

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 961
Committee Substitute Favorable 4/15/09
Committee Substitute #2 Favorable 5/12/09
Senate Judiciary I Committee Substitute Adopted 6/22/10
Senate Finance Committee Substitute Adopted 6/22/10
Senate Judiciary I Committee Substitute Adopted 7/2/10

Short Title: Gov't Ethics and Campaign Reform Act of 2010.

(Public)

Sponsors:

Referred to:

April 1, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE LIMITS ON THE TRADING OF INFLUENCE OR POSITION FOR
3 GAIN; TO INCREASE THE PUNISHMENT FOR MAKING CAMPAIGN
4 CONTRIBUTIONS IN THE NAME OF ANOTHER; TO INCREASE ACCESSIBILITY
5 TO INFORMATION RELATED TO CANDIDATE CAMPAIGN COMMITTEES; TO
6 STRENGTHEN PUBLIC CONFIDENCE IN GOVERNMENT BY INCREASING THE
7 REVOLVING DOOR APPLICABILITY; TO STRENGTHEN TRANSPARENCY OF
8 GOVERNMENT THROUGH ADDITIONAL DISCLOSURES BY PUBLIC SERVANTS;
9 TO INCREASE ACCOUNTABILITY OF PUBLIC SERVANTS, APPOINTEES OF THE
10 GOVERNOR, AND STATE EMPLOYEES BY PERMITTING THE GOVERNOR TO
11 ADOPT MINIMUM STANDARDS OF ETHICAL CONDUCT; TO STRENGTHEN
12 TRANSPARENCY OF GOVERNMENT THROUGH INCREASING ACCESSIBILITY
13 TO PUBLIC RECORDS; TO MAKE TECHNICAL CHANGES; AND TO MAKE
14 OTHER CHANGES.

15 The General Assembly of North Carolina enacts:

16 SECTION 1.(a) G.S. 126-14 reads as rewritten:

17 "§ 126-14. **Promise or threat to obtain political contribution or support.**

18 (a) It is unlawful for a State employee or a person appointed to State office, other than
19 elective office or office on a board, commission, committee, or council whose function is
20 advisory only, whether or not subject to the Personnel Act, to coerce:

- 21 (1) a State employee subject to the Personnel Act,
22 (2) a probationary State employee,
23 (3) a temporary State employee, or
24 (4) an applicant for a position subject to the Personnel Act

25 to support or contribute to a political candidate, political committee as defined in
26 G.S. 163-278.6, or political party or to change the party designation of ~~his~~ the individual's voter
27 registration by threatening that change in employment status or discipline or preferential
28 personnel treatment will occur with regard to a ~~person~~ an individual listed in subdivisions (1)
29 ~~through (4).~~ through (4) of this subsection.

30 (a1) It is unlawful for an individual as defined in G.S. 138A-3(30)a. to coerce a person as
31 described in G.S. 138A-32(d)(1), (2), or (3) to support or contribute to a political candidate, a
32 political committee as defined in G.S. 163-278.6, or a political party by threatening discipline



1 or promising preferential treatment with regard to that person's business with the individual's
2 State office or that person's activities regulated by the individual's State office.

3 (b) Any person violating this section shall be guilty of a Class 2 misdemeanor.

4 (c) A State employee subject to the Personnel Act, probationary State employee, or
5 temporary State employee who without probable cause falsely accuses a State employee or a
6 person appointed to State office of violating this section shall be subject to discipline or change
7 in employment status in accordance with the provisions of G.S. 126-35, 126-37, and 126-38
8 and may, as otherwise provided by law, be subject to criminal penalties for perjury or civil
9 liability for libel, slander, or malicious prosecution."

10 **SECTION 1.(b)** This section becomes effective December 1, 2010, and applies to
11 offenses committed on or after that date.

12 **SECTION 2.(a)** G.S. 14-234(a) reads as rewritten:

13 "**§ 14-234. Public officers or employees benefiting from public contracts; exceptions.**

14 (a) (1) No public officer or employee who is involved in making or administering a
15 contract on behalf of a public agency may derive a direct benefit from the
16 contract except as provided in this section, or as otherwise allowed by law.

17 (2) A public officer or employee who will derive a direct benefit from a contract
18 with the public agency he or she serves, but who is not involved in making
19 or administering the contract, shall not attempt to influence any other person
20 who is involved in making or administering the contract.

21 (3) No public officer or employee may solicit or receive any gift, favor, reward,
22 service, or promise of ~~reward~~—reward, including a promise of future
23 employment, in exchange for recommending, influencing, or attempting to
24 influence the award of a contract by the public agency he or she serves."

25 **SECTION 2.(b)** G.S. 14-217 reads as rewritten:

26 "**§ 14-217. Bribery of officials.**

27 (a) If any person holding ~~office~~—office, or who has filed a notice of candidacy for or
28 been nominated for such office, under the laws of this State who, except in payment of his legal
29 salary, fees or perquisites, shall receive, or consent to receive, directly or indirectly, anything of
30 value or personal advantage, or the promise thereof, for performing or omitting to perform any
31 official act, which lay within the scope of his official authority and was connected with the
32 discharge of his official and legal duties, or with the express or implied understanding that his
33 official action, or omission to act, is to be in any degree influenced thereby, he shall be
34 punished as a Class F felon.

35 (b) Indictments issued under these provisions shall specify:

36 (1) The thing of value or personal advantage sought to be obtained; and

37 (2) The specific act or omission sought to be obtained; and

38 (3) That the act or omission sought to be obtained lay within the scope of the
39 defendant's official authority and was connected with the discharge of his
40 official and legal duties.

41 (c) Repealed by Session Laws 1993 (Reg. Sess., 1994), c. 539, s. 1207.

42 (d) For purposes of this section, a thing of value or personal advantage shall include a
43 campaign contribution made or received under Article 22A of Chapter 163 of the General
44 Statutes."

45 **SECTION 2.(c)** This section becomes effective December 1, 2010, and applies to
46 offenses committed on or after that date.

47 **SECTION 3.(a)** G.S. 120C-304(a) reads as rewritten:

48 "(a) No legislator or former legislator may register as a lobbyist under this
49 ~~Chapter:~~Chapter

50 (1) ~~While~~while in office-office or

1 (2) ~~Before the later of the close of session as set forth in G.S. 120C-100(a)(4)b.1~~
2 ~~in which the legislator served or six months within six months~~ after leaving
3 office."

4 **SECTION 3.(b)** G.S. 120C-304(b) reads as rewritten:

5 "(b) No public servant or former public servant as defined in G.S. 138A-3(30)a. may
6 register as a lobbyist under this Chapter while in office or within six months after leaving
7 office."

8 **SECTION 3.(c)** G.S. 120C-304(c) reads as rewritten:

9 "(c) No public servant or former public servant as defined in G.S. 138A-3(30)c. may
10 register as a lobbyist under this Chapter within six months after separation from employment as
11 a public servant. No other employee of any State agency may register as a lobbyist under this
12 Chapter to lobby the State agency that previously employed the former employee within six
13 months after voluntary separation or separation for cause from that State agency."

14 **SECTION 3.(d)** G.S. 120C-200 is amended by adding a new subsection to read:

15 "(f) In addition to the information required for registration under subsection (b) of this
16 section, former employees of a State agency who register as a lobbyist within six months after
17 voluntary separation or separation for cause from employment with a State agency shall also
18 indicate which State agency with which the former employee was employed."

19 **SECTION 3.(e)** This section becomes effective October 1, 2010, and applies to
20 individuals leaving office or employment on or after that date.

21 **SECTION 4.** G.S. 163-278.22(7) reads as rewritten:

22 "(7) To make investigations to the extent the Board deems necessary with respect
23 to statements filed under the provisions of this Article and with respect to
24 alleged failures to file any statement required under the provisions of this
25 Article or Article 22M of the General Statutes and, upon complaint under
26 oath by any registered voter, with respect to alleged violations of any part of
27 this Article or Article 22M of the General Statutes. The Board has the
28 authority to hire or contract with a special investigator, if needed, for this
29 purpose."

30 **SECTION 5.** G.S. 150B-38(a) is amended by adding a new subdivision to read:

31 "(6) The State Board of Elections in the administration of any investigation or
32 audit under the provisions of Article 22A of Chapter 163 of the General
33 Statutes."

34 **SECTION 6.(a)** G.S. 163-278.27 reads as rewritten:

35 "**§ 163-278.27. Criminal penalties; duty to report and prosecute.**

36 (a) Any individual, candidate, political committee, referendum committee, treasurer,
37 person or media who intentionally violates the applicable provisions of G.S. 163-278.7,
38 163-278.8, 163-278.9, 163-278.10, 163-278.11, 163-278.12, 163-278.13, 163-278.13B,
39 163-278.14, 163-278.16, 163-278.16B, 163-278.17, 163-278.18, 163-278.19, 163-278.20,
40 163-278.39, 163-278.40A, 163-278.40B, 163-278.40C, 163-278.40D, 163-278.40E, or
41 163-278.40J is guilty of a Class 2 misdemeanor. The statute of limitations as stated in G.S. 15-1
42 shall run from the day the last report is due to be filed with the appropriate board of elections
43 for the election cycle for which the violation occurred.

