the  
38 type of item or activity of each expenditure made directly or indirectly  
39 to support lobbying, including developing legislative goodwill, which  
40 benefited any legislator, legislative staff person, legislative employee,  
41 or that person's immediate family member, and the name of each such  
42 person who benefited.

43 (2) The date, the name and address of the beneficiary, and the type of item  
44 or activity of each contractual arrangement or direct business

1 relationship between a legislative lobbyist or lobbyist's principal and a  
2 legislator, legislative staff person, legislative employee, or that  
3 person's immediate family member, in effect during the period or  
4 previous 12 months.

5 (3) The compensation paid or promised to all legislative lobbyists based  
6 on estimated time and expense spent lobbying directly or indirectly on  
7 behalf of the lobbyist's principal, including developing goodwill with  
8 legislators, legislative staff persons, and legislative employees. If a  
9 legislative lobbyist is a full-time employee of the lobbyist's principal,  
10 or is compensated by means of an annual fee or retainer, the lobbyist's  
11 principal shall estimate and report the portion of the salary or retainer  
12 that compensates for direct and indirect lobbying. The lobbyist's  
13 principal's expense report shall include an itemized description of all  
14 expenditures reimbursed or paid to legislative lobbyists for direct and  
15 indirect lobbying that are not reported on the legislative lobbyists'  
16 reports.

17 (c) All reports shall be in the form prescribed by the Secretary of State and open  
18 to public inspection.

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

25 (e) Filing of the required report and payment of the late fee within the time  
26 extended shall constitute compliance with this section.

27 (f) The oath required under this section shall attest to the truthfulness and  
28 completeness of the report.

29 **"§ 120-47.7A. Powers and duties of the Secretary of State.**

30 (a) The Secretary of State shall perform systematic audits of reports required to  
31 be filed under G.S. 120-47.6 and G.S. 120-47.7 on a regular basis.

32 (b) The Secretary of State may petition a court of competent jurisdiction for the  
33 approval to issue subpoenas and subpoenas duces tecum as necessary to conduct  
34 investigations of violations of this Article. The court shall authorize subpoenas under  
35 this subsection when the court determines they are necessary for the enforcement of this  
36 Article. Subpoenas issued pursuant to this subsection shall be enforceable by the court  
37 through the court's contempt powers.

38 (c) Complaints of violations of this Article and all other records accumulated in  
39 conjunction with the investigation of these complaints shall be considered records of  
40 criminal investigations under G.S. 132-1.4 and shall not become public records until a  
41 determination is made by the appropriate prosecutorial authority that no criminal  
42 charges will be brought against the person against whom the complaint was filed.

43 **"§ 120-47.7B. Prohibitions.**

1       (a) No legislator or former legislator may be employed as an executive or  
2 legislative lobbyist by a lobbyist's principal to lobby as defined in this Article or Article  
3 4C of Chapter 147 of the General Statutes during any biennial legislative session to  
4 which the legislator has been elected or appointed.

5       (b) Elected executive branch officer, as defined in G.S. 147-54.31(3), may be  
6 employed as an executive or legislative lobbyist by a lobbyist's principal to lobby as  
7 defined in this Article or Article 4C of Chapter 147 of the General Statutes during the  
8 time of the current biennial legislative session during which the person served in office.

9       (c) No person registered as a legislative lobbyist shall serve as a campaign  
10 manager or a campaign treasurer under Chapter 163 of the General Statutes for a  
11 campaign for election as a member of the General Assembly.

12 **"§ 120-47.8. Persons exempted from provisions of Article.**

13       The provisions of this Article shall not be construed to apply to any of the following:

- 14       (1) An individual, not acting as a legislative lobbyist, solely engaged in  
15       expressing a personal opinion on legislative matters to ~~his~~the  
16       individual's own legislative delegation or other members of the  
17       General Assembly.
- 18       (2) A person appearing before a legislative committee at the invitation or  
19       request of the committee or a member thereof and who engages in no  
20       further activities as a legislative lobbyist in connection with that or any  
21       other legislative ~~matter~~action.
- 22       (3) a. A duly elected or appointed official or employee of the State,  
23       the United States, a county, municipality, school district or  
24       other governmental agency, when appearing solely in  
25       connection with matters pertaining to ~~his~~the office and public  
26       duties.
- 27       b. Notwithstanding the persons exempted in this Article, the  
28       Governor, Council of State, and all appointed heads of State  
29       departments, agencies and institutions, shall designate all  
30       authorized official legislative liaison personnel and shall file  
31       and maintain current lists of designated legislative liaison  
32       personnel with the Secretary of State and shall likewise file  
33       with the Secretary of State a full and accurate accounting of all  
34       money expended on lobbying, other than the salaries of regular  
35       full-time employees, at the same times lobbyists are required to  
36       file expense reports under G.S. 120-47.6.
- 37       (4) A person performing professional services in drafting bills or in  
38       advising and rendering opinions to clients, or to legislators on behalf  
39       of clients, as to the construction and effect of proposed or pending  
40       legislation where the professional services are not otherwise, directly  
41       or indirectly, connected with legislative action.
- 42       (5) A person who owns, publishes or is employed by any news medium  
43       while engaged in the acquisition or dissemination of news on behalf of  
44       the news medium.

