

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 2542
Committee Substitute Favorable 7/8/08
Committee Substitute #2 Favorable 7/14/08
Senate Select Committee on Government and Election Reform Committee
Substitute Adopted 7/16/08

Short Title: Clarify Ethics and Lobbying Laws.

(Public)

Sponsors:

Referred to:

May 26, 2008

A BILL TO BE ENTITLED

AN ACT TO MAKE CLARIFYING CHANGES TO THE STATE GOVERNMENT
ETHICS ACT AND THE LOBBYING LAWS AND TO MAKE OTHER
CONFORMING CHANGES.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 120-103.1 is amended by adding a new subsection to
read:

"(a1) Complaints on Its Own Motion. – An investigation initiated by the
Committee on its own motion instituted under subsection (a) of this section shall be
treated as a complaint for purposes of this section and need not be sworn or verified."

SECTION 1.(b) G.S. 138A-12 is amended by adding a new subsection to
read:

"(b1) Complaints on Its Own Motion. – An investigation initiated by the
Commission on its own motion or upon written request of any public servant or those
responsible for the hiring, appointing, or supervising of a public servant instituted under
subsection (b) of this section shall be treated as a complaint for purposes of this section
and need not be sworn or verified."

SECTION 2.(a) G.S. 120-104(g) reads as rewritten:

"(g) Except as provided under subsection (f) of this section, a ~~request~~ request
made by a legislator to the Committee for an advisory ~~opinions, opinion,~~ advisory
opinions issued under this section, ~~and recommended~~ advisory opinions received from
the State Ethics ~~Commission~~ Commission, and any supporting documents submitted or
caused to be submitted to the Committee in connection with requests for advisory
opinions or recommended advisory opinions ~~are confidential and not matters of public
record.~~ are confidential. Neither the identity of the legislator making the request nor the
existence of the request may be revealed to any person without the consent of the

1 legislator. A legislator requesting or receiving an advisory opinion may authorize the
2 release to any other person, the State, or any governmental unit of the request, the
3 recommended advisory opinion, the advisory opinion, or any supporting documents.

4 For purposes of this section, "document" is as defined in G.S. 120-129. Requests for
5 advisory opinions, recommended advisory opinions, advisory opinions issued by the
6 Committee, and any supporting documents are not "public records" as defined in
7 G.S. 132-1."

8 **SECTION 2.(b)** G.S. 138A-13 reads as rewritten:

9 **"§ 138A-13. ~~Advisory opinions.~~Request for advice.**

10 (a) At the request of any public servant or legislative employee, any individual
11 who is responsible for the supervision or appointment of ~~a person who is a public~~
12 ~~servant or legislative employee, legal counsel for any public servant,~~servant or
13 legislative employee, any ethics liaison under G.S. 138A-14, or any member of the
14 Commission, the Commission shall render advice ~~advisory opinions~~ on specific
15 questions involving the meaning and application of this Chapter and the public servant's
16 or legislative employee's compliance therewith. ~~The request shall be in writing,~~
17 ~~electronic or otherwise, and~~ Requests for advice and advice rendered in response to
18 those requests shall relate prospectively to real or reasonably anticipated fact settings or
19 circumstances.

20 (a1) On its own motion, the Commission may render advisory opinions on specific
21 questions involving the meaning and application of this Chapter.

22 (a2) A request for a formal advisory opinion under subsection (a) of this section
23 shall be in writing, electronic or otherwise. The Commission shall issue formal advisory
24 opinions having prospective application only. A public servant or legislative employee
25 who relies upon the advice provided to that public servant or legislative employee on a
26 specific matter addressed by ~~Reliance upon a the requested written formal~~ advisory
27 opinion on a specific matter shall immunize the public servant or legislative employee,
28 on that matter, shall be immune from all of the following:

29 (1) Investigation by the Commission, except for an inquiry under
30 G.S. 138A-12(b)(3).

31 (2) Any adverse action by the employing entity.

32 (3) Investigation by the Secretary of State.

33 (b) At the request of a legislator, the Commission shall render ~~recommended~~
34 ~~advisory opinions~~ advice on specific questions involving the meaning and application of
35 this Chapter and Part 1 of Article 14 of Chapter 120 of the General Statutes, and the
36 legislator's compliance therewith. ~~The request shall be in writing, electronic or~~
37 ~~otherwise, and~~ Requests for advice and advice rendered in response to those requests
38 shall relate prospectively to real or reasonably anticipated fact settings or circumstances.

39 (b1) A request by a legislator for a recommended formal advisory opinion shall be
40 in writing, electronic or otherwise. The Commission shall issue recommended formal
41 advisory opinions having prospective application only. Until action is taken by the
42 Committee under G.S. 120-104, a legislator who relies upon the advice provided to that
43 legislator on a specific matter addressed by the requested ~~reliance upon a requested~~

1 ~~written recommended formal advisory opinion on a specific matter shall immunize the~~
2 ~~legislator, on that matter, shall be immune~~ from all of the following:

- 3 (1) Investigation by the Committee or Commission, except for an inquiry
4 under G.S. 138A-12(b)(3).
- 5 (2) Any adverse action by the house of which the legislator is a member.
- 6 (3) Investigation by the Secretary of State.

7 Any recommended formal advisory opinion issued to a legislator under this subsection
8 shall immediately be delivered to the chairs of the Committee, together with a copy of
9 the request. Except for the Lieutenant Governor, the immunity granted under this
10 subsection shall not apply after the time the Committee modifies or overturns the
11 advisory opinion of the Commission in accordance with G.S. 120-104.

12 (c) Staff to the Commission may issue advice, but not formal or recommended
13 formal advisory opinions-opinions, under procedures adopted by the Commission.

14 (d) The Commission shall publish its formal advisory opinions at least once a
15 year within 30 days of issuance. These formal advisory opinions shall be edited for
16 publication purposes as necessary to protect the identities of the individuals requesting
17 formal advisory opinions. When the Commission issues a recommended formal
18 advisory opinion to a legislator under ~~subsection (b)~~subsection (b1) of this section, the
19 Commission shall publish only the edited formal advisory opinion of the Committee
20 upon its submission to the Commission within 30 days of receipt of the edited opinion
21 from the Committee.

22 (e) Except as provided under ~~subsection (d)~~subsections (d) and (e1) of this
23 section, requests a request for advice, any advice provided by Commission staff, any
24 formal or recommended formal advisory opinions, and any supporting documents
25 submitted or caused to be submitted to the Commission or Commission staff in
26 connection with a request for advice this section, are confidential and not public
27 records. are confidential. Neither the identity of the individual making the request for
28 advice nor the existence of the request may be revealed without the consent of the
29 requestor. An individual who requests advice or receives advice, including a formal or
30 recommended formal advisory opinion, may authorize the release to any other person,
31 the State, or any governmental unit of the request, the advice, or any supporting
32 documents.

33 For purposes of this section, "document" is as defined in G.S. 120-129. Requests for
34 advice, any advice including formal and recommended formal advisory opinions, and
35 any supporting documents are not "public records" as defined in G.S. 132-1.

36 (e1) Staff to the Commission may share all information and documents related to
37 requests for advice, made by legislators made under subsection (b) of this section with
38 staff to the Committee, and staff to the Committee shall treat that as Committee. The
39 information and documents in the possession of staff to the Committee are confidential
40 and are not a public record-records.

41 (f) This section shall ~~not~~ apply to judicial officers-officers only for the purpose
42 of advice related to Article 3 of this Chapter.

43 (g) Requests for ~~advisory opinions~~ advice may be withdrawn by the requestor at
44 any time prior to the issuance of ~~an advisory opinion~~ the advice."

1 SECTION 2.(c) G.S. 120C-102 reads as rewritten:

2 "**§ 120C-102. ~~Advisory opinions.~~Request for advice.**

3 (a) At the request of any ~~person~~ person, State agency, or governmental unit
4 affected by this Chapter, the Commission shall render ~~advice~~ advisory opinions on
5 specific questions involving the meaning and application of this Chapter and that
6 ~~person's~~ person's, State agency's, or any governmental unit's compliance therewith. ~~The~~
7 ~~request shall be in writing and~~ Requests for advice and advice rendered in response to
8 those requests shall relate to real or reasonably anticipated fact settings or
9 circumstances.

10 (a1) A request for a formal opinion under subsection (a) of this section shall be in
11 writing, electronic or otherwise. The Commission shall issue formal advisory opinions
12 having prospective application only. An individual, State agency, or governmental unit
13 who relies upon the advice provided to that individual, State agency, or governmental
14 unit on a specific matter addressed by ~~Good faith reliance upon a requested written~~
15 formal advisory opinion ~~on a specific matter shall immunize the designated individual,~~
16 lobbyist, lobbyist's principal, or other person requesting that ~~written~~ advisory opinion
17 shall be immune from all of the following:

- 18 (1) Investigation by the Commission.
- 19 (2) Any adverse action by the employing entity.
- 20 (3) Investigation by the Secretary of State.

21 (b) Staff to the Commission may issue advice, but not formal advisory ~~opinions~~
22 opinions, under procedures adopted by the Commission.

23 (c) The Commission shall publish its formal advisory opinions ~~at least once a~~
24 year, within 30 days of issuance, edited as necessary to protect the identities of the
25 individuals requesting opinions.

26 (d) Except as provided under ~~subsection~~ subsections (c) and (d1) of this section,
27 ~~requests for a request for advice, any advice provided by Commission staff, any formal~~
28 advisory opinions, and any supporting documents submitted or caused to be submitted
29 to the Commission or Commission staff in connection with a request for advice are
30 confidential. ~~advisory opinions and advisory opinions issued pursuant to this section are~~
31 ~~confidential and not matters of public record.~~ Neither the identity of the individual,
32 State agency, or governmental unit making the request for advice nor the existence of
33 the request may be revealed without the consent of the requestor. An individual, State
34 agency, or governmental unit who requests advice or receives advice, including a formal
35 advisory opinion, may authorize the release to any other person, the State, or any
36 governmental unit of the request, the advice, or any supporting documents.