44 (a1) A violation of G.S. 163-278.32 by making a certification knowing the information
45 to be untrue is a Class I felony.

46 (a2) A person or individual who intentionally violates G.S. 163-278.14(a) or
47 G.S. 163-278.19(a) and the unlawful contributions total more than ten thousand dollars
48 (\$10,000) per election is guilty of a Class I felony.

49 (b) Whenever the Board has knowledge of or has reason to believe there has been a
50 violation of any section of this Article, it shall report that fact, together with accompanying
51 details, to the following prosecuting authorities:

- 1 (1) In the case of a candidate for nomination or election to the State Senate or
2 State House of Representatives: report to the district attorney of the
3 prosecutorial district in which the candidate for nomination or election
4 resides;
- 5 (2) In the case of a candidate for nomination or election to the office of
6 Governor, Lieutenant Governor, Secretary of State, State Auditor, State
7 Treasurer, State Superintendent of Public Instruction, State Attorney
8 General, State Commissioner of Agriculture, State Commissioner of Labor,
9 State Commissioner of Insurance, and all other State elective offices, Justice
10 of the Supreme Court, Judge of the Court of Appeals, judge of a superior
11 court, judge of a district court, and district attorney of the superior court:
12 report to the district attorney of the prosecutorial district in which Wake
13 County is located;
- 14 (3) In the case of an individual other than a candidate, including, without
15 limitation, violations by members of political committees, referendum
16 committees or treasurers: report to the district attorney of the prosecutorial
17 district in which the individual resides; and
- 18 (4) In the case of a person or any group of individuals: report to the district
19 attorney or district attorneys [of] the prosecutorial district or districts in
20 which any of the officers, directors, agents, employees or members of the
21 person or group reside.

22 (c) Upon receipt of such a report from the Board, the appropriate district attorney shall
23 prosecute the individual or persons alleged to have violated a section or sections of this Article.

24 (d) As a condition of probation, a sentencing judge may order that the costs incurred by
25 the State Board of Elections in investigating and aiding the prosecution of a case be paid to the
26 State Board of Elections by the defendant on such terms and conditions as set by the judge."

27 **SECTION 6.(b)** G.S. 163-278.14(a) reads as rewritten:

28 "(a) No individual, political committee, or other entity shall make any contribution
29 anonymously or in the name of another. No candidate, political committee, referendum
30 committee, political party, or treasurer shall knowingly accept any contribution made by any
31 individual or person in the name of another individual or person or made anonymously. If a
32 candidate, political committee, referendum committee, political party, or treasurer receives
33 anonymous contributions or contributions determined to have been made in the name of
34 another, he shall pay the money over to the Board, by check, and all such moneys received by
35 the Board shall be deposited in the Civil Penalty and Forfeiture Fund of the State of North
36 Carolina. This subsection shall not apply to any contribution by an individual with the lawful
37 authority to act on behalf of another individual, whether through power of attorney, trustee, or
38 other lawful authority."

39 **SECTION 6.(c)** This section becomes effective December 1, 2010, and applies to
40 offenses committed on or after that date.

41 **SECTION 7.** In order to foster and facilitate transparency of information relating
42 to political campaigns, the State Board of Elections shall create an easily searchable database to
43 provide any member of the public with access to the database to search by geographic location,
44 occupation, employer, contributor, or contributee, within an election cycle and over a period of
45 time as specified by the searcher.

46 **SECTION 8.** Article 2 of Chapter 143C of the General Statutes is amended by
47 adding new sections to read:

48 **"§ 143C-2-5. Grants and contracts database.**

49 (a) The Director of the Budget shall require the Office of State Budget and
50 Management, with the support of Information Technology Services, to build and maintain a

1 database and Web site for providing a single, searchable Web site on State spending for grants
2 and contracts.

3 (b) Heads of the principal departments as listed in G.S. 143B-6 shall monthly conduct a
4 review of all State contracts and grants administered by the principal department.

5 (c) All State institutions, departments, bureaus, agencies, or commissions subject to the
6 authority of the Director of the Budget that maintain a Web site shall be required to include an
7 access link to the NC OpenBook Web site on the home page of the agency Web site. Each
8 agency shall also prominently display a search engine on the agency Web site home page to
9 allow for ease of searching for information, including contracts and grants, on the agency's
10 Web site.

11 **"§ 143C-2-6. Contents of database and Web site.**

12 (a) The Office of State Controller, the Department of Administration, and Information
13 Technology Services shall provide the Office of State Budget and Management with the
14 statewide information on State contracts necessary for the development and maintenance of the
15 database and Web site required by this Article, with the information updated at least every 30
16 days.

17 (b) The Office of State Budget and Management shall work with the Office of the State
18 Auditor and the Grant Information Center to incorporate data on grants into the database and
19 Web site required by this Article. All State institutions, departments, bureaus, agencies, or
20 commissions subject to the authority of the Governor shall make necessary changes to existing
21 reporting processes for grants and contracts to ensure the goals of this Article are met.

22 (c) All State contracts and grants awarded in amounts in excess of ten thousand dollars
23 (\$10,000) shall be included in the database and Web site required by this Article. The following
24 information shall be provided for each contract or grant:

25 (1) The name of the entity receiving the award.

26 (2) The amount of the award or estimated award.

27 (3) Information on the award, including transaction type, funding agency,
28 duration of contract, or grant award.

29 (4) The location of the entity receiving the award.

30 (5) Background information on the entity receiving the award.

31 (6) Time lines for anticipated completion of the work required.

32 (7) Expected outcomes of the contract or grant and specific deliverables
33 required.

34 (8) Contact information for the responsible State government officer or
35 administrator of the contract or grant."

36 **SECTION 9.** G.S. 138A-3(30) reads as rewritten:

37 "(30) Public servants. – All of the following:

38 a. Constitutional officers of the State and individuals elected or
39 appointed as constitutional officers of the State prior to taking office.

40 b. Employees of the Office of the Governor.

41 c. Heads of all principal State departments, as set forth in G.S. 143B-6,
42 who are appointed by the Governor.

43 d. The chief deputy and chief administrative assistant of each individual
44 designated under sub-subdivision a. or c. of this subdivision.

45 e. Confidential assistants and secretaries as defined in G.S. 126-5(c)(2),
46 to individuals designated under sub-subdivision a., c., or d. of this
47 subdivision.

48 f. Employees in exempt positions designated in accordance with
49 G.S. 126-5(d)(1), (2), or (2a) and confidential secretaries to these
50 individuals.

- 1 g. Any other employees or appointees in the principal State departments
2 as may be designated by the Governor to the extent that the
3 designation does not conflict with the State Personnel Act.
- 4 h. Judicial employees.
- 5 i. All voting members of boards, including ex officio members,
6 permanent designees of any voting member, and members serving by
7 executive, legislative, or judicial branch appointment.
- 8 j. For The University of North Carolina, the voting members of the
9 Board of Governors of The University of North Carolina, the
10 president, the vice-presidents, and the chancellors, the
11 vice-chancellors, and voting members of the boards of trustees of the
12 constituent institutions.
- 13 k. For the Community College System, the voting members of the State
14 Board of Community Colleges, the President and the chief financial
15 officer of the Community College System, the president, chief
16 financial officer, and chief administrative officer of each community
17 college, and voting members of the boards of trustees of each
18 community college.
- 19 l. Members of the ~~Commission~~-Commission, the executive director,
20 and the assistant executive director of the Commission.
- 21 m. Individuals under contract with the State working in or against a
22 position included under this subdivision.
- 23 n. The director of the Office of State Personnel.
- 24 o. The State Controller.
- 25 p. The chief information officer, deputy chief information officers,
26 chief financial officers, and general counsel of the Office of
27 Information Technology.
- 28 q. The director of the State Museum of Art.
- 29 r. The executive director of the Agency for Public Telecommunication.
- 30 s. The Commissioner of Motor Vehicles.
- 31 t. The Commissioner of Banks and the chief deputy commissioners of
32 the Banking Commission.
- 33 u. The executive director of the North Carolina Housing Finance
34 Agency.
- 35 v. The executive director, chief financial officer, and chief operating
36 officer of the North Carolina Turnpike Authority."

37 **SECTION 10.** G.S. 143B-478 is amended by adding a new subsection to read:

38 "(f) The Commission shall be treated as a board for purposes of Chapter 138A of the
39 General Statutes."

