

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

S

7

SENATE BILL 612*
Judiciary I Committee Substitute Adopted 3/31/05
Finance Committee Substitute Adopted 4/11/05
Fourth Edition Engrossed 4/14/05
House Committee Substitute Favorable 7/20/05
House Committee Substitute #2 Favorable 7/27/05
House Committee Substitute #3 Favorable 8/10/05

Short Title: Amend Lobbying Laws.

(Public)

Sponsors:

Referred to:

March 17, 2005

A BILL TO BE ENTITLED

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

The General Assembly of North Carolina enacts:

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

"Article 9A.

"Legislative Branch Lobbying.

"§ 120-47.1. Definitions.

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

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

~~(1)(1a) The terms "contribution," "compensation" and term "expenditure" mean—means any advance, contribution, conveyance, deposit,~~

1 distribution, payment, gift, retainer, fee, salary, honorarium,
2 reimbursement, loan, pledge or ~~anything thing~~ of value greater than ten
3 dollars (\$10.00), and ~~any or contract~~ contract, agreement, promise or
4 other obligation whether or not legally enforceable, ~~but those terms do~~
5 not include prizes, awards, or compensation not exceeding one
6 hundred dollars (\$100.00) in a calendar year that directly or indirectly
7 is made to, at the request of, for the benefit of, or on the behalf of a
8 covered person, legislative employee, or that person's immediate
9 family member.

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

12 (2), (3) Repealed by Session Laws 1991, c. 740, s. 1.1.

13 (3a) The term "immediate family member" means spouse, descendant, or
14 ascendant.

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

26 (4a) The term "legislative employee" means employees and officers of the
27 General Assembly.

28 (4b) The term "legislative liaison personnel" means any State ~~officer or~~
29 employee ~~officer~~ whose principal ~~duties~~ duties, in practice or as set
30 forth in that person's job ~~description~~ description, ~~involve~~ include
31 lobbying the General Assembly.

32 (4c) The term "legislative lobbyist" means any lobbyist for or against
33 legislative action.

34 (4d) The term "legislator" means a member of the General Assembly or a
35 person elected or appointed a member of the General Assembly prior
36 to taking office.

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

38 a. Influencing or attempting to influence legislative action through
39 direct ~~oral or written~~ communication or activities with a
40 member of the General Assembly; ~~or~~ covered person, legislative
41 employee, or that person's immediate family member.

42 b. Solicitation of others by legislative lobbyists or lobbyists'
43 principals to influence legislative action.

- 1 c. Developing goodwill through communications or activities,
 2 including the building of relationships, with a covered person,
 3 legislative employee, or that person's immediate family with the
 4 intention of influencing current or future legislative action, but
 5 does not include communications or activities with a covered
 6 person, legislative employee, or that person's immediate family
 7 member in a business, civic, religious, fraternal, or commercial
 8 relationship which is not connected to legislative action.
- 9 (6) The term "lobbyist" means an individual ~~who~~who meets any of the
 10 following criteria:
- 11 a. Is employed and receives compensation, or who contracts for
 12 economic consideration, for the purpose of ~~lobbying;~~
 13 ~~or~~lobbying.
- 14 b. Represents another person and receives compensation for the
 15 purpose of lobbying.
- 16 c. Is legislative liaison personnel.
- 17 The term "lobbyist" shall not include those individuals who are
 18 specifically exempted from this Article by G.S. 120-47.8. For the
 19 purpose of determining whether an individual is a lobbyist under this
 20 subdivision, reimbursement of actual travel and subsistence expenses
 21 shall not be considered compensation; provided, however, that
 22 reimbursement in the ordinary course of business of these expenses
 23 shall be considered compensation if a significant part of the
 24 individual's duties involve lobbying before the General Assembly.
- 25 (7) The terms "lobbyist's principal" and "principal" mean the ~~entity~~
 26 ~~in person on~~ whose behalf the legislative lobbyist influences or
 27 ~~attempts to influence legislative action.~~lobbies. In the case where a
 28 lobbyist is compensated by a law firm, consulting firm, or other entity
 29 retained by a person for legislative lobbying, the principal is the person
 30 whose interests the lobbyist represents in lobbying.
- 31 (8) The term "person" means any individual, firm, partnership, committee,
 32 association, corporation, business entity, or any other organization or
 33 group of ~~persons.~~persons which has an independent legal existence.
- 34 (9) The General Assembly is in "regular session" from the date set by law
 35 or resolution that the General Assembly convenes until the General
 36 Assembly either:
- 37 a. Adjourns sine die; or
- 38 b. Recesses or adjourns for more than 10 days.