37 For purposes of this section, "document" is as defined in G.S. 120-129. Requests for
38 advice, any advice, including formal advisory opinions, and any supporting documents
39 are not "public records" as defined in G.S. 132-1.

40 (d1) Staff to the Commission may share all information and documents related to
41 requests ~~made~~ under subsection (a) and (a1) of this section with staff of the Office of the
42 Secretary of State, ~~and staff of the Office of the Secretary of State shall treat that State.~~
43 The information as and documents in the possession of the staff of the Office of the
44 Secretary of State shall remain confidential and not a ~~public record.~~ records. The

1 Commission shall forward an unedited copy of each formal advisory opinion under this
2 section to the Secretary of State at the time the formal advisory opinion is issued to the
3 requestor, and the Secretary of State shall treat that unedited advisory opinion as
4 confidential and not a public record.

5 (e) Requests for advisory opinions may be withdrawn by the requestor at any
6 time prior to the issuance of ~~an~~ a formal advisory opinion."

7 **SECTION 2.(d)** This section is effective January 1, 2007, and applies to
8 requests made on and after that date.

9 **SECTION 3.** G.S. 120-103.1(i)(3)b. reads as rewritten:

10 "b. The hearing shall be ~~legislator~~ open to the public, except for
11 matters that could otherwise be considered in closed session
12 under G.S. 143-318.11, matters involving minors, or matters
13 involving a personnel record. In any event, the deliberations by
14 the Commission on a complaint may be held in closed session."

15 **SECTION 4.** G.S. 120C-100(a)(8) reads as rewritten:

16 "(8) Liaison personnel. – Any State employee, counsel employed under
17 G.S. 147-17, or officer whose principal duties, in practice or as set
18 forth in that ~~person's~~individual's job description, include lobbying
19 ~~designated individuals~~legislators or legislative employees."

20 **SECTION 5.** G.S. 120C-100(a)(9) reads as rewritten:

21 "(9) Lobbying. – Any of the following:

- 22 a. Influencing or attempting to influence legislative or executive
23 action, or both, through direct communication or activities with
24 a designated individual or that ~~person's~~designated individual's
25 immediate family.
26 b. Developing goodwill through communications or activities,
27 including the building of relationships, with a designated
28 individual or that ~~person's~~designated individual's immediate
29 family with the intention of influencing current or future
30 legislative or executive action, or both.

31 The term "lobbying" does not include communications or activities as
32 part of a business, civic, religious, fraternal, personal, or commercial
33 relationship which is not connected to legislative or executive action,
34 or both."

35 **SECTION 6.** G.S. 120C-100(a)(10)b. reads as rewritten:

36 "b. Represents another ~~person,~~person or governmental unit, but is
37 not directly employed by that ~~person,~~person or governmental
38 unit, and receives ~~compensation for the purpose of lobbying~~
39 payment for services. For the purposes of this sub-subdivision,
40 the term ~~compensation~~'payment for services' shall not include
41 reimbursement of actual travel and subsistence."

42 **SECTION 7.** G.S. 120C-100(a)(11) reads as rewritten:

43 "(11) Lobbyist principal and principal. – The person or governmental unit on
44 whose behalf the lobbyist lobbies. In the case where a lobbyist is

1 compensated by a law firm, consulting firm, or other entity retained by
2 a person or governmental unit for lobbying, the principal is the person
3 or governmental unit whose interests the lobbyist represents in
4 lobbying. In the case of a lobbyist employed or retained by an
5 association or other organization, the lobbyist's principal is the
6 association or other organization, not the individual members of the
7 association or other organization.

8 The term "lobbyist's principal" shall not include those designating
9 registered liaison personnel under Article 5 of this Chapter."

10 **SECTION 8.** G.S. 120C-100(a) is amended by adding a new subdivision to

11 read:

12 "(11k) Payment for services. – Any money, thing of value, or economic
13 benefit paid to a lobbyist for the purpose of lobbying other than
14 reimbursement of actual travel, administrative expenses, or
15 subsistence."

16 **SECTION 9.** G.S. 120C-101(c) and (d) read as rewritten:

17 "(c) In adopting rules under this Chapter, the Commission is exempt from the
18 requirements of Article 2A of Chapter 150B of the General Statutes, except that the
19 Commission shall ~~maintain a mailing list of interested persons as provided in comply~~
20 with G.S. 150B-21.2(d). At least 30 business days prior to adopting a rule, the
21 Commission shall:

- 22 (1) Publish the proposed rules in the North Carolina Register.
- 23 (2) Submit the rule and a notice of public hearing to the Codifier of Rules,
24 and the Codifier of Rules shall publish the proposed rule and the notice
25 of public hearing on the Internet to be posted within five business
26 days.
- 27 (3) Notify ~~persons~~ those on the mailing list maintained in accordance with
28 G.S. 150B-21.2(d) and any other interested parties of its intent to adopt
29 a rule and of the public hearing.
- 30 (4) Accept written comments on the proposed rule for at least 15 business
31 days prior to adoption of the rule.
- 32 (5) Hold at least one public hearing on the proposed rule no less than five
33 days after the rule and notice have been published.

34 A rule adopted under this subsection becomes effective the first day of the month
35 following the month the final rule is submitted to the Codifier of Rules for entry into the
36 North Carolina Administrative Code.

37 (d) For purposes of G.S. 150B-21.3(b2), a written objection filed by the
38 Commission to a rule adopted by the Secretary of State pursuant to this Chapter shall be
39 deemed written objections from 10 or more ~~persons~~ persons under that statute.
40 Notwithstanding G.S. 150B-21.3(b2), a rule adopted by the Secretary of State pursuant
41 to this Chapter objected to by the Commission under this subsection shall not become
42 effective until an act of the General Assembly approving the rule has become law. If the
43 General Assembly does not approve a rule under this subsection by the day of
44 adjournment of the next regular session of the General Assembly that begins at least 25

1 days after the date the Rules Review Commission approves the rule, the permanent rule
2 shall not become effective and any temporary rule associated with the permanent rule
3 expires. If the General Assembly fails to approve a rule by the day of adjournment, the
4 Secretary of State may initiate rulemaking for a new permanent rule, including by the
5 adoption of a temporary rule."

6 **SECTION 11.** G.S. 120C-103(a) reads as rewritten:

7 "(a) The Commission shall develop and implement a lobbying education and
8 awareness program designed to instill in all designated individuals, lobbyists, and
9 lobbyists' principals a keen and continuing awareness of their obligations and sensitivity
10 to situations that might result in real or potential violation of this Chapter or other
11 related laws. The Commission shall make basic lobbying education and awareness
12 presentations to all designated individuals upon their election, appointment, or hiring
13 and shall offer periodic refresher presentations as the Commission deems appropriate.
14 Every designated individual shall participate in a lobbying presentation approved by the
15 Commission within six months of the ~~person's~~designated individual's election,
16 appointment, or hiring and shall attend refresher lobbying education presentations at
17 least every two years thereafter in a manner the Commission deems appropriate. The
18 Commission shall also make lobbying education and awareness programs available to
19 lobbyists and lobbyists' principals. Upon request, the Commission shall assist each
20 agency in developing in-house education programs and procedures necessary or
21 desirable to meet the agency's particular needs for lobbying education."

22 **SECTION 12.** G.S. 120C-104 reads as rewritten:

23 **"§ 120C-104. Chapter applies to candidates for certain offices.**

24 For purposes of this Chapter, the term "legislator" as defined in G.S. 120C-100(7)
25 and the term "public servant" as defined in G.S. 138A-3(30)a. shall include ~~a person an~~
26 individual having filed a notice of candidacy for such office under G.S. 163-106 or
27 Article 11 of Chapter 163 of the General Statutes or nominated under G.S. 163-114 or
28 G.S. 163-98."

29 **SECTION 13.** G.S. 120C-200(a) reads as rewritten:

30 "(a) A lobbyist shall file a separate registration statement for each principal the
31 lobbyist represents with the Secretary of State before engaging in any lobbying. It shall
32 be unlawful for ~~a person an individual~~ to lobby without registering within one business
33 day of engaging in any lobbying as defined in G.S. 120C-100(9) unless exempted by
34 this Chapter."

35 **SECTION 15.** G.S. 120C-220(a) reads as rewritten:

36 "(a) The Secretary of State shall make available as soon as practicable the
37 registrations of the lobbyists and liaison personnel in an electronic, searchable format."

38 **SECTION 16.** G.S. 120C-300 reads as rewritten:

39 **"§ 120C-300. Contingency fees prohibited.**

40 (a) No ~~person individual~~ shall act as a lobbyist for ~~compensation payment for~~
41 services that is dependent upon the result or outcome of any legislative or executive
42 action.

43 (b) This section shall not apply to ~~a person an individual~~ doing business with the
44 State who is engaged in sales with respect to that business with the State whose regular

1 ~~compensation~~ remuneration agreement includes commissions based on those sales. For
2 purposes of this subsection, the term 'regular remuneration' means any money, thing of
3 value, or economic benefit conferred on or received by the individual in return for
4 services rendered or to be rendered by that individual or another.

5 (c) Any ~~compensation~~ ~~paid~~ payment for services to a lobbyist in violation of this
6 section is subject to forfeiture and shall be paid into the Civil Penalty and Forfeiture
7 Fund."

8 **SECTION 17.(a)** G.S. 120C-303(a)(2) reads as rewritten:

9 "(2) Knowingly give a gift to a ~~third party~~ with the intent that a designated
10 individual be the ultimate recipient."