40 **SECTION 11.** G.S. 138A-22 is amended by adding a new subsection to read:

41 "(d1) In addition to subsections (a) and (d) of this section, a covered person holding
42 elected office or a former covered person who held elected office subject to this Article shall
43 file a statement of economic interest in all of the following instances, as specified:

- 44 (1) Filed on or before April 15 of the year following the year a covered person
45 elects not to continue in the position making that individual a covered
46 person, with all information provided in the statement of economic interest
47 current as of the last day of December of the preceding year.
- 48 (2) Filed on or before April 15 of the year following the year the covered person
49 resigns from the position making that individual a covered person, with all
50 information provided in the statement of economic interest current as of the
51 last day in the position."

1 **SECTION 12.(a)** G.S. 138A-24(a) reads as rewritten:

2 "**§ 138A-24. Contents of statement.**

3 (a) Any statement of economic interest filed under this Article shall be on a form
4 prescribed by the ~~Commission and sworn to by the filing person.~~ Commission. Answers must
5 be provided to all questions. The form shall include the following information about the filing
6 person and the filing person's immediate family:

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

20 (2) A list of each asset and liability included in this subdivision of whatever
21 nature (including legal, equitable, or beneficial interest) with a value of at
22 least ten thousand dollars (\$10,000) owned by the filing person and the filing
23 person's immediate family, except assets or liabilities held in a blind trust.
24 This list shall include the following:

- 25 a. All real estate located in the State owned wholly or in part by the
26 filing person or the filing person's immediate family, including
27 descriptions adequate to determine the location by city and county of
28 each parcel.
- 29 b. Real estate that is currently leased or rented to or from the State.
- 30 c. Personal property sold to or bought from the State within the
31 preceding two years.
- 32 d. Personal property currently leased or rented to or from the State.
- 33 e. The name of each publicly owned company. For purposes of this
34 sub-subdivision, the term "publicly owned company" shall not
35 include a widely held investment fund, including a mutual fund,
36 regulated investment company, or pension or deferred compensation
37 plan, if all of the following apply:
- 38 1. The filing person or a member of the filing person's
39 immediate family neither exercises nor has the ability to
40 exercise control over the financial interests held by the fund.
- 41 2. The fund is publicly traded, or the fund's assets are widely
42 diversified.
- 43 f. The name of each nonpublicly owned company or business entity,
44 including interests in sole proprietorships, partnerships, limited
45 partnerships, joint ventures, limited liability companies, limited
46 liability partnerships, and closely held corporations.
- 47 g. For each company or business entity listed under sub-subdivision f.
48 of this subdivision, if known, a list of any other companies or
49 business entities in which the company or business entity owns
50 securities or equity interests exceeding a value of ten thousand
51 dollars (\$10,000).

- 1 h. ~~A list of all nonpublicly owned businesses of which the filing person~~
2 ~~and the filing person's immediate family is an officer, employee,~~
3 ~~director, partner, owner, or member or manager of a limited liability~~
4 ~~company.~~
- 5 i. For any company or business entity listed under sub-subdivisions ~~f.,~~
6 ~~g., and h. f. and g.~~ of this subdivision, if known, any company or
7 business entity that has any material business dealings, contracts, or
8 other involvement with the State, or is regulated by the State,
9 including a brief description of the business activity.
- 10 j. For a vested trust created, established, or controlled by the filing
11 person of which the filing person or the members of the filing
12 person's immediate family are the beneficiaries, excluding a blind
13 trust, the name and address of the trustee, a description of the trust,
14 and the filing person's relationship to the trust.
- 15 k. A list of all liabilities, excluding indebtedness on the filing person's
16 primary personal residence, by type of creditor and debtor.
- 17 l. Repealed by Session Laws 2007-348, s. 34. See Editor's note for
18 effective date.
- 19 m. A list of all stock options in a company or business not otherwise
20 disclosed on this statement.
- 21 (3) The name of each source (not specific amounts) of income of more than five
22 thousand dollars (\$5,000) received during the previous year by business or
23 industry type, if that source is not listed under subdivision (2) of this
24 subsection. Income shall include salary, wages, professional fees, honoraria,
25 interest, dividends, rental income, and business income from any source
26 other than capital gains, federal government retirement, military retirement,
27 or social security income.
- 28 (4) If the filing person is a practicing attorney, an indication of whether the
29 filing person, or the law firm with which the filing person is affiliated,
30 earned legal fees during the past year in excess of ten thousand dollars
31 (\$10,000) from any of the following categories of legal representation:
- 32 a. Administrative law.
33 b. Admiralty law.
34 c. Corporate law.
35 d. Criminal law.
36 e. Decedents' estates law.
37 f. Environmental law.
38 g. Insurance law.
39 h. Labor law.
40 i. Local government law.
41 j. Negligence or other tort litigation law.
42 k. Real property law.
43 l. Securities law.
44 m. Taxation law.
45 n. Utilities regulation law.
- 46 (5) Except for a filing person in compliance under subdivision (4) of this
47 subsection, if the filing person is a licensed professional or provides
48 consulting services, either individually or as a member of a professional
49 association, a list of categories of business and the nature of services
50 rendered, for which payment for services were charged or paid during the
51 past year in excess of ten thousand dollars (\$10,000).

- 1 (6) An indication of whether the filing person, the filing person's employer, a
2 member of the filing person's immediate family, or the immediate family
3 member's employer is licensed or regulated by, or has a business relationship
4 with, the board or employing entity with which the filing person is or will be
5 associated. This subdivision does not apply to a legislator, a judicial officer,
6 or that legislator's or judicial officer's immediate family.
- 7 (7) A list of societies, organizations, or advocacy groups, pertaining to subject
8 matter areas over which the public servant's agency or board may have
9 jurisdiction, in which the public servant or a member of the public servant's
10 immediate family is a director, officer, or governing board member. This
11 subdivision does not apply to a legislator, a judicial officer, or that
12 legislator's or judicial officer's immediate family.
- 13 (8) A list of all things with a total value of over two hundred dollars (\$200.00)
14 per calendar quarter given and received without valuable consideration and
15 under circumstances that a reasonable person would conclude that the thing
16 was given for the purpose of lobbying, if such things were given by a person
17 not required to report under Chapter 120C of the General Statutes, excluding
18 things given by a member of the filing person's extended family. The list
19 shall include only those things received during the 12 months preceding the
20 reporting period under subsection (d) of this section, and shall include the
21 source of those things. The list required by this subdivision shall not apply to
22 things of monetary value received by the filing person prior to the time the
23 filing person filed or was nominated as a candidate for office, as described in
24 G.S. 138A-22, or was appointed or employed as a covered person.
- 25 (9) A list of any felony convictions of the filing person, excluding any felony
26 convictions for which a pardon of innocence or order of expungement has
27 been granted.
- 28 (10) Any other information that the filing person believes may assist the
29 Commission in advising the filing person with regards to compliance with
30 this Chapter.
- 31 (11) A list of any nonprofit corporation or organization with which associated
32 during the preceding calendar year, including a list of which of those
33 nonprofit corporations or organizations with which associated do business
34 with the State or receive State funds and a brief description of the nature of
35 the business, if known or with which due diligence could reasonably be
36 known.
- 37 (12) A statement of whether the filing person or the filing person's immediate
38 family is or has been a lobbyist or lobbyist principal registered under
39 Chapter 120C of the General Statutes within the preceding 12 months.
- 40 (13) The name of each business with which associated that the filing person or
41 filing person's immediate family is an employee, director, officer, partner,
42 proprietor, or member or manager."

43 **SECTION 12.(b)** G.S. 138A-24(c) reads as rewritten:

44 "(c) Each statement of economic interest shall contain ~~sworn~~ a certification by the filing
45 person that the filing person has read the statement and that, to the best of the filing person's
46 knowledge and belief, the statement is true, correct, and complete. The filing person's ~~sworn~~
47 certification also shall provide that the filing person has not transferred, and will not transfer,
48 any asset, interest, or other property ~~for the purpose of concealing with the intent to conceal it~~
49 from disclosure while retaining an equitable interest therein."

50 **SECTION 12.(c)** G.S. 138A-24(a)(2)i. is recodified as G.S. 138A-24(a)(14).

1 **SECTION 12.(d)** G.S. 138A-24(a)(14), as enacted by Section 13(c) of this act,
2 reads as rewritten:

3 "(14) For any company or business entity listed under subdivision (13) of this
4 subsection and sub-subdivisions f., g., and h. f. and g. of subdivision (2) of
5 this subdivision, subsection, if known, a statement whether any that
6 company or business entity that has any material business dealings,
7 contracts, or other involvement business contracts with the State, or is
8 regulated by the State, including a brief description of the business activity."

