

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

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

(Public)

Sponsors:

Referred to:

April 1, 2009

A BILL TO BE ENTITLED

AN ACT TO STRENGTHEN PUBLIC CONFIDENCE IN THE ELECTION PROCESS FOR COUNCIL OF STATE OFFICES THAT REGULATE INDIVIDUALS AND BUSINESSES IN THIS STATE; TO PROVIDE LIMITS ON THE TRADING OF INFLUENCE OR POSITION FOR GAIN; TO INCREASE THE PUNISHMENT FOR MAKING CAMPAIGN CONTRIBUTIONS IN THE NAME OF ANOTHER; TO INCREASE ACCESSIBILITY TO INFORMATION RELATED TO CANDIDATE CAMPAIGN COMMITTEES; TO STRENGTHEN PUBLIC CONFIDENCE IN GOVERNMENT BY INCREASING THE REVOLVING DOOR PERIOD AND APPLICABILITY; TO STRENGTHEN TRANSPARENCY OF GOVERNMENT THROUGH ADDITIONAL DISCLOSURES BY PUBLIC SERVANTS; TO INCREASE ACCOUNTABILITY OF PUBLIC SERVANTS, APPOINTEES OF THE GOVERNOR, AND STATE EMPLOYEES BY PERMITTING THE GOVERNOR TO ADOPT MINIMUM STANDARDS OF ETHICAL CONDUCT; TO STRENGTHEN TRANSPARENCY OF GOVERNMENT THROUGH INCREASING ACCESSIBILITY TO PUBLIC RECORDS; TO MAKE TECHNICAL CHANGES; AND TO MAKE OTHER CHANGES.

The General Assembly of North Carolina enacts:

**SECTION 1.(a)** Article 22J of Chapter 163 of the General Statutes reads as rewritten:

"Article 22J.

"The Voter-Owned Elections Act.

**"§ 163-278.95. Purpose and establishment of Voter-Owned Elections Act.**

The purpose of this Article is to ensure the vitality and fairness of democratic elections for elected offices that implement and provide oversight on the regulation or investigation of individuals, businesses, or government in North Carolina to the end that any eligible citizen of this State can realistically choose to seek and run for that public office. It is also the purpose of this Article to protect the constitutional rights of voters and candidates from the detrimental effects of increasingly large amounts of money being raised and spent in North Carolina to influence the outcome of elections. It is essential to the public interest that the potential for corruption or the appearance of corruption within regulatory or investigatory offices overseen by elected officials is minimized and that the equal and meaningful participation of all citizens in the democratic process is ensured. Accordingly, this Article establishes the North Carolina Voter-Owned Elections Fund as an alternative source of campaign financing for candidates who obtain a sufficient number of qualifying contributions from registered voters and who



1 voluntarily accept strict fund-raising and spending limits. This Article is available to candidates  
2 for the Council of State offices of Auditor, Superintendent of Public Instruction, and  
3 Commissioner of Insurance in elections to be held in 2008 and ~~thereafter; thereafter;~~ to  
4 candidates for the Council of State office of Secretary of State and Treasurer, and to candidates  
5 for the offices of Commissioner of Agriculture and Commissioner of Labor, in elections to be  
6 held in 2012 and thereafter; and to candidates for the Council of State office of Attorney  
7 General in elections to be held in 2016 and thereafter.