11 **SECTION 17.(b)** This section becomes effective December 1, 2008.

12 **SECTION 18.** G.S. 120C-303(d) reads as rewritten:

13 "(d) Gifts made to a nonpartisan state, regional, national, or international
14 legislative organization of which the General Assembly is a member or a legislator or
15 legislative employee is a member or participant of by virtue of that ~~person's~~ legislator's
16 or legislative employee's public position, or to an affiliated organization of that
17 nonpartisan state, regional, national, or international organization, shall not constitute a
18 violation of subdivision (a)(2) of this section or of G.S. 138A-32(c)."

19 **SECTION 19.** G.S. 120C-303(e) reads as rewritten:

20 "(e) Gifts made to a nonpartisan state, regional, national, or international
21 organization of which a public servant's agency is a member or a public servant is a
22 member or participant of by virtue of that ~~person's~~ public servant's public position, or to
23 an affiliated organization of that nonpartisan state, regional, national, or international
24 organization, shall not constitute a violation of subdivision (a)(2) of this section or of
25 G.S. 138A-32(c)."

26 **SECTION 20.** G.S. 120C-304(c) reads as rewritten:

27 "(c) No ~~person serving as a~~ public servant or former public servant as defined in
28 G.S. 138A-3(30)c. may register as a lobbyist under this Chapter within six months after
29 separation from ~~employment.~~ employment as a public servant."

30 **SECTION 21.** G.S. 120C-304(e) reads as rewritten:

31 "(e) A lobbyist shall not be eligible for appointment by a State official to, or
32 service on, any body created under the laws of this State that has regulatory authority
33 over the activities of a person or governmental unit that the lobbyist currently represents
34 or has represented within 120 days after the expiration of the lobbyist's registration
35 representing that ~~person.~~ person or governmental unit. Nothing herein shall be construed
36 to prohibit appointment by any unit of local government."

37 **SECTION 22.** G.S. 120C-305 reads as rewritten:

38 **"§ 120C-305. Prohibition on the use of cash or credit of the lobbyist.**

39 No lobbyist or another acting on the lobbyist's behalf shall permit a designated
40 individual, or that ~~person's~~ designated individual's immediate family member, to use the
41 cash or credit of the lobbyist for the purpose of lobbying unless the lobbyist is in
42 attendance at the time of the reportable expenditure."

43 **SECTION 23.** G.S. 120C-400 reads as rewritten:

44 **"§ 120C-400. Reporting of reportable expenditures.**

1 (a) For purposes of this Chapter, all reportable expenditures made for the purpose
2 of lobbying shall be reported, including the following:

3 (1) Reportable expenditures benefiting or made on behalf of a designated
4 ~~individual, or those persons' immediate family members,~~individual
5 in the regular course of that designated individual's employment.

6 (1a) Reportable expenditures benefiting or made on behalf of a designated
7 individual's immediate family member in the regular course of that
8 immediate family member's employment.

9 (2) Contractual arrangements or direct business relationships between a
10 lobbyist or lobbyist's principal and a designated individual, or that
11 ~~person's-designated individual's~~ immediate family member, in effect
12 during the reporting period or the previous 12 months.

13 (3) Reportable expenditures reimbursed to a lobbyist in the ordinary
14 course of business by the lobbyist's principal or other employer.

15 (b) This section shall not apply to any reportable expenditure of cash, a cash
16 equivalent, or a fixed asset made directly to a State agency ~~and that agency~~ maintains an
17 accounting of the reportable expenditure that is a public record."

18 **SECTION 24.** G.S. 120C-401(b) reads as rewritten:

19 "(b) ~~Each~~ For reportable expenditures, each report shall set forth all of the
20 following:

21 (1) ~~the~~ The fair market value-value or face value if shown,shown.

22 (2) ~~date,~~ The date of the reportable expenditure.

23 (3) ~~a~~ A description of the reportable expenditure,expenditure.

24 (4) ~~name~~ The name and address of the payee,payee or beneficiary,
25 andbeneficiary.

26 (5) ~~name~~ The name of any designated individual,individual or that
27 person's-designated individual's immediate family ~~member~~ member
28 connected with the reportable expenditure.

29 (b1) For purposes of subdivision (b)(5) of this section, Whenwhen more than 15
30 designated individuals benefit from or request a reportable expenditure, no names of
31 individuals need be reported provided that the report identifies the approximate number
32 of designated individuals benefiting or requesting and the basis for their selection,
33 including the name of the legislative body, committee, caucus, or other group whose
34 membership list is a matter of public record in accordance with G.S. 132-1 or including
35 a description of the group that clearly distinguishes its purpose or composition from the
36 general membership of the General Assembly. The approximate number of immediate
37 family members of designated individuals who benefited from the reportable
38 expenditure shall be listed separately."

39 **SECTION 25.** G.S. 120C-401 is amended by adding a new subsection to
40 read:

41 "(b2) For purposes of subdivision (b)(5) of this section, when the reportable
42 expenditure is a gift given with the intent that a designated individual be the ultimate
43 recipient and the lobbyist or lobbyist principal does not know the name or names of the
44 designated individuals, the lobbyist or lobbyist principal shall report a description of the

1 designated individuals and those designated individuals' immediate family members
2 connected with the reportable expenditure that clearly distinguishes its purpose or
3 composition, and an approximate number, if known."

4 **SECTION 27.** G.S. 120C-402(b)(3) reads as rewritten:

5 "(3) Reportable expenditures reimbursed by the lobbyist's principal, or
6 another person or governmental unit on the lobbyist's principal's
7 behalf."

8 **SECTION 28.** G.S. 120C-402(b)(4) reads as rewritten:

9 "(4) All reportable expenditures for gifts given under
10 G.S. 138A-32(e)(1)-(9), ~~138A-32(e)(11), 138A-32(e)(12),~~ G.S.
11 138A-32(e)(11)-(13), and all gifts given under G.S. 138A-32(e)(10)
12 with a value of more than ten dollars (\$10.00)."

13 **SECTION 29.** G.S. 120C-403(b) reads as rewritten:

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

- 17 (1) All reportable expenditures made for the purpose of lobbying.
- 18 (2) Solicitation of others when such solicitation involves an aggregate cost
19 of more than three thousand dollars (\$3,000).
- 20 (3) ~~Compensation~~ With respect to each lobbyist registered under
21 G.S. 120C-206, payment for services paid to all lobbyists during the
22 quarter. If a lobbyist is a full-time employee of the principal, or is
23 ~~compensated~~ paid by means of an annual fee or retainer, the principal
24 shall estimate and report the portion of the salary, fee, or retainer that
25 ~~compensates~~ is reasonably allocated for the purpose of lobbying. A
26 lobbyist principal may rely upon a statement by the lobbyist estimating
27 the portion of the salary, fee, or retainer that is reasonably allocated for
28 the purpose of lobbying.
- 29 (4) With respect to each lobbyist registered under G.S. 120C-206,
30 ~~Reportable~~ reportable expenditures reimbursed or paid to lobbyists for
31 lobbying that are not reported on the lobbyist's report, with an itemized
32 description of those reportable expenditures.
- 33 (5) All reportable expenditures for gifts given under
34 G.S. 138A-32(e)(1)-(9), ~~138A-32(e)(11), 138A-32(e)(12),~~ G.S. 138A-
35 32(e)(11)-(13), and all gifts given under G.S. 138A-32(e)(10) with a
36 value of more than two hundred dollars (\$200.00)."

37 **SECTION 30.** G.S. 120C-500(b) reads as rewritten:

38 "(b) No State ~~funds~~ agency or constitutional officer of the State ~~may be used to~~
39 ~~contract with persons~~ individuals who are not employed by the State to lobby legislators
40 and legislative employees. This subsection shall not apply to counsel employed by any
41 agency, board, department, or division authorized to employ counsel under
42 G.S. 147-17."

43 **SECTION 31.** G.S. 120C-500 is amended by adding a new subsection to
44 read:

1 "(d) The Chief Justice of the Supreme Court shall designate at least one, but no
2 more than four, liaison personnel to lobby for legislative action for all offices,
3 conferences, commissions, and other agencies established under Chapter 7A of the
4 General Statutes. This subsection shall not apply to any office created under Article 60
5 of Chapter 7A of the General Statutes, so long as that office complies with subsection
6 (a) of this section."

7 **SECTION 32.** G.S. 120C-500(c) reads as rewritten:

8 "(c) No more than two ~~persons~~individuals may be designated as liaison personnel
9 for each agency and constitutional officers of the State, including all boards,
10 departments, divisions, constituent institutions of The University of North Carolina,
11 community colleges, and other units of government in the executive branch."

12 **SECTION 33.** G.S. 120C-501(e) reads as rewritten:

13 "(e) The Board of Governors of the University of North Carolina or any of and its
14 constituent institutions, or ~~designated the~~ liaison personnel designated by that board or
15 the constituent institutions, ~~of those persons,~~ shall not give, for the purpose of lobbying,
16 athletic tickets to any designated individual, except for those who are described in
17 G.S. 138A-3(30)j. or those who are students and receive tickets on the same basis as
18 other students."

19 **SECTION 34.** G.S. 120C-600(c) reads as rewritten:

20 "(c) Complaints of violations of Articles 2, 4, and 8 of this ~~Chapter and~~Chapter,
21 all other records accumulated in conjunction with the investigation of these ~~complaints~~
22 complaints, and any records accumulated in the performance of a systematic review
23 shall be considered confidential records and may be released only by order of a court of
24 competent jurisdiction. ~~records of criminal investigations under G.S. 132-1.4. Any~~
25 information obtained by the Secretary of State from any law enforcement agency,
26 administrative agency, or regulatory organization on a confidential or otherwise
27 restricted basis in the course of an investigation or systematic review shall be
28 confidential and exempt from G.S. 132-6 to the same extent that it is confidential in the
29 possession of the providing agency or organization."