9 **SECTION 12.(e)** G.S. 138A-24(a) is amended by adding a new subdivision to
10 read:

11 "(15) A statement indicating yes or no as to whether the filing person engaged in
12 any of the following activities during the preceding calendar year, with
13 respect to or on the behalf of the candidate or candidate campaign committee
14 of the covered person who appointed the filing person, if that covered
15 person is a constitutional officer of the State: (i) made a contribution as
16 defined in G.S. 163-278.6(6) of one thousand dollars (\$1,000) or more, (ii)
17 collected contributions from multiple contributors, took possession of such
18 multiple contributions, and transferred or delivered those collected multiple
19 contributions, (iii) hosted a fundraiser in the filing person's residence or
20 place of business; or (iv) volunteered for campaign-related activity. This
21 subdivision only applies to filing persons in the following categories:

- 22 a. A public servant, or a prospective appointee to, as defined in
23 G.S. 138A-3(30)c.
24 b. A judicial officer that serves on, or a prospective appointee to, the
25 Supreme Court, the Court of Appeals, the superior court, or the
26 district court.
27 c. A covered person serving on, or a prospective appointee to, one of
28 the following boards:
29 1. Alcoholic Beverage Control Commission.
30 2. Coastal Resources Commission.
31 3. State Board of Education.
32 4. State Board of Elections.
33 5. Employment Security Commission.
34 6. Environmental Management Commission.
35 7. Industrial Commission.
36 8. State Personnel Commission.
37 9. Rules Review Commission.
38 10. Board of Transportation.
39 11. Board of Governors.
40 12. Utilities Commission.
41 13. Wildlife Resources Commission."

42 **SECTION 12.(f)** Section 13(e) of this section becomes effective January 1, 2012,
43 and applies to statements of economic interest filed on or after that date. The remainder of this
44 section becomes effective January 1, 2011, and applies to statements of economic interest filed
45 on or after that date.

46 **SECTION 13.** G.S. 138A-41 reads as rewritten:

47 "**§ 138A-41. Other ethics standards.**

48 (a) Nothing in this Chapter shall prevent the Supreme Court, the Committee, the
49 Legislative Services Commission, constitutional officers of the State, heads of principal
50 departments, the Board of Governors of The University of North Carolina, the State Board of

1 Community Colleges, or other boards from adopting additional or supplemental ethics
2 standards applicable to that public agency's operations.

3 (b) The Governor, as a constitutional officer of the State, shall have the authority to
4 adopt additional and supplemental ethics standards applicable to any appointee of the Governor
5 to any State board, commission, council, committee, task force, authority, or similar public
6 body, however denominated, created by statute or executive order, whether advisory or
7 nonadvisory in authority. If the Governor adopts such ethics standards, the standards shall be
8 published in the North Carolina Register and made available to each appointee subject to the
9 ethics standards.

10 (c) The Governor, as a constitutional officer of the State, shall have the authority to
11 adopt minimum ethics standards applicable to any employee of a State agency. If the Governor
12 adopts such standards, the ethics standards shall be published in the North Carolina Register
13 and made available to each employee subject to the ethics standards."

14 **SECTION 14.(a)** G.S. 120C-303(a) reads as rewritten:

15 "(a) Except as provided in subsection (b) of this section, no lobbyist or lobbyist principal
16 may do any of the following:

- 17 (1) Knowingly give a gift to a designated individual.
- 18 (2) Knowingly give a gift with the intent that a designated individual be ~~the~~an
19 ultimate recipient."

20 **SECTION 14.(b)** G.S. 138A-32(c) reads as rewritten:

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

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

32 **SECTION 14.(c)** G.S. 138A-32(d1) reads as rewritten:

33 "(d1) No public servant shall accept a gift knowing all of the following:

- 34 (1) The gift was obtained indirectly from a person described under subdivisions
35 (d)(1), (2), and (3) of this section.
- 36 (2) The person described under subdivisions (d)(1), (2), and (3) of this section
37 intended for ~~the~~an ultimate recipient of the gift to be a public servant."

38 **SECTION 14.(d)** This section becomes effective December 1, 2010, and applies to
39 offenses committed on or after that date.

40 **SECTION 15.** G.S. 120C-101(c) reads as rewritten:

41 "(c) In adopting rules under this Chapter, the Commission is exempt from the
42 requirements of Article 2A of Chapter 150B of the General Statutes, except that the
43 Commission shall comply with G.S. 150B-21.2(d). At least 30 business days prior to adopting a
44 rule, the Commission shall:

- 45 (1) Publish the proposed rules in the North Carolina Register.
- 46 (2) Submit the rule and a notice of public hearing to the Codifier of Rules, and
47 the Codifier of Rules shall publish the proposed rule and the notice of public
48 hearing on the Internet to be posted within five business days.
- 49 (3) Notify those on the mailing list maintained in accordance with
50 G.S. 150B-21.2(d) and any other interested parties of its intent to adopt a
51 rule and of the public hearing.

- 1 (4) Accept written comments on the proposed rule for at least 15 business days
 2 prior to adoption of the rule.
 3 (5) Hold at least one public hearing on the proposed rule no less than five days
 4 after the rule and notice have been published.

5 A rule adopted under this subsection becomes effective the first day of the month following the
 6 month the final rule is submitted to the Codifier of Rules for entry into the North Carolina
 7 Administrative Code. Code, and applies prospectively. A rule adopted by the Commission that
 8 does not comply with the procedural requirements of this subsection shall be null, void, and
 9 without effect. For purposes of this subsection, a rule is any Commission regulation, standard,
 10 or statement of general applicability that interprets an enactment by the General Assembly or
 11 Congress, or a regulation adopted by a federal agency, or that describes the procedure or
 12 practice requirements of the Commission."

13 **SECTION 16.(a)** G.S. 120C-100(a)(9) reads as rewritten:

14 "(9) Lobby or Lobbying. – Any of the following:

- 15 a. Influencing or attempting to influence legislative or executive action,
 16 or both, through direct communication or activities with a designated
 17 individual or that designated individual's immediate family.
 18 b. Developing goodwill through communications or activities,
 19 including the building of relationships, with a designated individual
 20 or that designated individual's immediate family with the intention of
 21 influencing current or future legislative or executive action, or both.

22 ~~The term terms "lobby" or "lobbying" does do not include communications~~
 23 ~~or activities as part of a business, civic, religious, fraternal, personal, or~~
 24 ~~commercial relationship which is not connected to legislative or executive~~
 25 ~~action, or both."~~

26 **SECTION 16.(b)** G.S. 120C-100(a)(10) reads as rewritten:

27 "(10) Lobbyist. – An individual who engages in lobbying for payment and meets
 28 any of the following criteria:

- 29 a. Repealed by Session Laws 2007-348, s. 8(a), effective October 10,
 30 2007.
 31 b. Represents another person or governmental unit, but is not directly
 32 employed by that person or governmental unit, ~~and receives payment~~
 33 ~~for services. unit. For the purposes of this sub-subdivision, the term~~
 34 ~~"payment for services" shall not include reimbursement of actual~~
 35 ~~travel and subsistence.~~
 36 c. Contracts for ~~economic consideration~~ payment for the purpose of
 37 lobbying.
 38 d. Is employed by a person and a significant part of that employee's
 39 duties include lobbying. In no case shall an employee be considered a
 40 lobbyist if in no 30-day period less than five percent (5%) of that
 41 employee's actual duties include engaging in lobbying as defined in
 42 subdivision (9)a. of this section or if in no 30-day period less than
 43 five percent (5%) of that employee's actual duties include engaging
 44 in lobbying as defined in subdivision (9)b. of this section.

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

48 **SECTION 16.(c)** G.S. 120C-100(a)(11) reads as rewritten:

49 "(11) Lobbyist principal and principal. – The person or governmental unit on
 50 whose behalf the lobbyist ~~lobbies~~ lobbies and who makes payment for the
 51 lobbying. In the case where a lobbyist is ~~compensated~~ paid by a law firm,

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

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

9 **SECTION 16.(d)** G.S. 120C-100(a)(11k) reads as rewritten:

10 "~~(11k) Payment for services.~~Payment. – Any money, thing of value, or economic
11 benefit ~~paid conveyed to a the~~ lobbyist ~~for the purpose of lobbying~~ lobbying,
12 other than reimbursement of actual travel, administrative expenses, or
13 subsistence."

14 **SECTION 16.(e)** G.S. 120C-100(a)(13) reads as rewritten:

15 "(13) Solicitation of others. – A solicitation of members of the public to
16 communicate directly with or contact one or more designated individuals ~~for~~
17 ~~the purpose of influencing or attempting to influence or attempt to influence~~
18 legislative or executive action to further the solicitor's position on that
19 legislative or executive action, when that request is made by any of the
20 following methods:

- 21 a. A broadcast, cable, or satellite transmission.
- 22 b. An e-mail communication or a Web site posting.
- 23 c. A communication delivered by print media as defined in
24 G.S. 163-278.38Z.
- 25 d. A letter or other written communication delivered by mail or by
26 comparable delivery service.
- 27 e. Telephone.
- 28 f. A communication at a conference, meeting, or similar event.

29 The term "solicitation of others" does not include communications made
30 by a person or by the person's agent to that person's stockholders,
31 employees, board members, officers, members, subscribers, or other
32 recipients who have affirmatively assented to receive the person's regular
33 publications or notices."