- 1 (6) Repealed by Session Laws 1991, c. 740, s. 1.1.  
2 (7) Members of the General Assembly.  
3 (8) A person responding to inquiries from a member of the General  
4 Assembly or a legislative employee, and who engages in no further  
5 activities as a legislative lobbyist in connection with that or any other  
6 legislative matter.  
7 (9) An individual giving facts or recommendations pertaining to  
8 legislative ~~matters~~actions to ~~his~~the individual's own legislative  
9 delegation only.  
10 (10) An employee who represents the employer's interests in legislative  
11 action for no more than 12 hours during a 12-month reporting period,  
12 provided that neither the employee nor the employer makes any  
13 expenditure directly or indirectly that would be prohibited under  
14 G.S. 120-47.5A, or any expenditure reportable under G.S. 120-47.6 or  
15 G.S. 120-47.7, if the person were not exempt under this section.

16 **"§ 120-47.9. Punishment for violation.**

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

21 (b) In addition to the criminal penalties set forth in this section, the Secretary of  
22 State may levy civil fines for false or incomplete reporting up to five thousand dollars  
23 (\$5,000) per violation.

24 **"§ 120-47.10. Enforcement of Article by Attorney General.**

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

31 **"§ 120-47.11. Rules and forms.**

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

34 **"§ 120-47.12. Limitations on agency legislative liaisons.**

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

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

40 (c) All persons designated as legislative liaison personnel pursuant to this Article  
41 and the principal State department or constituent institution of The University of North  
42 Carolina who employs the legislative liaison personnel shall report all expenditures  
43 made for lobbying purposes in the same manner as required for legislative lobbyists  
44 under G.S. 120-47.6 and lobbyist's principals under G.S. 120-47.7."



1           The term "lobbyist" shall not include those individuals who are  
2           specifically exempted from this Article by G.S. 147-54.40. For the  
3           purpose of determining whether an individual is a lobbyist under this  
4           subdivision, reimbursement of actual travel and subsistence expenses  
5           shall not be considered compensation; provided, however, that  
6           reimbursement in the ordinary course of business of these expenses  
7           shall be considered compensation if a significant part of the  
8           individual's duties involves lobbying before the Executive Branch.

9           (7)    The terms "lobbyist's principal" and "principal" mean the entity in  
10           whose behalf the executive lobbyist influences or attempts to influence  
11           executive action.

12           (8)    The term "person" means any individual, firm, partnership, committee,  
13           association, corporation, or any other organization or group of persons.

14    **"§ 147-54.32. Registration procedure.**

15           (a)    An executive lobbyist shall file a registration statement with the Secretary of  
16           State before engaging in any lobbying, in a manner prescribed by the Secretary of State,  
17           including electronically. A separate registration statement is required for each lobbyist's  
18           principal. The registration shall indicate whether it is for executive action, legislative  
19           action, or both.

20           (b)    The form of the registration shall be prescribed by the Secretary of State and  
21           shall include the registrant's full name, firm, complete address and telephone number;  
22           the registrant's place of business; the full name, complete address, and telephone  
23           number of each person by whom the registrant is employed or retained; and a general  
24           description of the matters on which the registrant expects to act as a lobbyist.

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

30           (d)    Each registration statement of an executive lobbyist required under this  
31           Article shall be effective from the date of filing until January 1 of the following year.  
32           The executive lobbyist shall file a new registration statement effective on or before  
33           January 1 for the subsequent year and annually thereafter. The applicable fee shall be  
34           due and payable upon the filing of each registration statement.

35    **"§ 147-54.33. Registration fee.**

36           (a)    Every lobbyist's principal shall pay to the Secretary of State a fee of two  
37           hundred dollars (\$200.00) that is due and payable by either the executive lobbyist or the  
38           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) is required for each lobbyist's principal for which a person  
41           acts as an executive lobbyist.