30 **SECTION 35.** G.S. 120C-601(c) reads as rewritten:

31 "(c) Complaints of violations of this Chapter 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.~~confidential records and may be released only
34 by order of a court of competent jurisdiction. Any information obtained by the
35 Commission from any law enforcement agency, administrative agency, or regulatory
36 organization on a confidential or otherwise restricted basis in the course of an
37 investigation shall be confidential and exempt from G.S. 132-6 to the same extent that it
38 is confidential in the possession of the providing agency or organization."

39 **SECTION 36.** G.S. 120C-603 reads as rewritten:

40 "**§ 120C-603. Enforcement by district attorney and Attorney General.**

41 (a) The Commission or the Secretary of State, as appropriate, may investigate
42 complaints of violations of this Chapter and shall report apparent violations of this
43 Chapter to the district attorney of the prosecutorial district as defined in G.S. 7A-60 of

1 which Wake County is a part, who shall prosecute any person or governmental unit who
2 violates any provisions of this Chapter.

3 (b) Complaints of violations of this Chapter involving the Commission or any
4 member employee of the Commission shall be referred to the Attorney General for
5 investigation. The Attorney General shall, upon receipt of a complaint, make an
6 appropriate investigation thereof, and the Attorney General shall forward a copy of the
7 investigation to the district attorney of the prosecutorial district as defined in
8 G.S. 7A-60 of which Wake County is a part, who shall prosecute any person or
9 governmental unit who violates any provisions of this Chapter."

10 **SECTION 37.** G.S. 120C-800(c) reads as rewritten:

11 "(c) If a designated individual accepts a scholarship related to that
12 ~~person's~~designated individual's public service or position valued over two hundred
13 dollars (\$200.00) from a person, or group of persons, acting together, exempted or not
14 covered by this Chapter, the person, or group of persons, granting the scholarship shall
15 report the date of the scholarship, a description of the event involved, the name and
16 address of the person, or group of persons, granting the scholarship, the name of the
17 designated individual accepting the scholarship, and the estimated fair market value."

18 **SECTION 38.(a)** G.S. 120C-800(e) reads as rewritten:

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

- 20 (1) Lawful campaign contributions properly received and reported as
21 required under Article 22A of Chapter 163 of the General Statutes.
- 22 (2) Any ~~gift-reportable expenditure~~ from ~~an~~a designated individual's
23 extended family member to a designated individual.
- 24 (3) ~~Gifts-Reportable expenditures~~ associated primarily with the designated
25 individual's employment or that ~~person's~~designated individual's
26 immediate family member's employment.
- 27 (4) ~~Gifts,Reportable expenditures,~~ other than food, beverages, travel, and
28 lodging, which are received from a person who is a citizen of a country
29 other than the United States or a state other than North Carolina and
30 given during a ceremonial presentation or as a custom.
- 31 (5) A thing of value that is paid for by the State."

32 **SECTION 38.(b)** This section becomes effective on or after January 1,
33 2007, and applies to scholarships received on or after that date.

34 **SECTION 39.** G.S. 120C-800(g) reads as rewritten:

35 "(g) For purposes of this section, the term "scholarship" shall mean a grant-in-aid
36 to attend a conference, meeting, or other similar event. For purposes of this section only,
37 the term "person" shall include all persons as defined in G.S. 138A-3(27) and all
38 governmental units as defined in G.S. 138A-3(15d)."

39 **SECTION 40.** G.S. 138A-3(3) reads as rewritten:

40 "(3) Business with which associated. – A business in which the covered
41 person or filing person or any member of ~~the person's~~that covered
42 person's or filing person's immediate family does any of the following:

- 43 a. Is an employee.

- b. Holds a position as a director, officer, partner, proprietor, or member or manager of a limited liability company, irrespective of the amount of compensation received or the amount of the interest owned.
- c. Owns a legal, equitable, or beneficial interest of ten thousand dollars (\$10,000) or more in the business or five percent (5%) of the business, whichever is less, other than as a trustee on a deed of trust.
- d. Is a lobbyist registered under Chapter 120C of the General Statutes.

For purposes of this subdivision, the term "business" shall not include a widely held investment fund, including a mutual fund, regulated investment company, or pension or deferred compensation plan, if all of the following apply:

- a.1. ~~The covered person~~ person, filing person, or a member of the covered person's or filing person's immediate family neither exercises nor has the ability to exercise control over the financial interests held by the fund.
- b.2. The fund is publicly traded, or the fund's assets are widely diversified."

SECTION 41. G.S. 138A-3(6) reads as rewritten:

"(6) Compensation. – Any money, thing of value, or economic benefit conferred on or received by any covered person or filing person in return for services rendered or to be rendered by that covered person or filing person or another. This term does not include campaign contributions properly received and, reported as required by Article 22A of Chapter 163 of the General Statutes."

SECTION 42. G.S. 138A-3(13) reads as rewritten:

"(13) Extended family. – Spouse, lineal descendant, lineal ascendant, sibling, spouse's lineal descendant, spouse's lineal ascendant, spouse's sibling, and the spouse of any of these ~~persons~~ individuals."

SECTION 43. G.S. 138A-3(14) reads as rewritten:

"(14) Filing person. – ~~A person~~ An individual required to file a statement of economic interest under G.S. 138A-22."

SECTION 44. G.S. 138A-3 is amended by adding a new subdivision to

read:

"(15d) Governmental unit. – A political subdivision of the State, and any other entity or organization created by a political subdivision of the State."

SECTION 45. G.S. 138A-3(18) reads as rewritten:

"(18) Judicial employee. – The director and assistant director of the Administrative Office of the Courts and any other ~~person~~ individual, designated by the Chief Justice, employed in the Judicial Department

1 whose annual compensation from the State is sixty thousand dollars
2 (\$60,000) or more."

3 **SECTION 46.** G.S. 138A-3(19) reads as rewritten:

4 "(19) Judicial officer. – Justice or judge of the General Court of Justice,
5 district attorney, clerk of court, or any ~~person~~individual elected or
6 appointed to any of these positions prior to taking office."

7 **SECTION 47.** G.S. 138A-3(22) reads as rewritten:

8 "(22) Legislator. – A member or presiding officer of the General Assembly,
9 or a ~~person~~an individual elected or appointed a member or presiding
10 officer of the General Assembly before taking office."

11 **SECTION 48.** G.S. 138A-3(24) reads as rewritten:

12 "(24) Nonprofit corporation or organization with which associated. – Any
13 not for profit corporation, organization, or association, incorporated or
14 otherwise, that is organized or operating in the State primarily for
15 religious, charitable, scientific, literary, public health and safety, or
16 educational purposes and of which the covered person~~person~~, filing
17 person, or any member of the covered person's or filing person's
18 immediate family is a director, officer, governing board member,
19 employee, lobbyist registered as~~under~~ Chapter 120C of the General
20 Statutes, or independent contractor. Nonprofit corporation or
21 organization with which associated shall not include any board, entity,
22 or other organization created by this State or by any political
23 subdivision of this State."

24 **SECTION 49.** G.S. 138A-3(29) is repealed.

25 **SECTION 50.** G.S. 138A-3(30)a. reads as rewritten:

26 "a. Constitutional officers of the State and ~~persons~~individuals
27 elected or appointed as constitutional officers of the State prior
28 to taking office."

29 **SECTION 51.** G.S. 138A-3(30)d. reads as rewritten:

30 "d. The chief deputy and chief administrative assistant of each
31 ~~person~~individual designated under sub-subdivision a. or c. of
32 this subdivision."

33 **SECTION 52.** G.S. 138A-3(30)e. reads as rewritten:

34 "e. Confidential assistants and secretaries as defined in
35 G.S. 126-5(c)(2), to ~~persons~~individuals designated under
36 sub-subdivision a., c., or d. of this subdivision."

37 **SECTION 53.** G.S. 138A-3(30)m. reads as rewritten:

38 "m. ~~Persons~~Individuals under contract with the State working in or
39 against a position included under this subdivision."

40 **SECTION 54.** G.S. 138A-3 is amended by adding a new subdivision to

41 read:

42 "(30k) State agency. – An agency in the executive branch of the government
43 of this State, including the Governor's Office, a board, a department, a
44 division, and any other unit of government in the executive branch."

1 **SECTION 55.** G.S. 138A-10(a)(3)b. reads as rewritten:

2 "b. The names of ~~persons~~individuals subject to this Chapter as
3 covered persons and legislative employees under
4 G.S. 138A-11."

5 **SECTION 56.** G.S. 138A-11 reads as rewritten:

6 "**§ 138A-11. Identify and publish names of covered persons and legislative**
7 **employees.**

8 The Commission shall identify and publish at least quarterly a listing of the names
9 and positions of all ~~persons~~individuals subject to this Chapter as covered persons or
10 legislative employees. The Commission shall also identify and publish at least annually
11 a listing of all boards to which this Chapter applies. This listing may be published
12 electronically on a public Internet Web site maintained by the Commission."

13 **SECTION 57.** G.S. 138A-12 reads as rewritten:

14 "**§ 138A-12. Inquiries by the Commission.**

15 ...

16 (a1) Notice of Allegation. – Upon receipt by the Commission of an allegation of
17 unethical conduct by a covered person or legislative employee, or the initiation by the
18 Commission of an inquiry into unethical conduct under subsection (b) of this section,
19 the Commission shall immediately notify the covered person or legislative employee
20 subject to the allegation or inquiry in writing.