34 **SECTION 16.(f)** G.S. 120C-300 reads as rewritten:

35 **"§ 120C-300. Contingency fees prohibited.**

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

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

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

46 **SECTION 16.(g)** G.S. 120C-305 reads as rewritten:

47 **"§ 120C-305. Prohibition on the use of cash or credit of the lobbyist.**

48 No lobbyist or another acting on the lobbyist's behalf shall ~~permit~~ lobby by permitting a
49 designated individual, or that designated individual's immediate family member, to use the cash
50 or credit of the lobbyist ~~for the purpose of lobbying~~ unless the lobbyist is in attendance at the
51 time of the reportable expenditure. G.S. 120C-303 applies to this section."

1 **SECTION 16.(h)** G.S. 120C-400(a) reads as rewritten:

2 "**§ 120C-400. Reporting of reportable expenditures.**

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

- 5 (1) Reportable expenditures benefiting or made on behalf of a designated
6 individual in the regular course of that designated individual's employment.
7 (1a) Reportable expenditures benefiting or made on behalf of a designated
8 individual's immediate family member in the regular course of that
9 immediate family member's employment.
10 (2) Contractual arrangements or direct business relationships between a lobbyist
11 or lobbyist principal and a designated individual, or that designated
12 individual's immediate family member, in effect during the reporting period
13 or the previous 12 months.
14 (3) Reportable expenditures reimbursed to a lobbyist in the ordinary course of
15 business by the lobbyist principal or other employer."

16 **SECTION 16.(i)** G.S. 120C-402(b) reads as rewritten:

17 "(b) The report shall include all of the following for the reporting period:

- 18 (1) All reportable expenditures made for ~~the purpose of~~ lobbying.
19 (2) Solicitation of others when such solicitation involves an aggregate cost of
20 more than three thousand dollars (\$3,000).
21 (3) Reportable expenditures reimbursed by the lobbyist principal, or another
22 person or governmental unit on the lobbyist principal's behalf.
23 (4) All reportable expenditures for gifts given under G.S. 138A-32(e)(1)-(9),
24 138A-32(e)(11), 138A-32(e)(12), and all gifts given under
25 G.S. 138A-32(e)(10) with a value of more than ten dollars (\$10.00)."

26 **SECTION 16.(k)** G.S. 120C-403 reads as rewritten:

27 "**§ 120C-403. Lobbyist principal's reports.**

28 (a) Each lobbyist principal shall file quarterly reports under oath with the Secretary of
29 State with respect to each lobbyist principal.

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

- 33 (1) All reportable expenditures made for ~~the purpose of~~ lobbying.
34 (2) Solicitation of others when such solicitation involves an aggregate cost of
35 more than three thousand dollars (\$3,000).
36 (3) Recodified as G.S. 120C-403(d).
37 (4) With respect to each lobbyist registered under G.S. 120C-206, reportable
38 expenditures reimbursed or paid to lobbyists for lobbying that are not
39 reported on the lobbyist's report, with an itemized description of those
40 reportable expenditures.
41 (5) All reportable expenditures for gifts given under G.S. 138A-32(e)(1)-(9),
42 138A-32(e)(11), 138A-32(e)(12), and all gifts given under
43 G.S. 138A-32(e)(10) with a value of more than two hundred dollars
44 (\$200.00).
45 (6) With respect to each lobbyist registered under G.S. 120C-206, the name of
46 each person or governmental unit not otherwise registered as a lobbyist
47 principal for whom the lobbyist principal directs the lobbyist to lobby,
48 whether for pay or not. If the lobbyist principal is an association or other
49 organization, the lobbyist principal shall not be required to report under this
50 subdivision any individual member of the association or other organization
51 for which the lobbyist is directed to lobby by that lobbyist principal.

1 (c) In addition to the reports required by this section, each lobbyist principal incurring
2 reportable expenditures in any month while the General Assembly is in session with respect to
3 lobbying legislators and legislative employees shall file a monthly reportable expenditure
4 report. The monthly reportable expenditure report shall contain information required by this
5 section with respect to all lobbying of legislators and legislative employees, and is due within
6 10 business days after the end of the month. The information on the monthly report shall also
7 be included in each quarterly report required by subsection (a) of this section.

8 (d) In addition to the reports required by this section, each lobbyist principal shall
9 annually, in the last report for the registration period under G.S. 120C-200(d), report the total
10 of all payments for lobbying and other activities described in subdivision (2) of subsection (e)
11 of this section made during the registration period, as applicable:

12 (1) If a lobbyist represents the lobbyist principal, but is not directly employed by
13 that lobbyist principal, the portion of the payment that is for lobbying and to
14 whom it was paid.

15 (2) If a lobbyist is under contract with the lobbyist principal for lobbying, the
16 portion of the contract that is reasonably allocated for lobbying.

17 (3) If a lobbyist is a full-time employee of the principal, or is paid by means of
18 an annual fee or retainer, the principal shall estimate and report the portion
19 of the salary, fee, or retainer salary that is reasonably allocated for lobbying.

20 (e) For purposes of subsection (d) of this section, the following shall apply:

21 (1) A lobbyist principal may rely upon a statement by the lobbyist estimating the
22 portion of the salary or other payment that is reasonably allocated for
23 lobbying.

24 (2) In addition to reporting any payment to a lobbyist for lobbying under
25 subsection (d) of this section, a lobbyist principal shall report any payment
26 to a lobbyist for any of the following communications and activities that
27 were used to lobby within the registration period under G.S. 120C-200(d):

28 a. Research.

29 b. Drafting of written communications.

30 c. Monitoring of proposed or pending legislative action or executive
31 action, including time spent preparing communications with the
32 lobbyist principal to relate information on proposed or pending
33 legislative action or executive action.

34 d. Time spent advising and rendering opinions to the lobbyist principal
35 as to the construction and effect of proposed or pending legislative
36 action or executive action.

37 (3) A lobbyist principal is required to report any payment to a lobbyist for any
38 of the following:

39 a. Direct lobbying communications or direct lobbying activities with a
40 designated individual or that designated individual's immediate
41 family.

42 b. Communications or activities to develop goodwill, including the
43 building of relationships, with a designated individual or that
44 designated individual's immediate family member."

45 **SECTION 16.(l)** G.S. 120C-404(b)(1) reads as rewritten:

46 "(1) All reportable expenditures made for ~~the purpose of~~ lobbying during the
47 reporting period."

48 **SECTION 16.(m)** G.S. 120C-501(e) reads as rewritten:

49 "(e) The Board of Governors of the University of North Carolina and its constituent
50 institutions, or the liaison personnel designated by that board or the constituent institutions,
51 shall not give, for ~~the purpose of~~ lobbying, athletic tickets to any designated individual, except

1 for those who are described in G.S. 138A-3(30)j. or those who are students and receive tickets
2 on the same basis as other students."

3 **SECTION 16.(n)** G.S. 120C-800(a) reads as rewritten:

4 "(a) If a designated individual accepts a reportable expenditure made for ~~the purpose of~~
5 lobbying with a total value of over two hundred dollars (\$200.00) per calendar quarter from a
6 person or group of persons acting together, exempted or not otherwise covered by this Chapter,
7 the person, or group of persons, making the reportable expenditure shall report the date, a
8 description of the reportable expenditure, the name and address of the person, or group of
9 persons, making the reportable expenditure, the name of the designated individual accepting the
10 reportable expenditure, and the estimated fair market value, or face value if shown, of the
11 reportable expenditure."

12 **SECTION 16.(o)** G.S. 138A-3(1) reads as rewritten:

13 "(1) Blind trust. – A trust established by or for the benefit of a covered person or
14 a member of the covered person's immediate family for ~~the purpose of~~
15 divestiture of all control and knowledge of assets. A trust qualifies as a blind
16 trust under this subdivision if the covered person or a member of the covered
17 person's immediate family has no knowledge of the holdings and sources of
18 income of the trust, the trustee of the trust is independent of and not
19 associated with or employed by the covered person or a member of the
20 covered person's immediate family and is not a member of the covered
21 person's extended family, and the trustee has sole discretion as to the
22 management of the trust assets."

23 **SECTION 16.(p)** G.S. 138A-3(15) reads as rewritten:

24 "(15) Gift. – Anything of monetary value given or received without valuable
25 consideration by or from a lobbyist, lobbyist principal, liaison personnel, or
26 a person described under G.S. 138A-32(d)(1), (2), or (3). The following shall
27 not be considered gifts under this subdivision:

- 28 a. Anything for which fair market value, or face value if shown, is paid
29 by the covered person or legislative employee.
- 30 b. Commercially available loans made on terms not more favorable
31 than generally available to the general public in the normal course of
32 business if not made for ~~the purpose of~~ lobbying.
- 33 c. Contractual arrangements or commercial relationships or
34 arrangements made in the normal course of business if not made for
35 ~~the purpose of~~ lobbying.
- 36 d. Academic or athletic scholarships based on the same criteria as
37 applied to the public.
- 38 e. Campaign contributions properly received and reported as required
39 under Article 22A of Chapter 163 of the General Statutes.
- 40 f. Expressions of condolence related to a death of an individual, sent
41 within a reasonable time of the death, if the expression is one of the
42 following:
 - 43 1. A sympathy card, letter, or note.
 - 44 2. Flowers.
 - 45 3. Food or beverages for immediate consumption.
 - 46 4. Donations to a religious organization, charity, the State or a
47 political subdivision of the State, not to exceed a total of two
48 hundred dollars (\$200.00) per death per donor."