39 **"§ 120-47.2. Registration procedure.**

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

1 lobbyist, executive lobbyist, or both, and a separate registration fee shall be paid for
2 each separate type of registration.

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

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

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

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

33 **"§ 120-47.3. Registration fee.**

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

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

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

4 (d) The Secretary of State shall adopt rules providing for the reduction or waiver
5 of the fees required by this section if the lobbyist's principal required to pay the fee has
6 annual revenue of three hundred thousand dollars (\$300,000) or less and no more than
7 two registered lobbyists, or there otherwise exists a case of hardship.

8 **"§ 120-47.4. Written authority from lobbyist's principal to be filed.**

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

12 **"§ 120-47.5. Contingency lobbying fees and election influence prohibited.**

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

18 (b) No ~~person~~ legislative lobbyist or legislative lobbyist's principal shall attempt
19 to influence the action of any ~~member of the General Assembly~~ covered person by the
20 promise of financial support of the ~~member's~~ covered person's candidacy, or by threat of
21 financial ~~contribution~~ support in opposition to the ~~member's~~ covered person's candidacy
22 in any future election.

23 **"§ 120-47.5A. Exemptions and inclusions for reporting purposes.**

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

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

30 (2) Lawful campaign contributions.

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

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

36 (2) Contractual arrangements or direct business relationships between a
37 legislative lobbyist or legislative lobbyist's principal and a covered
38 person, legislative employee, or that person's immediate family
39 member, in effect during the reporting period or the previous 12
40 months.

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

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

4 "**§ 120-47.6. Statements of legislative lobbyist's lobbying expenses-expenditures**
5 **required.**

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

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

- 35 (1) Transportation and lodging.
36 (2) Entertainment, food, and beverages.
37 (3) Meetings and events.
38 (4) Gifts.
39 (5) Other expenditures.

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

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

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

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

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

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

32 "**§ 120-47.7. Statements of legislative lobbyist's principal lobbying expenses**
33 **expenditures required.**

34 (a) Each legislative lobbyist's principal shall file an ~~expense report with the~~
35 ~~Secretary of State within 60 days after the last day of the regular session. This expense~~
36 ~~report shall include all expenditures made between January 1 and the last day of the~~
37 ~~regular session. The principal shall file a supplemental expense report, including all~~
38 ~~expenditures made after the last day of the regular session, but during the calendar year,~~
39 ~~by February 28 of the following year. monthly expenditure reports under oath with the~~
40 Secretary of State, in a manner prescribed by the Secretary of State, which may include
41 electronic reports, while the General Assembly is in regular session, and quarterly
42 thereafter. The expenditure report shall include all expenditures during the reporting
43 period and shall be due 10 business days after the end of the reporting period. The

1 lobbyist's principal shall file ~~both expense~~ the expenditure reports whether or not
2 expenditures are made during a reporting period.

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

- 28 (1) Transportation and lodging.
- 29 (2) Entertainment, food, and beverages.
- 30 (3) Meetings and events.
- 31 (4) Gifts.
- 32 (5) Other expenditures.

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

37 In addition, the compensation paid or agreed to be paid to all legislative lobbyists
38 shall be reported, whether or not a covered person, legislative employee, or family
39 member is affected. If a legislative lobbyist is a full-time employee of the lobbyist's
40 principal, or is compensated by means of an annual fee or retainer, the lobbyist's
41 principal shall estimate and report the portion of the salary, fee, or retainer that
42 compensates for lobbying. The lobbyist's principal's expenditure report shall include an
43 itemized description of all expenditures reimbursed or paid to legislative lobbyists for
44 lobbying that are not reported on the legislative lobbyists' reports.