8 **"§ 163-278.96. Definitions.**

9 The following definitions apply in this Article:

- 10 (1) Board. – The State Board of Elections.
- 11 (2) Campaign-related expenditure. – An expenditure that benefits the candidate's  
12 current campaign in accordance with guidelines established by the Board.
- 13 (3) Candidate. – An individual who becomes a candidate as described in  
14 G.S. 163-278.6(4). The term includes a "candidate campaign committee" as  
15 defined in G.S. 163-278.38Z(3).
- 16 (4) Certified candidate. – A candidate for office who chooses to receive  
17 campaign funds from the Fund and who is certified under  
18 G.S. 163-278.98(c). A write-in candidate authorized under G.S. 163-123 is  
19 not eligible to become a certified candidate.
- 20 (5) Contested primary and contested general election. – An election in which  
21 there are more candidates than the number to be elected.
- 22 (6) Contribution. – Defined in G.S. 163-278.6. A distribution from the Fund  
23 pursuant to this Article is not a "contribution" and is not subject to the  
24 limitations of G.S. 163-278.13 or the prohibitions of G.S. 163-278.15 or  
25 G.S. 163-278.19. Instead of being subject to G.S. 163-278.16B, distributions  
26 are subject to the guidelines issued by the Board pursuant to  
27 G.S. 163-278.98(e)(5).
- 28 (6a) Electioneering communication. – As defined in G.S. 163-278.80 and  
29 G.S. 163-278.90, except that it is made during the period beginning 30 days  
30 before absentee ballots become available for a primary and ending on  
31 primary election day and during the period 60 days before absentee ballots  
32 become available for a general election and ending on general election day.
- 33 (7) Expenditure. – Defined in G.S. 163-278.6.
- 34 (8) Fund. – The North Carolina Voter-Owned Elections Fund established in  
35 G.S. 163-278.97.
- 36 (9) Independent expenditure. – Defined in G.S. 163-278.6.
- 37 (10) Maximum qualifying contributions. – If the candidate has ~~an uncontested no~~  
38 ~~primary, an amount equal to 400~~one hundred dollars (\$100.00) times the  
39 filing fee ~~minimum number of registered voters required to make a~~  
40 qualifying contribution under G.S. 163-278.98(b) for the office sought. If the  
41 candidate has a contested primary, ~~200~~two hundred dollars (\$200.00) times  
42 the filing fee ~~minimum number of registered voters required to make a~~  
43 qualifying contribution under G.S. 163-278.98(b) for the office sought.
- 44 (11) Nonparticipating candidate. – A candidate for office who is not seeking to be  
45 certified under G.S. 163-278.98(c).
- 46 (12) Office. – The Council of State offices of Auditor, Secretary of State,  
47 Superintendent of Public Instruction, Treasurer, Commissioner of  
48 Agriculture, Commissioner of Labor, and Commissioner of Insurance.
- 49 (13) Participating candidate. – A candidate for office who has filed a declaration  
50 of intent to participate under G.S. 163-278.98(a).
- 51 (14) Political committee. – Defined in G.S. 163-278.6.

- 1 (15) Qualifying contribution. – A contribution of not less than ten dollars  
2 (\$10.00) and not more than two hundred dollars (\$200.00) in the form of ~~a~~  
3 ~~check or money order prescribed for noncash monetary contributions in~~  
4 G.S. 163-278.14(b) to the candidate that meets both of the following  
5 conditions:  
6 a. Made by ~~any~~ an individual who is a registered voter in this  
7 ~~State.~~ State at the time of the submittal of the report specified in  
8 G.S. 163-278.98(c).  
9 b. Made only during the qualifying period and obtained with the  
10 approval of the candidate or candidate's committee.  
11 (16) Qualifying period. – The period beginning September 1 in the year before  
12 the election and ending on the day of the primary.  
13 (17) Trigger for matching funds. – The dollar amount at which matching funds  
14 are released under G.S. 163-278.99B for certified candidates. In the case of a  
15 contested primary, the trigger equals the maximum qualifying contributions  
16 for the candidate. In the case of a contested general election, the trigger  
17 equals the base level of funding available under G.S. 163-278.99(b)(4).

18 **"§ 163-278.97. Voter-Owned Elections Fund established; sources of funding.**

19 (a) Establishment of Fund. – The North Carolina Voter-Owned Elections Fund is  
20 established to finance the election campaigns of certified candidates for office and to pay  
21 administrative and enforcement costs of the Board related to this Article. The Fund is a special,  
22 dedicated, nonlapsing, nonreverting fund. Any interest generated by the Fund is credited to the  
23 Fund. The Board shall administer the Fund.

24 (b) Sources of Funding. – Money received from all the following sources must be  
25 deposited in the Fund:

- 26 (1) Unspent Fund revenues distributed for an election that remain unspent or  
27 uncommitted at the time the recipient is no longer a certified candidate in the  
28 election.  
29 (2) Money ordered returned to the Fund in accordance with G.S. 163-278.99D.  
30 (3) Money paid to the Fund equal to excess contributions as provided in  
31 G.S. 163-278.98(e)(1).  
32 (4) Voluntary donations made directly to the Fund.  
33 (5) Appropriations from the General Fund.  
34 (6) Money collected pursuant to G.S. 55A-1-22, 57C-1-22, 58-33-125, 78A-35,  
35 95-110.5(20), 95-69.11(11), 106-22, and 147-69.2(e).