42           (c)    Fees collected under this section shall be deposited in the General Fund of the  
43           State.

1       (d) The Secretary of State may prescribe that fees required under this section be  
2 paid electronically.

3 **"§ 147-54.34. Written authority from lobbyist's principal to be filed.**

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

7 **"§ 147-54.35. Contingency lobbying fees and election influence prohibited.**

8       (a) No person shall act as an executive lobbyist for compensation that is  
9 dependent in any manner upon any executive action.

10       (b) No person shall attempt to influence the action of an executive branch officer  
11 or employee by the promise of financial support of the executive branch officer's or  
12 employee's candidacy, or by threat of financial contribution or expenditure in opposition  
13 to the executive branch officer's or employee's candidacy in any future election.

14 **"§ 147-54.36. Certain expenditures prohibited.**

15       No executive lobbyist or lobbyist's principal shall give to, or pay for any of the  
16 following for, any executive branch officer or employee, or the immediate family of any  
17 executive branch officer or employee:

18           (1) Gifts, meals, event tickets, transportation, speaking fees, and other  
19 expenses made directly or indirectly to support lobbying, including  
20 developing executive branch goodwill, having a cumulative value in  
21 excess of one hundred dollars (\$100.00) in a calendar year that benefit  
22 one executive branch officer or employee. Expenses benefiting more  
23 than one recipient shall be prorated among the recipients. Expenses  
24 benefiting a family member count toward the limit of expenses for the  
25 executive branch officer or employee. Expenses paid by a lobbyist  
26 count toward the limit of the lobbyist's principal.

27           (2) Loans, other than commercially available loans made on terms not  
28 more favorable than generally available to the public in the normal  
29 course of business.

30           (3) Contributions, other than lawful campaign contributions.

31 **"§ 147-54.37. Statements of lobbyist's lobbying expenses required.**

32       (a) Each executive lobbyist shall file semiannual expense reports with the  
33 Secretary of State, in a manner prescribed by the Secretary of State including  
34 electronically, with respect to each lobbyist's principal within 45 days after the end of  
35 the reporting periods ending on June 30 and December 31 of each year. The expense  
36 report shall include all expenditures during the prior six-month reporting period. The  
37 executive lobbyist shall file an expense report whether or not expenditures are made.

38       (b) Each expense report shall set forth the following information:

39           (1) The amount, date, the name and address of the beneficiary, and the  
40 type of item or activity of each expenditure made directly or indirectly  
41 to support lobbying, including developing executive branch goodwill,  
42 which benefited any executive branch officer or employee, or that  
43 person's immediate family member, and the name of each such person  
44 who benefited.

1           (2)    The date, the name and address of the beneficiary, and the type of item  
2                   or activity of each contractual arrangement or direct business  
3                   relationship between an executive lobbyist or lobbyist's principal and  
4                   an executive branch officer or employee, or that person's immediate  
5                   family member, in effect during the period or previous 12 months.

6           (c)    All reports shall be in the form prescribed by the Secretary of State and shall  
7                   be open to public inspection upon filing.

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

14           (e)    Filing of the required report and payment of the additional fee within the time  
15                  extended shall constitute compliance with this section. Failure to file an expense report  
16                  in one of the manners prescribed herein shall result in revocation of any and all  
17                  registrations of an executive lobbyist under this Article. No executive lobbyist may  
18                  register or reregister under this Article until the executive lobbyist has fully complied  
19                  with this section. Appeal of a decision by the Secretary of State shall be in accordance  
20                  with Article 3 of Chapter 150B of the General Statutes.

21           (f)    The oath required under this section shall attest to the truthfulness and  
22                  completeness of the report.

23    **"§ 147-54.38. Statements of lobbyist's principal lobbying expenses required.**

24           (a)    Each executive lobbyist's principal shall file semiannual expense reports with  
25                  the Secretary of State within 45 days after the end of the reporting periods ending on  
26                  June 30 and December 31 of each year. The expense report shall include all  
27                  expenditures made during the prior six-month reporting period. The lobbyist's principal  
28                  shall file an expense report whether or not expenditures are made during a reporting  
29                  period.

30           (b)    Each expense report shall set forth the following information:

31                  (1)    The amount, date, the name and address of the beneficiary, and the  
32                          type of item or activity of each expenditure made directly or indirectly  
33                          to support lobbying, including developing executive branch goodwill,  
34                          which benefited any executive branch officer or employee, or that  
35                          person's immediate family member, and the name of each such person  
36                          who benefited.