49 **SECTION 16.(q)** G.S. 138A-13(f) reads as rewritten:

50 "(f) This section shall apply to judicial officers only for ~~the purpose of~~ advice related to
51 Article 3 of this Chapter."

1 **SECTION 16.(r)** G.S. 138A-24(a)(8) reads as rewritten:

2 "(8) A list of all things with a total value of over two hundred dollars (\$200.00)
3 per calendar quarter given and received without valuable consideration and
4 under circumstances that a reasonable person would conclude that the thing
5 was given for ~~the purpose of lobbying~~, if such things were given by a person
6 not required to report under Chapter 120C of the General Statutes, excluding
7 things given by a member of the filing person's extended family. The list
8 shall include only those things received during the 12 months preceding the
9 reporting period under subsection (d) of this section, and shall include the
10 source of those things. The list required by this subdivision shall not apply to
11 things of monetary value received by the filing person prior to the time the
12 filing person filed or was nominated as a candidate for office, as described in
13 G.S. 138A-22, or was appointed or employed as a covered person."

14 **SECTION 16.(s)** G.S. 138A-32(e)(10) reads as rewritten:

15 "(10) Gifts given or received as part of a business, civic, religious, fraternal,
16 personal, or commercial relationship provided all of the following conditions
17 are met:
18 a. The relationship is not related to the public servant's, legislator's, or
19 legislative employee's public service or position.
20 b. The gift is made under circumstances that a reasonable person would
21 conclude that the gift was not given ~~for the purpose of lobbying to~~
22 lobby."

23 **SECTION 16.(t)** This section is effective January 1, 2011, and applies to offenses
24 committed on or after that date, and reports filed on or after that date.

25 **SECTION 17.(a)** G.S. 126-23 reads as rewritten:

26 "**§ 126-23. Certain records to be kept by State agencies open to inspection.**

27 (a) Each department, agency, institution, commission and bureau of the State shall
28 maintain a record of each of its employees, showing the following information with respect to
29 each such employee:

30 (1) ~~name,~~Name.

31 (2) ~~age,~~Age.

32 (3) ~~date~~Date of original employment or appointment to ~~the State service,~~service.

33 (4) ~~the~~The terms of any contract by which the employee is employed whether
34 written or oral, past and current, to the extent that the agency has the written
35 contract or a record of the oral contract in its ~~possession,~~possession.

36 (5) ~~current position,~~Current position.

37 (6) ~~title,~~Title.

38 (7) ~~current salary,~~Current salary.

39 (8) ~~date~~Date and amount of ~~most recent~~each increase or decrease in
40 ~~salary,~~salary with that department, agency, institution, commission, or
41 bureau.

42 (9) ~~date~~Date, type, and general description of the reasons for ~~of most recent~~each
43 promotion, demotion, ~~transfer,~~disciplinary transfer within the previous five
44 years, suspension, disciplinary suspension within the previous five years,
45 separation, or other change in position ~~classification,~~classification with that
46 department, agency, institution, commission, or bureau.

47 (10) ~~and the~~The office or station to which the employee is currently assigned.

48 (b) For the purposes of this section, the term "salary" includes pay, benefits, incentives,
49 bonuses, and deferred and all other forms of compensation paid by the employing entity.

50 (c) Subject only to rules and regulations for the safekeeping of the records, adopted by
51 the State Personnel Commission, every person having custody of such records shall permit

1 them to be inspected and examined and copies thereof made by any person during regular
 2 business hours. Any person who is denied access to any such record for the purpose of
 3 inspecting, examining or copying the same shall have a right to compel compliance with the
 4 provisions of this section by application to a court of competent jurisdiction for a writ of
 5 mandamus or other appropriate relief."

6 **SECTION 17.(b)** G.S. 115C-320 reads as rewritten:

7 **"§ 115C-320. Certain records open to inspection.**

8 (a) Each local board of education shall maintain a record of each of its employees,
 9 showing the following information with respect to each employee:

10 (1) ~~name,~~ Name.

11 (2) ~~age,~~ Age.

12 (3) ~~date~~ Date of original employment or ~~appointment,~~ appointment.

13 (4) ~~the~~ The terms of any contract by which the employee is employed whether
 14 written or oral, past and current, to the extent that the board has the written
 15 contract or a record of the oral contract in its ~~possession,~~ possession.

16 (5) ~~current position,~~ Current position.

17 (6) ~~title,~~ Title.

18 (7) ~~current salary,~~ Current salary.

19 (8) ~~date~~ Date and amount of ~~most recent each~~ increase or decrease in ~~salary,~~
 20 salary with that local board of education.

21 (9) ~~date~~ Date, type, and general description of the reasons for of most recent each
 22 promotion, demotion, transfer, disciplinary transfer within the previous five
 23 years, suspension, disciplinary suspension within the previous five years,
 24 separation, or other change in position classification, and classification with
 25 that local board of education.

26 (10) ~~the~~ The office or station to which the employee is currently assigned.

27 (b) For the purposes of this section, the term "salary" includes pay, benefits, incentives,
 28 bonuses, and deferred and all other forms of compensation paid by the employing entity.

29 (c) Subject only to rules and regulations for the safekeeping of records adopted by the
 30 local board of education, every person having custody of the records shall permit them to be
 31 inspected and examined and copies made by any person during regular business hours. The
 32 name of a participant in the Address Confidentiality Program established pursuant to Chapter
 33 15C of the General Statutes shall not be open to inspection and shall be redacted from any
 34 record released pursuant to this section. Any person who is denied access to any record for the
 35 purpose of inspecting, examining or copying the record shall have a right to compel compliance
 36 with the provisions of this section by application to a court of competent jurisdiction for a writ
 37 of mandamus or other appropriate relief."

38 **SECTION 17.(c)** G.S. 115D-28 reads as rewritten:

39 **"§ 115D-28. Certain records open to inspection.**

40 (a) Each board of trustees shall maintain a record of each of its employees, showing the
 41 following information with respect to each employee:

42 (1) ~~name,~~ Name.

43 (2) ~~age,~~ Age.

44 (3) ~~date~~ Date of original employment or ~~appointment,~~ appointment.

45 (4) ~~the~~ The terms of any contract by which the employee is employed whether
 46 written or oral, past and current, to the extent that the board has the written
 47 contract or a record of the oral contract in its ~~possession,~~ possession.

48 (5) ~~current position,~~ Current position.

49 (6) ~~title,~~ Title.

50 (7) ~~current salary,~~ Current salary.

1 (8) ~~date~~Date and amount of ~~most recent~~each increase or decrease in ~~salary;~~
2 salary with that community college.

3 (9) ~~date~~Date, type, and general description of the reasons for ~~of most recent~~each
4 promotion, demotion, transfer, ~~disciplinary transfer within the previous five~~
5 years, suspension, ~~disciplinary suspension within the previous five years,~~
6 separation, or other change in position ~~classification,~~ and classification with
7 that community college.

8 (10) ~~the~~The office or station to which the employee is currently assigned.

9 (b) For the purposes of this section, the term "salary" includes pay, benefits, incentives,
10 bonuses, and deferred and all other forms of compensation paid by the employing entity.

11 (c) Subject only to rules and regulations for the safekeeping of records adopted by the
12 board of trustees, every person having custody of the records shall permit them to be inspected
13 and examined and copies made by any person during regular business hours. Any person who
14 is denied access to any record for the purpose of inspecting, examining or copying the record
15 shall have a right to compel compliance with the provisions of this section by application to a
16 court of competent jurisdiction for a writ of mandamus or other appropriate relief."

17 **SECTION 17.(d)** G.S. 122C-158(b) reads as rewritten:

18 "(b) The following information with respect to each employee is a matter of public
19 record:

20 (1) ~~name;~~ Name.

21 (2) ~~age;~~ Age.

22 (3) ~~date~~Date of original employment or appointment to the area
23 ~~authority;~~authority.

24 (4) ~~the~~The terms of any contract by which the employee is employed whether
25 written or oral, past and current, to the extent that the agency has the written
26 contract or a record of the oral contract in its ~~possession;~~possession.

27 (5) ~~current position~~ Current position.

28 (6) ~~title;~~ Title.

29 (7) ~~current salary;~~ Current salary.