21 (b) Institution of Proceedings. – On its own motion, in response to a signed and
22 sworn complaint of any individual filed with the Commission, or upon the written
23 request of any public servant or ~~any person~~those responsible for the hiring, appointing,
24 or supervising of a public servant, the Commission shall conduct an inquiry into any of
25 the following:

- 26 (1) The application or alleged violation of this Chapter.
27 (2) For legislators, the application of alleged violations of Part 1 of Article
28 14 of Chapter 120 of the General Statutes.
29 (3) An alleged violation of the criminal law by a covered person in the
30 performance of that individual's official duties.
31 (4) An alleged violation of G.S. 126-14.

32 Allegations of violations of the Code of Judicial Conduct shall be referred to the
33 Judicial Standards Commission without investigation.

34 (c) Complaint. –

- 35 (1) A sworn complaint filed under this Chapter shall state the name,
36 address, and telephone number of the ~~person~~individual filing the
37 complaint, the name and job title or appointive position of the covered
38 person or legislative employee against whom the complaint is filed,
39 and a concise statement of the nature of the complaint and specific
40 facts indicating that a violation of this Chapter or Chapter 120 of the
41 General Statutes has occurred, the date the alleged violation occurred,
42 and either (i) that the contents of the complaint are within the
43 knowledge of the individual verifying the complaint, or (ii) the basis

- 1 upon which the individual verifying the complaint believes the
 2 allegations to be true.
- 3 (2) Except as provided in subsection (d) of this section, a complaint filed
 4 under this Chapter must be filed within two years of the date the
 5 complainant knew or should have known of the conduct upon which
 6 the complaint is based.
- 7 (3) The Commission may decline to accept, refer, or conduct an inquiry
 8 into any complaint that does not meet all of the requirements set forth
 9 in subdivision (1) of this subsection, or the Commission may, in its
 10 sole discretion, request additional information to be provided by the
 11 complainant within a specified period of time of no less than seven
 12 business days.
- 13 (4) In addition to subdivision (3) of this subsection, the Commission may
 14 decline to accept, refer, or conduct an inquiry into a complaint if it
 15 determines that any of the following apply:
- 16 a. The complaint is frivolous or brought in bad faith.
 - 17 b. ~~The individuals~~ covered person or legislative employee and
 18 conduct complained of have already been the subject of a prior
 19 complaint.
 - 20 c. The conduct complained of is primarily a matter more
 21 appropriately and adequately addressed and handled by other
 22 federal, State, or local agencies or authorities, including law
 23 enforcement authorities. If other agencies or authorities are
 24 conducting an investigation of the same actions or conduct
 25 involved in a complaint filed under this section, the
 26 Commission may stay its complaint inquiry pending final
 27 resolution of the other investigation.
- 28 (5) The Commission shall send a copy of the complaint to the covered
 29 person or legislative employee who is the subject of the complaint and
 30 the employing entity, within 30 days of the filing.
- 31 ...
- 32 (f) Dismissal of Complaint After Preliminary Inquiry. – If the Commission
 33 determines at the end of its preliminary inquiry that (i) the individual who is the subject
 34 of the complaint is not a covered person or legislative employee subject to the
 35 Commission's jurisdiction and authority under this Chapter, or (ii) the complaint does
 36 not allege facts sufficient to constitute a violation within the jurisdiction of the
 37 Commission under subsection (b) ~~if of~~ this section, the Commission shall dismiss the
 38 complaint.
- 39 ...
- 40 (l) Notice of Dismissal. – Upon the dismissal of a complaint under this section,
 41 the Commission shall provide written notice of the dismissal to the individual who filed
 42 the complaint and the covered person or legislative employee against whom the
 43 complaint was filed. The Commission shall forward copies of complaints and notices of
 44 dismissal of complaints against legislators to the Committee, against legislative

1 employees to the employing entity for legislative employees, and against judicial
2 officers to the Judicial Standards Commission for complaints against justices and
3 judges, and the senior resident superior court judge of the district or county for
4 complaints against district attorneys, or the chief district court judge of the district or
5 county for complaints against clerks of court.

6 ...

7 (q) Continuing Jurisdiction. – The Commission shall have continuing jurisdiction
8 to investigate possible criminal violations of this Chapter for a period of one year
9 following the date a ~~person~~, an individual, who was formerly a public servant or
10 legislative employee, ceases to be a public servant or legislative employee for any
11 investigation that commenced prior to the date the public servant or legislative
12 employee ceases to be a public servant or legislative employee.

13 (r) Subpoena Authority. – The Commission may petition the Superior Court of
14 Wake County for the approval to issue subpoenas and subpoenas duces tecum as
15 necessary to conduct investigations of alleged violations of this Chapter. The court shall
16 authorize subpoenas under this subsection when the court determines the subpoenas are
17 necessary for the enforcement of this Chapter. Subpoenas issued under this subsection
18 shall be enforceable by the court through contempt powers. Venue shall be with the
19 Superior Court of Wake County for any person or governmental unit covered by this
20 Chapter, and personal jurisdiction may be asserted under G.S. 1-75.4.

21"

22 **SECTION 59.** G.S. 138A-14(b) reads as rewritten:

23 "(b) The Commission shall make basic ethics education and awareness
24 presentations to all public servants and their immediate staffs, upon their election,
25 appointment, or employment, and shall offer periodic refresher presentations as the
26 Commission deems appropriate. Every public servant and the immediate staff of every
27 public servant shall participate in an ethics presentation approved by the Commission
28 within six months of the ~~person's public servant's~~ election, reelection, appointment, or
29 employment, and shall attend refresher ethics education presentations at least every two
30 years thereafter in a manner as the Commission deems appropriate."

31 **SECTION 60.** G.S. 138A-14(c) reads as rewritten:

32 "(c) The Commission, jointly with the Committee, shall make basic ethics
33 education and awareness presentations to all legislators and legislative employees upon
34 their election, reelection, appointment, or employment and shall offer periodic refresher
35 presentations as the Commission and the Committee deem appropriate. Every legislator
36 and legislative employee shall participate in an ethics presentation approved by the
37 Commission and Committee within three months of the ~~person's legislator or legislative~~
38 employee's election, reelection, appointment, or employment, and every legislative
39 employee shall attend refresher ethics education presentations at least every two years
40 thereafter, in a manner as the Commission and Committee deem appropriate."

41 **SECTION 61.** G.S. 138A-15(b) reads as rewritten:

42 "(b) The head of each State agency, including the chair of each board subject to
43 this Chapter, shall maintain familiarity with and stay knowledgeable of the reports,
44 opinions, newsletters, and other communications from the Commission regarding ethics

1 in general and the interpretation and enforcement of this Chapter. The head of each
2 State agency and the chair of each board shall also maintain familiarity with and stay
3 knowledgeable of the Commission's reports, evaluations, opinions, or findings
4 regarding individual public servants in that ~~person's~~individual's agency or on that
5 ~~person's~~individual's board, or under that ~~person's~~individual's supervision or control,
6 including all reports, evaluations, opinions, or findings pertaining to actual or potential
7 conflicts of interest."

8 **SECTION 62.** G.S. 138A-15(d) reads as rewritten:

9 "(d) The head of each State agency, including the chair of each board subject to
10 this Chapter, shall periodically remind public servants under that ~~person's~~individual's
11 authority of the public servant's duties to the public under the ethical standards and rules
12 of conduct in this Chapter, including the duty of each public servant to continually
13 monitor, evaluate, and manage the public servant's personal, financial, and professional
14 affairs to ensure the absence of conflicts of interest."

15 **SECTION 63.** G.S. 138A-21 reads as rewritten:

16 "**§ 138A-21. Purpose.**

17 The purpose of disclosure of the financial and personal interests by covered persons
18 is to assist covered persons and those ~~persons~~ who appoint, elect, hire, supervise, or
19 advise them identify and avoid conflicts of interest and potential conflicts of interest
20 between the covered person's private interests and the covered person's public duties. It
21 is critical to this process that current and prospective covered persons examine,
22 evaluate, and disclose those personal and financial interests that could be or cause a
23 conflict of interest or potential conflict of interest between the covered person's private
24 interests and the covered person's public duties. Covered persons must take an active,
25 thorough, and conscientious role in the disclosure and review process, including having
26 a complete knowledge of how the covered person's public position or duties might
27 impact the covered person's private interests. Covered persons have an affirmative duty
28 to provide any and all information that a reasonable person would conclude is necessary
29 to carry out the purposes of this Chapter and to fully disclose any conflict of interest or
30 potential conflict of interest between the covered person's public and private interests,
31 but the disclosure, review, and evaluation process is not intended to result in the
32 disclosure of unnecessary or irrelevant personal information."

33 **SECTION 64.** G.S. 138A-22 reads as rewritten:

34 "**§ 138A-22. Statement of economic interest; filing required.**

35 (a) Every covered person subject to this Chapter who is elected, appointed, or
36 employed, including one appointed to fill a vacancy in elective office, except for public
37 servants included under G.S. 138A-3(30)b., e., f., or g. whose annual compensation
38 from the State is less than sixty thousand dollars (\$60,000), shall file a statement of
39 economic interest with the Commission prior to the covered person's initial
40 appointment, election, or employment and no later than April 15 of every year
41 thereafter, except as otherwise filed under subsections (c1) and (d) of this section. A
42 prospective covered person required to file a statement under this Chapter shall not be
43 appointed, employed, or receive a certificate of election, prior to submission by the
44 Commission of the Commission's evaluation of the statement in accordance with this

1 Article. The requirement for an annual filing under this subsection also shall apply to
2 covered persons whose terms have expired but who continue to serve until the covered
3 person's replacement is appointed. Once a statement of economic interest is properly
4 completed and filed under this Article, the statement of economic interest does not need
5 to be supplemented or refiled prior to the next due date set forth in this subsection.