36 (c) Evaluation and Determination of Fund Amount. – By January 1, 2011, and every  
37 four years thereafter, the Board, in conjunction with the Advisory Council established under  
38 G.S. 163-278.68(b), shall prepare and provide to the Joint Legislative Commission on  
39 Governmental Operations of the General Assembly a report documenting, evaluating, and  
40 making recommendations relating to the administration, implementation, and enforcement of  
41 this Article. In its report, the Board shall set out the funds received to date and the expected  
42 needs of the Fund during the next election cycle ~~and make recommendations about the~~  
43 ~~feasibility of expanding its provisions to include other candidates for State office~~ based on the  
44 experience of this Article and the experience of similar programs in North Carolina and other  
45 states. The Board shall also evaluate and make recommendations regarding how to address  
46 activities that could undermine the purpose of this Article, including spending that appears to  
47 target candidates but is not reached by regulation.

48 **"§ 163-278.98. Requirements for participation.**

49 (a) Declaration of Intent to Participate. – Any individual choosing to receive campaign  
50 funds from the Fund shall first file with the Board a declaration of intent to participate in the  
51 program established by this Article as a candidate for a stated office. The declaration of intent

1 shall be filed before or during the qualifying period and before collecting any qualifying  
2 contributions. In the declaration, the candidate shall swear or affirm that only one political  
3 committee, identified with its treasurer, shall handle all contributions, campaign-related  
4 expenditures, and obligations for the participating candidate and that the candidate will comply  
5 with the contribution and expenditure limits set forth in subsection (e) of this section and all  
6 other requirements set forth in this Article or adopted by the Board. Failure to comply is a  
7 violation of this Article.

8 (b) Demonstration of Support of Candidacy. – In order to be certified, participating  
9 candidates must obtain qualifying contributions from at least ~~750~~900 registered voters in this  
10 ~~State.~~ State, and from an additional 100 registered voters in this State for each one hundred  
11 thousand dollars (\$100,000) that the grant amount for the office under G.S. 163-278.99(b)(4)  
12 exceeds three hundred thousand dollars (\$300,000). Multiple contributions from the same  
13 individual to the same candidate shall not count as more than one qualifying contribution.

14 The qualifying contributions shall be equal to at least ~~25~~twenty dollars (\$20.00) times the  
15 ~~amount of the filing fee for the office.~~ minimum number of qualifying contributions but shall  
16 not exceed the maximum qualifying contributions defined in G.S. 163-278.96(10). No  
17 payment, gift, ~~or anything of value~~value, or the opportunity to win anything of value shall be  
18 given in exchange for a qualifying contribution.

19 (c) Certification of Candidates. – Upon receipt of a submittal of the record of qualifying  
20 contributions by a participating candidate, the Board shall determine whether or not the  
21 candidate has:

- 22 (1) Filed a completed declaration of intent to participate in this Article.
- 23 (2) Submitted a report itemizing the appropriate number of qualifying  
24 contributions received from registered voters, which the Board shall verify  
25 through a random sample or other means it adopts. The report shall include  
26 the county of residence of each registered voter listed.
- 27 (3) Filed a notice of candidacy with the State Board of Elections as a candidate  
28 for the office.
- 29 (4) Otherwise met the requirements for participation in this Article.

30 The Board shall certify candidates complying with the requirements of this section as soon  
31 as possible and no later than five business days after receipt of a satisfactory record of  
32 qualifying contributions.

33 (d) Final Report for Qualifying Contributions. – No later than five business days after  
34 the end of the qualifying period, all participating candidates shall submit a report to the Board  
35 of all previously unreported qualifying contributions, in accordance with procedures developed  
36 by the Board. Within seven business days after submittal of the final report, the Board shall  
37 determine, through a random audit or other means it adopts, whether the contributions abide by  
38 the definition of qualifying contributions, whether they must be returned to the donor, and  
39 whether they exceed the maximum amount of qualifying contributions.