30 (8) ~~date~~Date and amount of ~~most recent~~each increase or decrease in ~~salary;~~
31 salary with that area authority.

32 (9) ~~date~~Date, type, and general description of the reasons for ~~of the most~~
33 ~~recent~~each promotion, demotion, transfer, ~~disciplinary transfer within the~~
34 previous five years, suspension, ~~disciplinary suspension within the previous~~
35 five years, ~~separation, or other change in position~~ classification;
36 and classification with that area authority.

37 (10) ~~the~~The office to which the employee is currently assigned.

38 (b1) For the purposes of this subsection, the term "salary" includes pay, benefits,
39 incentives, bonuses, and deferred and all other forms of compensation paid by the employing
40 entity.

41 (b2) The area authority shall determine in what form and by whom this information will
42 be maintained. Any person may have access to this information for the purpose of inspection,
43 examination, and copying during regular business hours, subject only to rules for the
44 safekeeping of public records as the area authority may have adopted. Any person denied
45 access to this information may apply to the appropriate division of the General Court of Justice
46 for an order compelling disclosure, and the court shall have jurisdiction to issue these orders."

47 **SECTION 17.(f)** G.S. 153A-98(b) reads as rewritten:

48 "(b) The following information with respect to each county employee is a matter of
49 public record:

50 (1) ~~name;~~ Name.

51 (2) ~~age;~~ Age.

- 1 (3) ~~date~~Date of original employment or appointment to the county
2 ~~service;~~service.
- 3 (4) ~~the~~The terms of any contract by which the employee is employed whether
4 written or oral, past and current, to the extent that the county has the written
5 contract or a record of the oral contract in its ~~possession;~~possession.
- 6 (5) ~~current position~~Current position.
- 7 (6) ~~title;~~Title.
- 8 (7) ~~current salary;~~Current salary.
- 9 (8) ~~date~~Date and amount of ~~the most recent~~each increase or decrease in ~~salary;~~
10 salary with that county.
- 11 (9) ~~date~~Date, type, and general description of the reasons for ~~of the most~~
12 ~~recent~~each promotion, demotion, ~~transfer,~~disciplinary transfer within the
13 previous five years, suspension, disciplinary suspension within the previous
14 five years, separation or other change in position ~~classification;~~
15 ~~and~~classification with that county.
- 16 (10) ~~the~~The office to which the employee is currently assigned.

17 (b1) For the purposes of this subsection, the term "salary" includes pay, benefits,
18 incentives, bonuses, and deferred and all other forms of compensation paid by the employing
19 entity.

20 (b2) The board of county commissioners shall determine in what form and by whom this
21 information will be maintained. Any person may have access to this information for the
22 purpose of inspection, examination, and copying, during regular business hours, subject only to
23 such rules and regulations for the safekeeping of public records as the board of commissioners
24 may have adopted. Any person denied access to this information may apply to the appropriate
25 division of the General Court of Justice for an order compelling disclosure, and the court shall
26 have jurisdiction to issue such orders."

27 **SECTION 17.(g)** G.S. 160A-168(b) reads as rewritten:

28 (b) The following information with respect to each city employee is a matter of public
29 record:

- 30 (1) ~~name;~~Name.
- 31 (2) ~~age;~~Age.
- 32 (3) ~~date~~Date of original employment or appointment to the ~~service;~~service.
- 33 (4) ~~the~~The terms of any contract by which the employee is employed whether
34 written or oral, past and current, to the extent that the city has the written
35 contract or a record of the oral contract in its ~~possession;~~possession.
- 36 (5) ~~current position~~Current position.
- 37 (6) ~~title;~~Title.
- 38 (7) ~~current salary;~~Current salary.
- 39 (8) ~~date~~Date and amount of ~~the most recent~~each increase or decrease in ~~salary;~~
40 salary with that municipality.
- 41 (9) ~~date~~Date, type, and general description of the reasons for ~~of the most~~
42 ~~recent~~each promotion, demotion, ~~transfer,~~disciplinary transfer within the
43 previous five years, suspension, disciplinary suspension within the previous
44 five years, separation, or other change in position ~~classification;~~
45 ~~and~~classification with that municipality.
- 46 (10) ~~the~~The office to which the employee is currently assigned.

47 (b1) For the purposes of this subsection, the term "salary" includes pay, benefits,
48 incentives, bonuses, and deferred and all other forms of compensation paid by the employing
49 entity.

50 (b2) The city council shall determine in what form and by whom this information will be
51 maintained. Any person may have access to this information for the purpose of inspection,

1 examination, and copying, during regular business hours, subject only to such rules and
2 regulations for the safekeeping of public records as the city council may have adopted. Any
3 person denied access to this information may apply to the appropriate division of the General
4 Court of Justice for an order compelling disclosure, and the court shall have jurisdiction to
5 issue such orders."

6 **SECTION 17.(h)** G.S. 162A-6.1(b) reads as rewritten:

7 "(b) The following information with respect to each authority employee is a matter of
8 public record:

9 (1) ~~name;~~ Name.

10 (2) ~~age;~~ Age.

11 (3) ~~date~~ Date of original employment or appointment to the service; ~~service.~~

12 (4) ~~the~~ The terms of any contract by which the employee is employed whether
13 written or oral, past and current, to the extent that the authority has the
14 written contract or a record of the oral contract in its possession; ~~possession.~~

15 (5) ~~current position~~ Current position.

16 (6) ~~title;~~ Title.

17 (7) ~~current salary;~~ Current salary.

18 (8) ~~date~~ Date and amount of the most recent ~~each~~ increase or decrease in salary;
19 salary with that authority.

20 (9) ~~date~~ Date, type, and general description of the reasons for of the most
21 recent ~~each~~ promotion, demotion, transfer, ~~disciplinary transfer within the~~
22 previous five years, suspension, disciplinary suspension within the previous
23 five years, separation, or other change in position classification;
24 ~~and~~ classification with that authority.

25 (10) ~~the~~ The office to which the employee is currently assigned.

26 (b1) For the purposes of this subsection, the term "salary" includes pay, benefits,
27 incentives, bonuses, and deferred and all other forms of compensation paid by the employing
28 entity.

29 (b2) The authority shall determine in what form and by whom this information will be
30 maintained. Any person may have access to this information for the purpose of inspection,
31 examination, and copying, during regular business hours, subject only to such rules and
32 regulations for the safekeeping of public records as the authority may have adopted. Any
33 person denied access to this information may apply to the appropriate division of the General
34 Court of Justice for an order compelling disclosure, and the court shall have jurisdiction to
35 issue such orders."

36 **SECTION 17.(i)** This section becomes effective October 1, 2010.

37 **SECTION 18.(a)** G.S. 120C-600 is amended by adding a new subsection to read:

38 "(d) The Secretary shall publish annual statistics on complaints received and systematic
39 reviews conducted under this section, including the number of systematic reviews, the number
40 of complaints, the number of apparent violations of this Chapter referred to a district attorney,
41 the number of complaints dismissed, and the number and age of complaints pending. Subject to
42 the provisions of Chapter 132 of the General Statutes, the levy of all civil fines, including the
43 amount of the fine and the identity of the person or governmental unit against whom it was
44 levied, shall be a public record as defined in G.S. 132-1(a)."

45 **SECTION 18.(b)** G.S. 120C-601 is amended by adding a new subsection to read:

46 "(d) The Commission shall publish annual statistics on complaints, including the number
47 of complaints, the number of apparent violations of this Chapter referred to a district attorney,
48 the number of dismissals, and the number and age of complaints pending."

49 **SECTION 19.(a)** Article 5 of Chapter 7A of the General Statutes is amended by
50 adding a new section to read:

51 **§ 7A-38.3E. Mediation of public records disputes.**

1 (a) Voluntary Mediation. – The parties to a public records dispute under Chapter 132 of
2 the General Statutes may agree at anytime prior to filing a civil action under Chapter 132 of the
3 General Statutes to mediation of the dispute under the provisions of this section. Mediation of a
4 public records dispute shall be initiated by filing a request for mediation with the clerk of
5 superior court in a county in which the action may be brought.

6 (b) Mandatory Mediation. – Subsequent to filing a civil action under Chapter 132 of the
7 General Statutes, a person shall initiate mediation pursuant to this section. Such mediation shall
8 be initiated no later than 30 days from the filing of responsive pleadings with the clerk in the
9 county where the action is filed.

10 (c) Initiation of Mediation. – The Administrative Office of the Courts shall prescribe a
11 request for mediation form. The party filing the request for mediation shall mail a copy of the
12 request by certified mail, return receipt requested, to each party to the dispute. The clerk shall
13 provide each party with a list of mediators certified by the Dispute Resolution Commission. If
14 the parties agree in writing to the selection of a mediator from that list, the clerk shall appoint
15 that mediator selected by the parties. If the parties do not agree on the selection of a mediator,
16 the party filing the request for mediation shall bring the matter to the attention of the clerk, and
17 a mediator shall be appointed by the senior resident superior court judge. The clerk shall notify
18 the mediator and the parties of the appointment of the mediator.