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

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

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

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

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

31 **"§ 120-47.7B. Powers and duties of the Secretary of State.**

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

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

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

4 **"§ 120-47.7C. Prohibitions.**

5 (a) No member or former member of the General Assembly may be employed as
6 an executive or legislative lobbyist by a lobbyist's principal to lobby as defined in this
7 Article or Article 4C of Chapter 147 of the General Statutes within one year after the
8 expiration of the term for which the member was elected or appointed to serve.

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

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

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

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

26 **"§ 120-47.8. Persons exempted from provisions of Article.**

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

29 (1) ~~An individual, not acting as a lobbyist, individual~~ solely engaged in
30 expressing a personal opinion or stating facts or recommendations on
31 legislative matters to his own legislative delegation or other members
32 of the General Assembly. Assembly and not acting as a legislative
33 lobbyist.

34 (2) A person appearing before a legislative committee at the invitation or
35 request of the committee or a member thereof and who engages in no
36 further activities as a legislative lobbyist in connection with that or any
37 other legislative matter. lobbyist.

38 (3) a. A duly elected or appointed official or employee of the State,
39 the United States, a county, municipality, school district or
40 other governmental agency, when appearing solely in
41 connection with matters pertaining to ~~his~~ the office and public
42 duties.

43 b. Notwithstanding the persons exempted in this Article, the
44 Governor, Council of State, and all appointed heads of State

1 departments, agencies and institutions, shall designate all
2 authorized official legislative liaison personnel and shall file
3 and maintain current lists of designated legislative liaison
4 personnel with the Secretary of State and shall likewise file
5 with the Secretary of State a full and accurate accounting of all
6 money expended on lobbying, other than the salaries of regular
7 full-time employees, at the same times lobbyists are required to
8 file expense reports under G.S. 120-47.6.State.

9 (4) A person performing professional services in drafting bills or in
10 advising and rendering opinions to clients, or to ~~legislators~~ covered
11 persons on behalf of clients, as to the construction and effect of
12 proposed or pending legislation where the professional services are not
13 ~~otherwise, directly or indirectly, otherwise~~ connected with legislative
14 action.

15 (5) A person who owns, publishes or is employed by any news medium
16 while engaged in the acquisition or dissemination of news on behalf of
17 the news ~~medium~~ medium as defined in G.S. 8-53.11.

18 (6) Repealed by Session Laws 1991, c. 740, s. 1.1.

19 (7) ~~Members of the General Assembly.~~ Covered persons and legislative
20 employees.

21 (8) A person responding to inquiries from a member of the General
22 Assembly or a legislative employee, and who engages in no further
23 activities as a legislative lobbyist in connection with that or any other
24 legislative matter.

25 (9) ~~An individual giving facts or recommendations pertaining to~~
26 ~~legislative matters to his own legislative delegation only.~~ An employee
27 who represents the employer's interests in legislative action for no
28 more than three hours in a quarter, provided that neither the employee
29 nor the employer makes any expenditure as defined in G.S. 120-47.1.

30 **"§ 120-47.8A. Expenditures made by persons exempted or not covered by this**
31 **Article.**

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

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

42 (c) If a covered person or a legislative employee accepts a scholarship valued
43 over two hundred dollars (\$200.00) from a person, or group of persons, acting together,
44 exempted or not covered by this Article, the person, or group of persons, granting the

1 scholarship shall report the date of the scholarship, a description of the event involved,
2 the name and address of the person, or group of persons, granting the scholarship, the
3 name of the covered person or legislative employee accepting the scholarship, and the
4 estimated fair market value.

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

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

9 (1) Lawful campaign contributions.

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

12 (3) Gifts associated primarily with the covered person's, legislative
13 employee's, or that person's immediate family member's nonlegislative
14 employment.