6 (b) Notwithstanding subsection (a) of this section, ~~persons~~individuals hired by,
7 and appointees of, constitutional officers of the State may file a statement of economic
8 interest within 30 days after their appointments or employment when the appointment or
9 employment is made during the first 60 days of the constitutional officer's initial term in
10 that constitutional office.

11 ...

12 (d) A candidate for an office subject to this Article shall file the statement of
13 economic interest at the same place and in the same manner as the notice of candidacy
14 for that office is required to be filed under G.S. 163-106 or G.S. 163-323 within 10 days
15 of the filing deadline for the office the candidate seeks. ~~A person~~An individual who is
16 nominated under G.S. 163-114 after the primary and before the general election, and a
17 ~~person~~an individual who qualifies under G.S. 163-122 as an unaffiliated candidate in a
18 general election, shall file a statement of economic interest with the county board of
19 elections of each county in the senatorial or representative district. ~~A person~~An
20 individual nominated under G.S. 163-114 shall file the statement within three days
21 following the ~~person's~~individual's nomination, or not later than the day preceding the
22 general election, whichever occurs first. ~~A person~~An individual seeking to qualify as an
23 unaffiliated candidate under G.S. 163-122 shall file the statement of economic interest
24 with the petition filed under that section. ~~A person~~An individual seeking to have
25 write-in votes counted for ~~the person~~that individual in a general election shall file a
26 statement of economic interest at the same time the candidate files a declaration of
27 intent under G.S. 163-123. A candidate of a new party chosen by convention shall file a
28 statement of economic interest at the same time that the president of the convention
29 certifies the names of its candidates to the State Board of Elections under G.S. 163-98.

30"

31 **SECTION 65.** G.S. 138A-23(b) reads as rewritten:

32 "(b) The statements of economic interest filed by prospective public servants, and
33 the written evaluations by the Commission of those statements, for ~~persons~~individuals
34 elected by the General Assembly shall be provided to the chair of the standing
35 committee handling the legislation regarding the election and made available to all
36 members of the General Assembly. The statements of economic interest filed by public
37 servants elected to positions by the General Assembly, and written evaluations by the
38 Commission of those statements, are not public records until the prospective public
39 servant is sworn into office."

40 **SECTION 66.** G.S. 138A-23(c) reads as rewritten:

41 "(c) The statements of economic interest filed by prospective public servants, and
42 the written evaluations by the Commission of those statements, for ~~persons~~individuals
43 confirmed for appointment as a public servant by the General Assembly shall be
44 provided to the chair of the standing committee handling the legislation regarding the

1 appointment. The statements of economic interest filed by prospective public servants
2 for confirmation for appointment by the General Assembly, and written evaluations by
3 the Commission of those statements, are public records at the time of the announcement
4 of the appointment."

5 **SECTION 67.** G.S. 138A-24(a)(1) reads as rewritten:

6 "(1) Except as otherwise provided in this subdivision, the name, current
7 mailing address, occupation, employer, and business of the filing
8 person. Any ~~person~~individual holding or seeking elected office for
9 which residence is a qualification for office shall include a home
10 address. A judicial officer may use a current mailing address instead of
11 the home address on the form required in this subsection. The judicial
12 officer may also use the initials instead of the name of any
13 unemancipated child of the judicial officer who also resides in the
14 household of the judicial officer. If the judicial officer provides the
15 initials of an unemancipated child, the judicial officer shall
16 concurrently provide the name of the unemancipated child to the
17 Commission. The name of an unemancipated child provided by the
18 judicial officer to the Commission shall not be a public record under
19 Chapter 132 of the General Statutes and is privileged and
20 confidential."

21 **SECTION 68.** G.S. 138A-24(a)(2)h. reads as rewritten:

22 "h. A list of all nonpublicly owned businesses of which the filing
23 person and the filing person's immediate family is an officer,
24 employee, director, partner, owner, or member or manager of a
25 limited liability company."

26 **SECTION 69.** G.S. 138A-24(a)(6) reads as rewritten:

27 "(6) An indication of whether the filing person, the filing person's
28 employer, a member of the filing person's immediate family, or the
29 immediate family member's employer is licensed or regulated by, or
30 has a business relationship with, the board or employing entity with
31 which the filing person is or will be associated. This subdivision does
32 not apply to a ~~legislator or a judicial officer~~legislator, a judicial
33 officer, or that legislator's or judicial officer's immediate family."

34 **SECTION 70.** G.S. 138A-24(a)(7) reads as rewritten:

35 "(7) A list of societies, organizations, or advocacy groups, pertaining to
36 subject matter areas over which the public servant's agency or board
37 may have jurisdiction, in which the public servant or a member of the
38 public servant's immediate family is a director, officer, or governing
39 board member. This subdivision does not apply to a legislator, a
40 judicial officer, or that ~~person's~~legislator's or judicial officer's
41 immediate family."

42 **SECTION 71.** G.S. 138A-24(a)(8) reads as rewritten:

43 "(8) A list of all things with a total value of over two hundred dollars
44 (\$200.00) per calendar quarter given and received without valuable

1 consideration and under circumstances that a reasonable person would
2 conclude that the thing was given for the purpose of lobbying, if such
3 things were given by a person not required to report under Chapter
4 120C of the General Statutes, excluding things given by a member of
5 the filing person's extended family. The list shall include only those
6 things received during the 12 months preceding the reporting period
7 under subsection (d) of this section, and shall include the source of
8 those things. The list required by this subdivision shall not apply to
9 things of monetary value received by the filing person prior to the time
10 the filing person filed or was nominated as a candidate for office, as
11 described in G.S. 138A-22, or was appointed or employed as a covered
12 person."

13 **SECTION 72.(a)** G.S. 138A-24(a)(10) reads as rewritten:

14 "(10) Any other ~~economic or financial~~ information that the filing person
15 believes may assist the Commission in advising the filing person with
16 regards to compliance with this Chapter. is necessary either to carry
17 out the purposes of this Chapter or to fully disclose any conflict of
18 interest or potential conflict of interest. If the filing person believes a
19 potential for conflict exists, the filing person has a duty to inquire of
20 the Commission as to that potential conflict. If a filing person is
21 uncertain of whether particular information is necessary, then the filing
22 person shall consult the Commission for guidance."

23 **SECTION 72.(b)** This section becomes effective on and after January 1,
24 2007, and applies to statements of economic interest filed on or after that date.

25 **SECTION 73.** G.S. 138A-24(b) reads as rewritten:

26 "(b) The Supreme Court, the Committee, constitutional officers of the State, heads
27 of principal departments, the Board of Governors of The University of North Carolina,
28 the State Board of Community Colleges, other boards, and the appointing authority or
29 employing entity may require a filing person to file supplemental information in
30 conjunction with the filing of that filing person's statement of economic interest. These
31 supplemental filings requirements shall be filed with the Commission and included on
32 the forms to be filed with the Commission. The Commission shall evaluate the
33 supplemental forms as part of the statement of economic interest. The failure to file
34 supplemental forms shall be subject to the provisions of G.S. 138A-25."

35 **SECTION 74.** G.S. 138A-24(e) reads as rewritten:

36 "(e) The Commission shall prepare a written evaluation of each statement of
37 economic interest relative to conflicts of interest and potential conflicts of interest. This
38 subsection does not apply to statements of economic interest of legislators and judicial
39 officers. The Commission shall submit the evaluation to all of the following:

- 40 (1) The filing person who submitted the statement.
- 41 (2) The head of the agency in which the filing person serves.
- 42 (3) The Governor for gubernatorial appointees and employees in agencies
43 under the Governor's authority.
- 44 (4) ~~The Chief Justice for judicial officers and judicial employees.~~

- 1 (5) The appointing or hiring authority for those public servants not under
2 the Governor's authority.
3 (6) The State Board of Elections for those filing persons who are elected.
4 (7) ~~The Committee, together with a copy of the statement of economic~~
5 ~~interest, for legislators."~~

6 **SECTION 74.5.** G.S. 138A-24 is amended by adding a new subsection to
7 read:

8 "(f) The Commission shall prepare a written evaluation of each statement of
9 economic interest for nominees of the Board of Governors of The University of North
10 Carolina elected pursuant to G.S. 116-6, and nominees of the State Board of
11 Community Colleges elected pursuant to G.S. 115D-2 within seven days of the
12 submission of the completed statement of economic interest to the Commission."

13 **SECTION 75.** G.S. 138A-25(a) reads as rewritten:

14 "(a) Within 30 days after the date due under G.S. 138A-22, the Commission shall
15 notify filing persons who have failed to file or filing persons whose statement has been
16 deemed incomplete. For a filing person currently serving as a covered person, the
17 Commission shall notify the filing person that if the statement of economic interest is
18 not filed or completed within 30 days of receipt of the notice of failure to file or
19 complete, the filing person shall be subject to a fine as provided for in this section."

20 **SECTION 77.(a)** G.S. 138A-32(c) reads as rewritten:

21 "(c) No public servant, legislator, or legislative employee shall knowingly accept
22 a gift from a lobbyist or lobbyist principal registered under Chapter 120C of the General
23 Statutes. No legislator or legislative employee shall knowingly accept a gift from liaison
24 personnel designated under Chapter 120C of the General Statutes. No public servant,
25 legislator, or legislative employee shall accept a gift from a third party knowing all of
26 the following:

- 27 (1) ~~The third party obtained the gift~~ was obtained indirectly from a
28 lobbyist or lobbyist principal lobbyist, lobbyist's principal, or liaison
29 personnel registered under Chapter 120C of the General Statutes.
30 (2) ~~The lobbyist or lobbyist principal~~ lobbyist, lobbyist principal, or liaison
31 personnel registered under Chapter 120C of the General Statutes
32 intended for the ultimate recipient of the gift to be a public servant,
33 legislator, or legislative employee as provided in G.S. 120C-303."