19 (d) Mediation Procedure. – Except as otherwise expressly provided in this section,
20 mediation under this section shall be conducted in accordance with the provisions for mediated
21 settlement of civil cases in G.S. 7A-38.1 and G.S. 7A-38.2 and rules and standards adopted
22 pursuant to those sections. The Supreme Court may adopt additional rules and standards to
23 implement this section, including an exemption from the provisions of G.S. 7A-38.1 for cases
24 in which mediation was attempted under this section.

25 (e) Waiver of Mediation. – The parties to the dispute may waive the mediation required
26 by this section by informing the mediator of the parties' waiver in writing. No costs shall be
27 assessed to any party if all parties waive mediation prior to the occurrence of an initial
28 mediation meeting.

29 (f) Certification That Mediation Concluded. – Immediately upon a waiver of mediation
30 under subsection (e) of this section or upon the conclusion of mediation, the mediator shall
31 prepare a certification stating the date on which the mediation was concluded and the general
32 results of the mediation, including, as applicable, that the parties waived the mediation, that an
33 agreement was reached, that mediation was attempted but an agreement was not reached, or
34 that one or more parties, to be specified in the certification, failed or refused without good
35 cause to attend one or more mediation meetings or otherwise participate in the mediation. The
36 mediator shall file the original of the certification with the clerk and provide a copy to each
37 party.

38 (g) Time Periods Tolloed. – Time periods relating to the filing of a claim or the taking of
39 other action with respect to a public records dispute, including any applicable statutes of
40 limitations, shall be tolled upon the filing of a request for mediation under this section, until 30
41 days after the date on which the mediation is concluded as set forth in the mediator's
42 certification, or if the mediator fails to set forth such date, until 30 days after the filing of the
43 certification under subsection (f) of this section.

44 (h) Nothing in this section shall prevent a party seeking production of public records
45 from seeking injunctive or other relief, including production of public records prior to any
46 scheduled mediation."

47 **SECTION 19.(b)** G.S. 7A-38.2(a) reads as rewritten:

48 "(a) The Supreme Court may adopt standards of conduct for mediators and other neutrals
49 who are certified or otherwise qualified pursuant to G.S. 7A-38.1, 7A-38.3, 7A-38.3B,
50 7A-38.3D, 7A-38.3E, and 7A-38.4A, or who participate in proceedings conducted pursuant to

1 those sections. The standards may also regulate mediator and other neutral training programs.
2 The Supreme Court may adopt procedures for the enforcement of those standards."

3 **SECTION 19.(c)** G.S. 132-9 reads as rewritten:

4 "**§ 132-9. Access to records.**

5 (a) Any person who is denied access to public records for purposes of inspection and
6 examination, or who is denied copies of public records, may apply to the appropriate division
7 of the General Court of Justice for an order compelling disclosure or copying, and the court
8 shall have jurisdiction to issue such ~~orders.~~orders if the person has complied with
9 G.S. 7A-38.3E. Actions brought pursuant to this section shall be set down for immediate
10 hearing, and subsequent proceedings in such actions shall be accorded priority by the trial and
11 appellate courts.

12 (b) In an action to compel disclosure of public records which have been withheld
13 pursuant to the provisions of G.S. 132-6 concerning public records relating to the proposed
14 expansion or location of particular businesses and industrial projects, the burden shall be on the
15 custodian withholding the records to show that disclosure would frustrate the purpose of
16 attracting that particular business or industrial project.

17 (c) In any action brought pursuant to this section in which a party successfully compels
18 the disclosure of public records, the court shall allow ~~the prevailing~~a party seeking disclosure
19 of public records who substantially prevails to recover its reasonable attorneys' fees if attributed
20 to those public records, ~~unless the court finds the agency acted with substantial justification in~~
21 ~~denying access to the public records or the court finds circumstances that would make the~~
22 ~~award of attorneys' fees unjust.~~records. The court may not assess attorneys' fees against the
23 governmental body or governmental unit if the court finds that the governmental body or
24 governmental unit acted in reasonable reliance on any of the following:

25 (1) A judgment or an order of a court applicable to the governmental unit or
26 governmental body.

27 (2) The published opinion of an appellate court, an order of the North Carolina
28 Business Court, or a final order of the Trial Division of the General Court of
29 Justice.

30 (3) A written opinion, decision, or letter of the Attorney General.

31 Any attorneys' fees assessed against a public agency under this section shall be charged
32 against the operating expenses of the agency; provided, however, that the court may order that
33 all or any portion of any attorneys' fees so assessed be paid personally by any public employee
34 or public official found by the court to have knowingly or intentionally committed, caused,
35 permitted, suborned, or participated in a violation of this Article. No order against any public
36 employee or public official shall issue in any case where the public employee or public official
37 seeks the advice of an attorney and such advice is followed.

38 (d) If the court determines that an action brought pursuant to this section was filed in
39 bad faith or was frivolous, the court shall assess a reasonable attorney's fee against the person
40 or persons instituting the action and award it to the public agency as part of the costs."

41 **SECTION 19.(d)** This section becomes effective October 1, 2010, and applies to
42 actions filed on or after that date.

43 **SECTION 20.(a)** G.S. 138A-14(b) reads as rewritten:

44 "(b) The Commission shall ~~make~~offer basic ethics education and awareness
45 presentations to all public servants and their immediate staffs, upon their election, appointment,
46 or employment, and shall offer periodic refresher presentations as the Commission deems
47 appropriate. Every public servant shall participate in an ethics presentation approved by the
48 Commission within six months of the public servant's election, reelection, appointment, or
49 employment, and shall attend refresher ethics education presentations at least every two years
50 thereafter in a manner as the Commission deems appropriate."

51 **SECTION 20.(b)** G.S. 138A-24(c2) is recodified as G.S. 138A-22(c2).

1 **SECTION 20.(c)** The catch line to G.S. 138A-37 of the General Statutes reads as
2 rewritten:

3 "**§ 138A-37. Legislator participation in official legislative actions.**"

4 **SECTION 20.(d)** G.S. 138A-38(a)(6) and (7) read as rewritten:

5 "**§ 138A-38. Permitted participation exception.**

6 (a) Notwithstanding G.S. 138A-36 and G.S. 138A-37, a covered person may participate
7 in an official action or legislative action under any of the following circumstances except as
8 specifically limited:

9 ...

10 (6) When a public or legislative body records in its minutes that it cannot obtain
11 a quorum in order to take the official or legislative action because the
12 covered person is disqualified from acting under ~~G.S. 130-36~~, G.S. 138A-36,
13 G.S. 138A-37, or this section, the covered person may be counted for
14 purposes of a quorum, but shall otherwise abstain from taking any further
15 action.

16 (7) When a public servant notifies the Commission in writing that the public
17 ~~servant-judicial-employee, -servant,~~ or someone whom the public servant
18 appoints to act in the public servant's stead, or both, are the only individuals
19 having legal authority to take an official action, and the public servant
20 discloses in writing the circumstances and nature of the conflict of interest."

21 **SECTION 20.(e)** G.S. 120-104(c) reads as rewritten:

22 "(c) A legislator who acts in reliance on a formal advisory opinion issued by the
23 Committee under this section shall be entitled to the immunity granted under ~~G.S. 138A-13(b)~~.
24 G.S. 138A-13(b1)."

25 **SECTION 20.(f)** G.S. 120C-800(b) reads as rewritten:

26 "(b) If the person making the reportable expenditure in subsection (a) of this section is
27 outside North Carolina, and the designated individual accepting the reportable expenditure is
28 also outside North Carolina at the time the designated individual accepts the reportable
29 expenditure, then the designated individual accepting the reportable expenditure shall be
30 responsible for filing the report or reporting the information in the designated individual's
31 statement of economic interest in accordance with ~~G.S. 138A-24(a)(2)~~. G.S. 138A-24(a)(8)."

32 **SECTION 21.(a)** The Legislative Ethics Committee shall study the need for
33 additional regulation of campaign contributions to State officials and candidates for State office
34 by persons doing business with, or regulated by, the office held by the State official. In
35 particular, the Committee shall study the need to regulate campaign activities by persons doing
36 or seeking to do business of any kind, engaged in activities that are regulated or controlled by,
37 or having financial interests that may be substantially and materially affected, in a manner
38 distinguishable from the public generally, by the performance or nonperformance of the State
39 official. The Committee shall also study the statement of economic interest required to be filed
40 under Article 4 of Chapter 138A of the General Statutes, particularly whether that statement
41 accurately and informatively discloses required information.

42 **SECTION 21.(b)** The Committee shall report its findings and recommendations to
43 the 2011 Regular Session of the General Assembly on or before April 1, 2011.

44 **SECTION 22.** Except as otherwise provided, this act is effective when it becomes
45 law.