37                  (2)    The date, the name and address of the beneficiary, and the type of item  
38                          or activity of each contractual arrangement or direct business  
39                          relationship between an executive legislative lobbyist or lobbyist's  
40                          principal and an executive branch officer or employee, or that person's  
41                          immediate family member, in effect during the period or previous 12  
42                          months.

43                  (3)    The compensation paid or promised to all executive lobbyists based on  
44                          estimated time and expense spent lobbying directly or indirectly on

1 behalf of the principal, including developing goodwill with executive  
2 branch officers or employees. If an executive lobbyist is a full-time  
3 employee of the lobbyist's principal, or is compensated by means of an  
4 annual fee or retainer, the lobbyist principal shall estimate and report  
5 the portion of the salary or retainer that compensates for direct and  
6 indirect lobbying. The principal's expense report shall include an  
7 itemized description of all expenditures reimbursed or paid to  
8 executive lobbyists for direct and indirect lobbying that are not  
9 reported on the executive lobbyists' reports.

10 (c) All reports shall be in the form prescribed by the Secretary of State and open  
11 to public inspection.

12 (d) When a lobbyist's principal fails to file a lobbying expense report as required  
13 in this section, the Secretary of State shall send a certified or registered letter advising  
14 the 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.

20 (f) The oath required under this section shall attest to the truthfulness and  
21 completeness of the report.

22 **"§ 147-54.39. Powers and duties of the Secretary of State.**

23 (a) The Secretary of State shall perform systematic audits of reports required to  
24 be filed under G.S. 147-54.37 and G.S. 147-54.38 on a regular basis.

25 (b) The Secretary of State may petition a court of competent jurisdiction for the  
26 approval to issue subpoenas and subpoenas duces tecum as necessary to conduct  
27 investigations of violations of this Article. The court shall authorize subpoenas under  
28 this subsection when the court determines they are necessary for the enforcement of this  
29 Article. Subpoenas issued pursuant to this subsection shall be enforceable by the court  
30 through the court's contempt powers.

31 (c) Complaints of violations of this Article and all other records accumulated in  
32 conjunction with the investigation of these complaints shall be considered records of  
33 criminal investigations under G.S. 132-1.4 and shall not become public records until a  
34 determination is made by the appropriate prosecutorial authority that no criminal  
35 charges will be brought against the person against whom the complaint was filed.

36 **"§ 147-54.40. Persons exempted from provisions of Article.**

37 The provisions of this Article shall not be construed to apply to any of the following:

38 (1) An individual, not acting as an executive lobbyist, solely engaged in  
39 expressing a personal opinion on an executive action.

40 (2) A person appearing before a committee, commission, board, council,  
41 or other collective body at the invitation or request of the collective  
42 body or a member thereof and who engages in no further activities as  
43 an executive lobbyist in connection with that or any other executive  
44 action.

- 1           (3) A duly elected or appointed official or employee of the State, the  
2 United States, a county, municipality, school district or other  
3 governmental agency, when appearing solely in connection with  
4 matters pertaining to his office and public duties.
- 5           (4) A person performing professional services in drafting bills, rules,  
6 regulations, executive orders, policies, resolutions, contracts, or  
7 requests for proposal, or in advising and rendering opinions to clients,  
8 or executive branch officials on behalf of clients, as to the construction  
9 and effect of proposed or pending executive action where the  
10 professional services are not otherwise, directly or indirectly,  
11 connected with executive action.
- 12           (5) A person who owns, publishes, or is employed by any news medium  
13 while engaged in the acquisition or dissemination of news on behalf of  
14 the news medium.
- 15           (6) A person responding to inquiries from an executive branch officer or  
16 employee and who engages in no further activities as an executive  
17 lobbyist in connection with that or any other executive branch matter.
- 18           (7) A person appearing before an executive branch agency or department  
19 on behalf of another person, on an individual application for a license  
20 or permit, or a disciplinary action on a license.
- 21           (8) An employee who represents the employer's interests in executive  
22 action for no more than six hours during a six-month reporting period,  
23 provided that neither the employee nor the employer make any  
24 expenditure directly or indirectly that would be prohibited under  
25 G.S. 147-54.36, or any expenditure reportable under G.S. 147-54.37 or  
26 G.S. 147-54.38, if the person were not exempt under this section.

27 **§ 147-54.41. Punishment for violation.**

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

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

35 **§ 147-54.42. Enforcement of Article by Attorney General.**

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

42 **§ 147-54.43. Rules and forms.**

43           The Secretary of State shall adopt any rules, orders, forms, and definitions as are  
44 necessary to carry out the provisions of this Article."

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**SECTION 3.** This act becomes effective January 1, 2006.