

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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SENATE BILL 755*

Short Title: No Revolving Door Employment (PED). (Public)

Sponsors: Senators Hartsell (Primary Sponsor); and Tarte.

Referred to: State and Local Government.

May 15, 2014

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE A SIX-MONTH WAITING PERIOD FOR CERTAIN STATE
3 EMPLOYEES AND OFFICERS PRIOR TO ACCEPTING EMPLOYMENT WITH, OR
4 COMPENSATION FROM, CERTAIN STATE CONTRACTORS, AS RECOMMENDED
5 BY THE JOINT LEGISLATIVE PROGRAM EVALUATION OVERSIGHT
6 COMMITTEE.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** Chapter 143 of the General Statutes is amended by adding a new
9 Article to read:

10 "Article 3I.

11 "Limitations on Certain Private Employment After Serving State.

12 **"§ 143-64.90. Definitions.**

13 Unless the context requires otherwise, the following definitions apply in this Article:

- 14 (1) Immediate family member. – A spouse, child, sibling, parent, grandparent,
15 or grandchild, or the spouse of an immediate family member. This term
16 includes stepparents, stepchildren, stepsiblings, and adoptive relationships.
17 (2) Officer. – A State constitutional officer.
18 (3) Person. – As defined in G.S. 55-1-40 but does not include (i) the United
19 States government, (ii) the State, (iii) other states, (iv) units of local
20 government, or (v) school districts.
21 (4) State agency. – Includes any agency, institution, board, commission, bureau,
22 department, division, council, or other organization of State government,
23 including, but not limited to, the Council of State and any institution of
24 higher education that is regulated under Chapter 116 of the General Statutes.
25 (5) State employee. – An individual employed by a State agency and whose
26 State service was creditable in any North Carolina retirement system.

27 **"§ 143-64.91. Revolving door prohibition for certain State employees.**

28 The following individuals and their immediate family members shall not, either prior to or
29 within a period of six months immediately after termination of State employment, knowingly
30 accept employment with, commence employment with, or receive compensation for services
31 from, a person that contracted with or was regulated by the State:

- 32 (1) A State employee who, in the six months immediately preceding termination
33 of State employment, participated personally and substantially in the award
34 or management of a State contract with the person, or its parent or
35 subsidiary.



- 1 (2) A State employee who, in the six months immediately preceding termination
2 of State employment, participated personally and substantially in making a
3 regulatory or licensing decision that directly applied to the person, or its
4 parent or subsidiary.

5 **"§ 143-64.92. Revolving door prohibition for certain additional individuals.**

6 The following individuals and their immediate family members shall not, either prior to or
7 within a period of six months immediately after termination of office or State employment,
8 knowingly accept employment with, commence employment with, or receive compensation for
9 services from, a person if the person, or its parent or subsidiary, during the six months
10 immediately preceding termination of State employment or leaving office, was a party to a
11 State contract involving the individual's former State agency, or was the subject of a regulatory
12 or licensing decision involving the individual's State agency, regardless of whether the
13 individual participated personally and substantially in the award of the State contract or in the
14 making of the regulatory or licensing decision in question:

- 15 (1) Officers.
16 (2) Members of a commission or board with contract, regulatory, or licensing
17 authority.
18 (3) The head of a State agency.
19 (4) Chief procurement officers, State purchasing officers, and their designees
20 whose duties are directly related to State procurement.

21 **"§ 143-64.93. Notice of positions subject to this Article.**

22 (a) Each State agency shall adopt a policy delineating which State positions under its
23 jurisdiction and control, by the nature of their duties, would likely have the authority to
24 participate personally and substantially in the award or management of State contracts or in
25 regulatory or licensing decisions.

26 (b) A State agency may designate additional State positions under its jurisdiction and
27 control, not otherwise subject to the policies required by subsection (a) of this section, as
28 subject to the notification requirement of subsection (c) of this section due to the position's
29 potential involvement in the award or management of State contracts or in regulatory or
30 licensing decisions.

31 (c) State agencies shall give written notice and explanation to an employee serving in a
32 position to which this Article would be applicable in the following circumstances:

- 33 (1) Upon hiring, promotion, or transfer into the relevant position.
34 (2) At the time the employee's duties are changed in such a way as to subject
35 that employee to this Article.
36 (3) Upon departure from the relevant position.

37 (d) Neither the failure to be designated pursuant to subsection (a) or (b) of this section
38 nor the failure to receive notification pursuant to subsection (c) of this section is a defense to a
39 violation of this Article.

40 **"§ 143-64.94. Penalties.**

41 Any person who violates this Article, or solicits or conspires with a person to violate this
42 Article, shall be guilty of a Class 3 misdemeanor and shall be fined in an amount no less than
43 one thousand dollars (\$1,000), nor more than five thousand dollars (\$5,000)."

44 **SECTION 2.** Each agency shall make the designations required by G.S. 143-64.93,
45 enacted by Section 1 of this act, no later than three months after the effective date of this act.

46 **SECTION 3.** This act becomes effective July 1, 2014, but shall not apply to any
47 individual who otherwise would be covered by Article 3I of Chapter 143 of the General
48 Statutes, as enacted by Section 1 of this act, but has either accepted or commenced
49 employment, or received compensation, prior to that date.