

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE DRS65040-RCz-11A* (05/10)

Short Title: Clarify LP Reporting Requirements.

(Public)

Sponsors: Senators Goss, Brunstetter, East, Hartsell, Purcell, and Vaughan.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO CLARIFY CERTAIN REPORTING REQUIREMENTS BY LOBBYIST
3 PRINCIPALS AS RECOMMENDED BY THE LEGISLATIVE ETHICS COMMITTEE.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 120C-100(a)(11k) is repealed.

6 **SECTION 2.** G.S. 120C-403(b) reads as rewritten:

7 "(b) The report shall be filed whether or not reportable expenditures are made, shall be
8 due 10 business days after the end of the reporting period, and shall include all of the following
9 for the reporting period:

10 (1) All reportable expenditures made for ~~the purpose of~~ lobbying.

11 (2) Solicitation of others when such solicitation involves an aggregate cost of
12 more than three thousand dollars (\$3,000).

13 (3) With respect to each lobbyist registered under G.S. 120C-206, ~~payment for~~
14 ~~services paid to~~ payments made for lobbying to all lobbyists during the
15 quarter. If a lobbyist is a full-time employee of the principal, or is paid by
16 means of an annual fee or retainer, the principal shall estimate and report the
17 portion of the salary, fee, or retainer that is reasonably allocated for ~~the~~
18 ~~purpose of~~ lobbying. A lobbyist principal may rely upon a statement by the
19 lobbyist estimating the portion of the salary, fee, or retainer that is
20 reasonably allocated for ~~the purpose of~~ lobbying. When relying on a
21 lobbyist's estimation of the portion of the salary, fee, or retainer reasonably
22 allocated for lobbying, the principal is only required to report that portion
23 allocated for the following: (i) communications and activities that
24 constituted lobbying at the time the communications and activities occurred,
25 and (ii) communications and activities that, at the time the communications
26 and activities occurred, a reasonable person would foresee would be used for
27 lobbying and that were used for lobbying.

28 (4) With respect to each lobbyist registered under G.S. 120C-206, reportable
29 expenditures reimbursed or paid to lobbyists for lobbying that are not
30 reported on the lobbyist's report, with an itemized description of those
31 reportable expenditures.

32 (5) All reportable expenditures for gifts given under G.S. 138A-32(e)(1)-(9),
33 138A-32(e)(11), 138A-32(e)(12), and all gifts given under
34 G.S. 138A-32(e)(10) with a value of more than two hundred dollars
35 (\$200.00)."



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1 **SECTION 3.** G.S. 120C-100(a)(10) reads as rewritten:

2 "(10) Lobbyist. – An individual who engages in lobbying and meets any of the
3 following criteria:

- 4 a. Repealed by Session Laws 2007-348, s. 8(a), effective October 10,
5 2007.
- 6 b. Represents another person or governmental unit, but is not directly
7 employed by that person or governmental unit, and ~~receives payment~~
8 ~~for services. For the purposes of this sub subdivision, the term~~
9 ~~"payment for services" shall not include reimbursement of actual~~
10 ~~travel and subsistence. is paid by that person or governmental unit for~~
11 ~~lobbying on behalf of that person or governmental unit.~~
- 12 c. Contracts for economic consideration for ~~the purpose of~~ lobbying.
- 13 d. Is employed by a person and a significant part of that employee's
14 duties include lobbying. In no case shall an employee be considered a
15 lobbyist if in no 30-day period less than five percent (5%) of that
16 employee's actual duties include engaging in lobbying as defined in
17 subdivision (9)a. of this section or if in no 30-day period less than
18 five percent (5%) of that employee's actual duties include engaging
19 in lobbying as defined in subdivision (9)b. of this section.

20 The term "lobbyist" shall not include individuals who are specifically
21 exempted from this Chapter by G.S. 120C-700 or registered as liaison
22 personnel under Article 5 of this Chapter."

23 **SECTION 4.** G.S. 120C-300 reads as rewritten:

24 "**§ 120C-300. Contingency fees prohibited.**

25 (a) No individual shall act as a lobbyist ~~for and agree to receive payment for services~~
26 ~~lobbying~~ that is dependent upon the result or outcome of any legislative or executive action.

27 (b) This section shall not apply to an individual doing business with the State who is
28 engaged in sales with respect to that business with the State whose regular remuneration
29 agreement includes commissions based on those sales. For purposes of this subsection, the term
30 "regular remuneration" means any money, thing of value, or economic benefit conferred on or
31 received by the individual in return for services rendered or to be rendered by that individual or
32 another.

33 (c) Any payment for ~~services-lobbying made~~ to a lobbyist in violation of this section is
34 subject to forfeiture and shall be paid into the Civil Penalty and Forfeiture Fund."

35 **SECTION 5.** Sections 1, 2, 3, and 4 of this act become effective January 1, 2007.

36 The remainder of this act is effective when it becomes law.