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

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

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

23 **"§ 120-47.9. Punishment for violation.**

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

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

31 **"§ 120-47.10. Enforcement of Article by Attorney General.**

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

38 **"§ 120-47.11. Rules and forms.**

39 The Secretary of State shall ~~make, amend, and rescind~~ adopt any rules, orders, forms,
40 and definitions as are necessary to carry out the provisions of this Article. The Secretary
41 of State may appoint a council to advise the Secretary in adopting rules under this
42 section.

43 **"§ 120-47.12. Limitations on agency legislative ~~liaisons~~ liaison personnel.**

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

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

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

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

13 "Article 4C.

14 "Executive Branch Lobbying.

15 **§ 147-54.31. Definitions.**

16 The following definitions shall apply in this Article:

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

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

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

- 13 a. Is employed and receives compensation, or who contracts for
14 economic consideration, for the purpose of lobbying.
- 15 b. Represents another person and receives compensation for the
16 purpose of lobbying.

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

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

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

33 **§ 147-54.32. Registration procedure.**

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

41 (b) The form of the registration shall be prescribed by the Secretary of State and
42 shall include the registrant's full name, firm, and complete address and telephone
43 number; the registrant's place of business; the full name and complete address and
44 telephone number of each person by whom the registrant is employed or retained; and a

1 general description of the matters on which the registrant expects to act as an executive
2 lobbyist. The Secretary of State shall make available as soon as practicable the
3 registrations of the lobbyists and lobbyists' principals in an electronic, searchable
4 format.

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

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

13 **"§ 147-54.33. Registration fee.**

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

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

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

25 (d) The Secretary of State shall adopt rules providing for the reduction or waiver
26 of the fees required by this section if the lobbyist's principal required to pay the fee has
27 annual revenue of three hundred thousand dollars (\$300,000) or less and no more than
28 two registered lobbyists, or there otherwise exists a case of hardship.

29 **"§ 147-54.34. Written authority from lobbyist's principal to be filed.**

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

33 **"§ 147-54.35. Contingency lobbying fees and election influence prohibited.**

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

36 (b) No executive lobbyist or executive lobbyist's principal shall attempt to
37 influence the action of an executive branch officer by the promise of financial support
38 of the executive branch officer's candidacy or appointment, or by threat of financial
39 support in opposition to the executive branch officer's candidacy in any future election
40 or future reappointment.

41 **"§ 147-54.36. Exemptions and inclusions for reporting purposes.**

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

1 (1) Gifts from an immediate family member or person who is the child,
2 stepchild, parent, sibling, mother-in-law, father-in-law, son-in-law,
3 daughter-in-law, grandparent, or grandchild of the executive branch
4 officer.
5 (2) Lawful campaign contributions.
6 (b) For purposes of G.S. 147-54.37 and G.S. 147-54.38, all expenditures made
7 for the purpose of lobbying need to be reported, including:

8 (1) Expenditures benefiting or made on behalf of an executive branch
9 officer or that person's immediate family members, in the regular
10 course of that person's nonexecutive employment.
11 (2) Contractual arrangements or direct business relationships between an
12 executive lobbyist or executive lobbyist's principal and an executive
13 branch officer or that person's immediate family member, in effect
14 during the reporting period or the previous 12 months.
15 (3) Expenditures reimbursed to an executive lobbyist in the ordinary
16 course of business by the lobbyist's principal or other employer.

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

20 **"§ 147-54.37. Statements of executive lobbyist's lobbying expenditures required.**

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

27 (b) Each expenditure report shall set forth the amount, date, a description of the
28 expenditure, name and address of the payee, and name of any executive branch officer,
29 or that person's immediate family member benefiting by the expenditure. Such
30 expenditures shall be reported using the following categories:

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

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

40 (c) All reports shall be in the form prescribed by the Secretary of State and shall
41 be open to public inspection upon filing. When more than 15 executive branch officers
42 benefit from an expenditure, no names of individuals need be reported, provided that the
43 report identifies the approximate number of executive branch officers benefiting and,

1 with particularity, the basis for their selection. The approximate number of immediate
2 family members who benefited from the expenditure shall be listed separately.