34 **SECTION 77.(b)** This section becomes effective December 1, 2008.

35 **SECTION 78.(a)** G.S. 138A-32(d1) reads as rewritten:

36 "(d1) No public servant shall accept a gift ~~from a third party~~ knowing all of the
37 following:

- 38 (1) ~~The third party obtained the gift~~ was obtained indirectly from a person
39 described under subdivisions (d)(1), (2), and (3) of this section.
40 (2) The person described under subdivisions (d)(1), (2), and (3) of this
41 section intended for the ultimate recipient of the gift to benefit the ~~be~~ a
42 public servant."

43 **SECTION 78.(b)** This section becomes effective December 1, 2008.

44 **SECTION 79.** G.S. 138A-32(e)(1) reads as rewritten:

1 "(1) Food and beverages for immediate consumption in connection with
2 ~~public events~~ any of the following:

3 a. An open meeting of a public body, provided that the open
4 meeting is properly noticed under Article 33C of Chapter 143.

5 b. A gathering of a person or governmental unit open to the
6 general public, provided that a sign or other communication
7 containing a message that is reasonably designed to convey to
8 the general public that the gathering is open to the general
9 public is displayed at the gathering.

10 c. A gathering of a person or governmental unit to which the
11 entire board of which a public servant is a member, at least 10
12 public servants, all the members of the House of
13 Representatives, all the members of the Senate, all the members
14 of a county or municipal legislative delegation, all the members
15 of a recognized legislative caucus with regular meetings other
16 than meetings with one or more lobbyists, all the members of a
17 committee, a standing subcommittee, a joint committee or joint
18 commission of the House of Representatives, the Senate, or the
19 General Assembly, or all legislative employees are invited, and
20 one of the following applies:

21 1. At least 10 individuals associated with the person or
22 governmental unit actually attend, other than the covered
23 person or legislative employee, or the immediate family
24 of the covered person or legislative employee.

25 2. All shareholders, employees, board members, officers,
26 members, or subscribers of the person or governmental
27 unit located in North Carolina are notified and invited to
28 attend.

29 For purposes of this sub-subdivision only, the term "invited"
30 shall mean written notice from at least one host or sponsor of
31 the gathering containing the date, time, and location of the
32 gathering given at least 24 hours in advance of the gathering to
33 the specific qualifying group listed in this sub-subdivision. If it
34 is known at the time of the written notice that at least one
35 sponsor is a lobbyist or lobbyist principal, the written notice
36 shall also state whether or not the gathering is permitted under
37 this section."

38 **SECTION 80.** G.S. 138A-32(e)(3) reads as rewritten:

39 "(3) Reasonable actual expenditures of the legislator, public servant, or
40 legislative employee for food, beverages, registration, travel, lodging,
41 other incidental items of nominal value, and entertainment, in
42 connection with (i) a legislator's, public servant's, or legislative
43 employee's attendance at an educational meeting for purposes
44 primarily related to the public duties and responsibilities of the

1 legislator, public servant, or legislative employee; (ii) a legislator's,
2 public servant's, or legislative employee's participation as a speaker or
3 member of a panel at a meeting; (iii) a legislator's or legislative
4 employee's attendance and participation in meetings of a nonpartisan
5 state, regional, national, or international legislative organization of
6 which the General Assembly is a member or that the legislator or
7 legislative employee is a member or participant of by virtue of that
8 ~~person's~~ legislator's or legislative employee's public position, or as a
9 member of a board, agency, or committee of such organization; or (iv)
10 a public servant's attendance and participation in meetings as a
11 member of a board, agency, or committee of a nonpartisan state,
12 regional, national, or international organization of which the public
13 servant's agency is a member or the public servant is a member by
14 virtue of that ~~person's~~ public servant's public position, provided the
15 following conditions are met:

- 16 a. The reasonable actual expenditures shall be made by a
17 lobbyist's principal, and not a lobbyist.
- 18 b. Any meeting must be attended by at least 10 or more
19 participants, have a formal agenda, and notice of the meeting
20 has been given at least 10 days in advance.
- 21 c. Any food, beverages, transportation, or entertainment must be
22 provided to all attendees or defined groups of 10 or more
23 attendees as part of the meeting or in conjunction with the
24 meeting.
- 25 d. Any entertainment must be incidental to the principal agenda of
26 the meeting.
- 27 e. If the legislator, public servant, or legislative employee is
28 participating as a speaker or member of a panel, then that
29 legislator, public servant, or legislative employee must be a
30 bona fide speaker or participant."

31 **SECTION 80.5.** G.S. 138A-32(e)(5) reads as rewritten:

32 "(5) Gifts accepted on behalf of the State for use by the State or for the
33 benefit of the State."

34 **SECTION 81.** G.S. 138A-32(e)(10)a. reads as rewritten:

- 35 "a. The relationship is not related to the ~~person's~~ public servant's,
36 legislator's, or legislative employee's public service or position."

37 **SECTION 82.** G.S. 138A-32(e)(12) reads as rewritten:

38 "(12) Food and beverages for immediate consumption at an organized
39 gathering of a ~~person~~ person, the State, or a governmental unit to
40 which a public servant is invited to attend for purposes primarily
41 related to the public servant's public service or position, and to which
42 at least 10 individuals, other than the public servant, or the public
43 servant's immediate family, actually attend, or to which all
44 shareholders, employees, board members, officers, members, or

1 subscribers of the person or governmental unit who are located in a
2 specific North Carolina office or county are notified and invited to
3 attend."

4 **SECTION 82.5.** G.S. 138A-32(e) is amended by adding a new subdivision
5 to read:

6 "(13) Food, beverages, registration, travel, lodging, entertainment, and items
7 of nominal value provided in conjunction or in connection with a
8 meeting or conference when the employing entity has provided prior
9 authorization of the attendance or participation of the legislator,
10 legislative employee, or public servant at that meeting or conference."

11 **SECTION 83.** G.S. 138A-34 reads as rewritten:

12 **"§ 138A-34. Use of information for private gain.**

13 A public servant or legislative employee shall not use or disclose nonpublic
14 information gained in the course of, or by reason of, the public servant's or legislative
15 employee's official responsibilities in a way that would affect a personal financial
16 interest of the public servant or legislative employee, a member of the public servant's
17 or legislative employee's extended family, or a person or governmental unit with whom
18 or business with which the public servant or legislative employee is associated. A public
19 servant or legislative employee shall not improperly use or improperly disclose any
20 confidential information."

21 **SECTION 84.(a)** G.S. 138A-36 reads as rewritten:

22 **"§ 138A-36. Public servant participation in official actions.**

23 (a) Except as permitted by subsection (d) of this section and under G.S. 138A-38,
24 no public servant acting in that capacity, authorized to perform an official action
25 requiring the exercise of discretion, shall ~~knowingly~~ participate in an official action by
26 the employing entity if the public servant, ~~a member of the public servant's extended~~
27 ~~family, a business with which the public servant is associated, or a nonprofit corporation~~
28 ~~or organization with which the public servant is associated, has an economic interest in,~~
29 ~~or servant knows the public servant or a person with which the public servant is~~
30 ~~associated may incur a reasonably foreseeable financial benefit from,~~ from the matter
31 under consideration, which financial benefit would impair the public servant's
32 independence of judgment or from which it could reasonably be inferred that the
33 ~~interest or financial~~ benefit would influence the public servant's participation in the
34 official action. ~~A potential benefit includes an economic or financial detriment to a~~
35 ~~business competitor of (i) the public servant, (ii) a member of the public servant's~~
36 ~~extended family, (iii) a business with which the public servant is associated, or (iv) a~~
37 ~~nonprofit corporation or organization with which the public servant is associated. A~~
38 ~~benefit also includes an economic or financial detriment to (i) the public servant, (ii) a~~
39 ~~member of the public servant's extended family, (iii) a business with which the public~~
40 ~~servant is associated, or (iv) a nonprofit corporation or organization with which the~~
41 ~~public servant is associated.~~

42 ...

43 (d) If a public servant is uncertain about whether the relationship described in
44 subsection (c) of this section justifies removing the public servant from the proceeding

1 under subsection (c) of this section, the public servant shall disclose the relationship to
2 the ~~person~~individual presiding over the proceeding and seek appropriate guidance. The
3 presiding officer, in consultation with legal counsel if necessary, shall then determine
4 the extent to which the public servant will be permitted to participate. If the affected
5 public servant is the ~~person~~individual presiding, then the vice-chair or any other
6 substitute presiding officer shall make the determination. A good-faith determination
7 under this subsection of the allowable degree of participation by a public servant is
8 presumptively valid and only subject to review under G.S. 138A-12 upon a clear and
9 convincing showing of mistake, fraud, abuse of discretion, or willful disregard of this
10 Chapter.

11"

12 **SECTION 84.(b)** G.S. 138A-37 reads as rewritten:

13 "**§ 138A-37. Legislator participation in official actions.**

14 (a) Except as permitted under G.S. 138A-38, no legislator shall knowingly
15 participate in a legislative action if the ~~legislator, a member of the legislator's extended~~
16 ~~family, the legislator's client, a business with which the legislator is associated, or a~~
17 ~~nonprofit corporation or organization with which the legislator is associated, has an~~
18 ~~economic interest in, or legislator knows the legislator or a person with which the~~
19 ~~legislator is associated~~ may incur a reasonably and ~~foreseeably~~foreseeable financial
20 benefit from the action, and if after considering whether the legislator's judgment would
21 be substantially influenced by the ~~interest~~financial benefit and considering the need for
22 the legislator's particular contribution, including special knowledge of the subject matter
23 to the effective functioning of the legislature, the legislator concludes that an actual
24 ~~economic interest~~financial benefit does exist which would impair the legislator's
25 independence of judgment. A ~~potential benefit includes an economic or financial~~
26 ~~detriment to a business competitor of (i) the legislator, (ii) a member of the legislator's~~
27 ~~extended family, (iii) a business with which the legislator is associated, or (iv) a~~
28 ~~nonprofit corporation or organization with which the legislator is associated. A benefit~~
29 ~~also includes an economic or financial detriment to (i) the legislator, (ii) a member of~~
30 ~~the legislator's extended family, (iii) a business with which the legislator is associated,~~
31 ~~or (iv) a nonprofit corporation or organization with which the legislator is associated.~~

32 (a1) The legislator shall submit in writing to the principal clerk of the house of
33 which the legislator is a member the reasons for the abstention from participation in the
34 legislative matter.