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

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

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

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

22 **"§ 147-54.38. Statements of lobbyist's principal lobbying expenses required.**

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

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

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

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

42 (c) All reports shall be in the form prescribed by the Secretary of State and open
43 to public inspection upon filing. When more than 15 executive branch officers benefit
44 from an expenditure, no names of individuals need be reported provided that the report

1 identifies the approximate number of executive branch officers benefiting and, with
2 particularity, the basis for their selection. The approximate number of immediate family
3 members who benefited from the expenditure shall be listed separately.

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

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

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

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

23 **"§ 147-54.39. Powers and duties of the Secretary of State.**

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

27 (b) The Secretary of State may petition the Superior Court of Wake County for
28 the approval to issue subpoenas and subpoenas duces tecum as necessary to conduct
29 investigations of violations of this Article. The court shall authorize subpoenas under
30 this subsection when the court determines they are necessary for the enforcement of this
31 Article. Subpoenas issued pursuant to this subsection shall be enforceable by the court
32 through contempt powers. The Superior Court of Wake County may exercise personal
33 jurisdiction over any nonresident person, or that person's agent, who makes a reportable
34 expenditure under this Article.

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

38 **"§ 147-54.40. Persons exempted from provisions of Article.**

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

41 (1) An individual solely engaged in expressing a personal opinion on an
42 executive action and not acting as an executive lobbyist.

43 (2) A person appearing before a committee, commission, board, council,
44 or other collective body at the invitation or request of the collective

1 body or a member thereof and who engages in no further activities as
2 an executive lobbyist in connection with that or any other executive
3 action.

4 (3) A duly elected or appointed official or employee of the State, the
5 United States, a county, municipality, school district, or other
6 governmental agency, when appearing solely in connection with
7 matters pertaining to the office and its public duties.

8 (4) A person performing professional services in advising and rendering
9 opinions to clients, or to executive branch officers on behalf of clients,
10 as to the construction and effect of proposed or pending executive
11 action where the professional services are not otherwise connected
12 with executive action.

13 (5) A person who owns, publishes, or is employed by any news medium
14 while engaged in the acquisition or dissemination of news on behalf of
15 the news medium as defined in G.S. 8-53.11.

16 (6) A person responding to inquiries from an executive branch officer and
17 who engages in no further activities as an executive lobbyist in
18 connection with that or any other executive action.

19 (7) A person appearing before an executive branch agency or department
20 on behalf of another person, on an individual application for a license
21 or permit, or a disciplinary action on a license or permit.

22 (8) A person appearing before an executive branch officer on behalf of
23 another person with respect to a proposed sale or lease of real property,
24 goods or services to the State, or construction of property by the State.

25 (9) An employee who represents the employer's interests in executive
26 action for no more than six hours during a six-month reporting period,
27 provided that neither the employee nor the employer make any
28 expenditure as defined in G.S. 147-54.31.

29 **§ 147-54.41. Expenditures made by persons exempted or not covered by this**
30 **Article.**

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

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

41 (c) If an executive branch officer accepts a scholarship valued over two hundred
42 dollars (\$200.00) from a person, or group of persons, acting together, exempted or not
43 otherwise covered by this Article, the person, or group of persons, granting the
44 scholarship shall report the date of the scholarship, a description of the event involved,

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

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

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

8 (1) Lawful campaign contributions.

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

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

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

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

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

22 **"§ 147-54.42. Punishment for violation.**

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

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

30 **"§ 147-54.43. Enforcement of Article by Attorney General.**

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

36 **"§ 147-54.44. Rules and forms.**

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

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

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

3 **"§ 147-54.8. No gifts registry.**

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

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

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

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

17 (2) The registration shall be in writing.

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

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

25 **SECTION 5.** Sections 4 and 5 of this act become effective July 1, 2005.
26 G.S. 120-47.7C(d), as enacted by Section 1 of this act, shall apply to appointments
27 made on or after January 1, 2007. The remainder of this act becomes effective January
28 1, 2007.