35 (b) If the legislator has a material doubt as to whether the legislator should act,
36 the legislator may submit the question for an advisory opinion to the State Ethics
37 Commission in accordance with G.S. 138A-13 or the Legislative Ethics Committee in
38 accordance with G.S. 120-104."

39 **SECTION 84.(c)** G.S. 138A-3 reads as rewritten:

40 "**§ 138A-3. Definitions.**

41 The following definitions apply in this Chapter:

42 ...

1 (11) ~~Economic interest. — Matters involving a business with which~~
 2 ~~associated or a nonprofit corporation or organization with which~~
 3 ~~associated.~~

4 ...
 5 (14c) Financial benefit. – A direct pecuniary gain or loss to the legislator, the
 6 public servant, or a person with which the legislator or public servant
 7 is associated, or a direct pecuniary loss to a business competitor of the
 8 legislator, the public servant, or a person with which the legislator or
 9 public servant is associated.

10 ...
 11 (27c) Person with which the legislator is associated. – Any of the following:
 12 a. A member of the legislator's extended family.
 13 b. A client of the legislator.
 14 c. A business with which the legislator or a member of the
 15 legislator's immediate family is associated.
 16 d. A nonprofit corporation or association with which the legislator
 17 or a member of the legislator's immediate family is associated.
 18 e. The State, a political subdivision of the State, a board, or any
 19 other entity or organization created by the State or a political
 20 subdivision of the State that employs the legislator or a member
 21 of the legislator's immediate family.

22 (27d) Person with which the public servant is associated. – Any of the
 23 following:
 24 a. A member of the public servant's extended family.
 25 b. A client of the public servant.
 26 c. A business with which the public servant or a member of the
 27 public servant's immediate family is associated.
 28 d. A nonprofit corporation or association with which the public
 29 servant or a member of the public servant's immediate family is
 30 associated.
 31 e. The State, a political subdivision of the State, a board, or any
 32 other entity or organization created by the State or a political
 33 subdivision of the State that employs the public servant or a
 34 member of the public servant's immediate family.

35 "

36 **SECTION 85.** G.S. 138A-38 is amended by adding the following new
 37 subsections to read:

38 "(c) Notwithstanding G.S. 138A-37, if a legislator is employed or retained by, or
 39 is an independent contractor of, a governmental unit, and the legislator is the only
 40 member of the house elected from the district where that governmental unit is located,
 41 then the legislator may take legislative action on behalf of that governmental unit
 42 provided the legislator discloses in writing to the principal clerk the nature of the
 43 action."

1 relationship with the governmental unit prior to, or at the time of, taking the legislative
2 action.

3 (d) Notwithstanding G.S. 138A-36, service by the president, chief financial
4 officer, chief administrative officer, or voting member of the board of trustees of a
5 community college as an officer, employee, or member of the board of directors of a
6 nonprofit corporation established under G.S. 115D-20(9) to support the community
7 college shall not constitute a conflict of interest under G.S. 138A-36, provided that the
8 majority of the nonprofit corporation's board of directors is not comprised of the
9 president, chief financial officer, and chief administrative officer, or voting members of
10 the board of trustees of the community college which the nonprofit corporation was
11 created to support."

12 **SECTION 86.** G.S. 163-278.13C(a)(2) reads as rewritten:

13 "(2) Is a public servant as defined in ~~G.S. 138A-3(30)a~~. G.S. 138A-3(30)a.
14 and G.S. 120C-104."

15 **SECTION 87.** G.S. 163-278.16B(a)(3) reads as rewritten:

16 "(3) ~~Contributions-Donations~~ to an organization described in section 170(c)
17 of the Internal Revenue Code of 1986 (26 U.S.C. § 170(c)), provided
18 that the candidate or the candidate's spouse, children, parents, brothers,
19 or sisters are not employed by the organization."

20 **SECTION 88.** G.S. 114-15(a) reads as rewritten:

21 "(a) The Bureau shall, through its Director and upon request of the Governor,
22 investigate and prepare evidence in the event of any lynching or mob violence in the
23 State; shall investigate all cases arising from frauds in connection with elections when
24 requested to do so by the Board of Elections, and when so directed by the Governor.
25 Such investigation, however, shall in nowise interfere with the power of the Attorney
26 General to make such investigation as ~~he~~ the Attorney General is authorized to make
27 under the laws of the State. The Bureau is authorized further, at the request of the
28 Governor, to investigate cases of frauds arising under the Social Security Laws of the
29 State, of violations of the gaming laws, and lottery laws, and matters of similar kind
30 when called upon by the Governor so to do. In all such cases it shall be the duty of the
31 Department to keep such records as may be necessary and to prepare evidence in the
32 cases investigated, for the use of enforcement officers and for the trial of causes. The
33 services of the Director of the Bureau, and of ~~his~~ the Director's assistants, may be
34 required by the Governor in connection with the investigation of any crime committed
35 anywhere in the State when called upon by the enforcement officers of the State, and
36 when, in the judgment of the Governor, such services may be rendered with advantage
37 to the enforcement of the criminal law. The State Bureau of Investigation is hereby
38 authorized to investigate without request the attempted arson of, or arson of, damage of,
39 theft from, or theft of, or misuse of, any State-owned personal property, buildings, or
40 other real property or any assault upon or threats against any legislative officer named in
41 G.S. 147-2(1), (2), or (3), any executive officer named in G.S. 147-3(c), or any court
42 officer as defined in G.S. 14-16.10(1). The Bureau also is authorized at the request of
43 the Governor to conduct a background investigation on a person that the Governor plans
44 to nominate for a position that must be confirmed by the General Assembly, the Senate,

1 or the House of Representatives. The background investigation of the proposed nominee
2 shall be limited to an investigation of the person's criminal record, educational
3 background, employment record, records concerning the listing and payment of taxes,
4 and credit record, and to a requirement that the person provide the information
5 contained in the statements of economic interest required to be filed by persons subject
6 to ~~Executive Order Number 1, filed on January 31, 1985, as contained on pages 1405~~
7 ~~through 1419 of the 1985 Session Laws (First Session, 1985). Chapter 138A of the~~
8 General Statutes. The Governor must give the person being investigated written notice
9 that ~~he the Governor~~ intends to request a background investigation at least 10 days prior
10 to the date that ~~he the Governor~~ requests the State Bureau of Investigation to conduct
11 the background investigation. The written notice shall be sent by regular mail, and there
12 is created a rebuttable presumption that the person received the notice if the Governor
13 has a copy of the notice."

14 **SECTION 89.** G.S. 120-19.4A reads as rewritten:

15 "**§ 120-19.4A. Requests to State Bureau of Investigation for background**
16 **investigation of a person who must be confirmed by legislative action.**

17 The President of the Senate or the Speaker of the House may request that the State
18 Bureau of Investigation perform a background investigation on a person who must be
19 appointed or confirmed by the General Assembly, the Senate, or the House of
20 Representatives. The person being investigated shall be given written notice by regular
21 mail at least 10 days prior to the date that the State Bureau of Investigation is requested
22 to perform the background investigation by the presiding officer of the body from which
23 the request originated. There is a rebuttable presumption that the person being
24 investigated received the notice if the presiding officer has a copy of the notice. The
25 State Bureau of Investigation shall perform the requested background investigation and
26 shall provide the information, including criminal records, to the presiding officer of the
27 body from which the request originated. A copy of the information also shall be
28 provided to the person being investigated. The term "background investigation" shall be
29 limited to an investigation of a person's criminal record, educational background,
30 employment record, records concerning the listing and payment of taxes, and credit
31 record, and to a requirement that the person provide the information contained in the
32 statements of economic interest required to be filed by persons subject to ~~Executive~~
33 ~~Order Number 1, filed on January 31, 1985, as contained on pages 1405 through 1419~~
34 ~~of the 1985 Session Laws (First Session, 1985). Chapter 138A of the General Statutes.~~"

35 **SECTION 90.** The Revisor of Statutes shall change the term "Lobbyist's
36 Principal" to "Lobbyist Principal" wherever it appears in Chapter 138A and Chapter
37 120C of the General Statutes. The Revisor of Statutes shall change the term "Lobbyist's
38 Principals" to "Lobbyist Principals" wherever it appears in Chapter 138A and Chapter
39 120C of the General Statutes. The Revisor of Statutes shall change the term "Lobbyist's
40 Principal's" to "Lobbyist Principal's" wherever it appears in Chapter 138A and Chapter
41 120C of the General Statutes.

42 **SECTION 91.** Section 44 of S.L. 2007-348 reads as rewritten:

43 "**SECTION 44.** Sections 17, 23, 39, 40 and 41 of this act are effective January 1,
44 2007. Section 9 of this act is effective July 1, 2007. Sections 8, 11, 15, 20, 22, 25, 34

1 and 42 of this act become effective October 1, 2007. Section 18 of this act becomes
2 effective December 1, 2007. Section 34 of this act becomes effective January 1, 2008.
3 The remainder of this act is effective when this act becomes law."

4 **SECTION 92.** Except as otherwise provided in this act, this act is effective
5 when it becomes law.