40 (e) Restrictions on Contributions and Expenditures for Participating and Certified  
41 Candidates. – The following restrictions shall apply to contributions and expenditures with  
42 respect to participating and certified candidates:

- 43 (1) Beginning August 1 of the year before the election and before filing a  
44 declaration of intent, a candidate shall limit campaign-related expenditures  
45 to twenty thousand dollars (\$20,000) and shall not accept more than twenty  
46 thousand dollars (\$20,000) from sources and in amounts permitted by  
47 Article 22A of this Chapter. A candidate who exceeds either of these limits  
48 shall be ineligible to file a declaration of intent or receive funds from the  
49 Fund. However, the acceptance of contributions in excess of that twenty  
50 thousand dollar (\$20,000) limit does not render the candidate ineligible if the  
51 candidate pays to the Board an amount equal to the contributions accepted

- 1 by the candidate in excess of that limit. The Board shall deposit all such  
2 payments into the Fund.
- 3 (2) From the filing of a declaration of intent through the end of the qualifying  
4 period, a candidate may accept only qualifying contributions, contributions  
5 under ten dollars (\$10.00) from North Carolina voters, in-kind party  
6 contributions as permitted in subdivision (4) of this subsection, and personal  
7 and family contributions permitted under subdivision (4a) of this subsection.  
8 The total contributions the candidate may accept during this period shall not  
9 exceed the maximum qualifying contributions for that candidate. Except for  
10 personal and family contributions permitted under subdivision (4a) of this  
11 subsection, multiple contributions from the same contributor to the same  
12 candidate shall not exceed two hundred dollars (\$200.00). In addition to  
13 these contributions, the candidate may only expend during this period the  
14 remaining money raised pursuant to subdivision (1) of this subsection and  
15 possible matching funds received pursuant to G.S. 163-278.99B. If the  
16 candidate has any remaining money that was raised as contributions before  
17 August 1 of the year before the election, the candidate may not expend that  
18 money after filing the declaration of intent, except for purposes permitted  
19 under subdivision (2), (3), (6), (7), or (8) of G.S. 163-278.16B(a).
- 20 (3) After the qualifying period and through the date of the general election, the  
21 candidate shall cease campaign-related fund-raising activities and shall  
22 expend only the funds the candidate receives from the Fund pursuant to  
23 G.S. 163-278.99(b) plus any funds remaining from the qualifying period and  
24 possible matching funds.
- 25 (4) In addition to the amounts above, a candidate may accept in-kind  
26 contributions from political party executive committees, up to an aggregate  
27 value of thirty thousand dollars (\$30,000) for the election cycle.
- 28 (4a) During the qualifying period, the candidate may contribute up to one  
29 thousand dollars (\$1,000) of that candidate's own money to the campaign.  
30 Debt incurred by the candidate for a campaign expenditure shall count  
31 toward that limit. The candidate may accept in contributions one thousand  
32 dollars (\$1,000) from each member of that candidate's family consisting of  
33 spouse, parent, child, brother, and sister. Up to two hundred dollars  
34 (\$200.00) of a contribution from the candidate's family member may be  
35 treated as a qualifying contribution if it meets the requirements of  
36 G.S. 163-278.96(15)a. and b.
- 37 (5) A candidate and the candidate's committee shall limit the use of all revenues  
38 permitted by this subsection to expenditures for campaign-related purposes  
39 only. The Board shall publish guidelines outlining permissible  
40 campaign-related expenditures.
- 41 (6) Except as provided in subdivision (1) of this subsection, any contribution  
42 received by a participating or certified candidate that falls outside that  
43 permitted by this subsection shall be returned to the donor as soon as  
44 practicable. Contributions intentionally made, solicited, or accepted in  
45 violation of this Article are subject to civil penalties as specified in  
46 G.S. 163-278.99D. The funds involved shall be forfeited to the Civil Penalty  
47 and Forfeiture Fund.
- 48 (7) A candidate shall return to the Fund any amount distributed for an election  
49 that is unspent and uncommitted at the date of the election or at the time the  
50 individual ceases to be a certified candidate, whichever occurs first. For

1 accounting purposes, all qualifying, personal, and family contributions shall  
2 be considered spent before revenue from the Fund is spent or committed.

3 (f) Revocation. – A candidate may revoke, in writing to the Board, a decision to  
4 participate in the Fund at any time. After a revocation, that candidate may accept and expend  
5 outside the limits of this Article without violating this Article. Within 10 days after revocation,  
6 a candidate shall return to the Board all money received from the Fund.

7 **"§ 163-278.99. Distribution from the Fund.**

8 (a) Timing of Fund Distribution. – The Board shall distribute to a certified candidate  
9 revenue from the Fund in an amount determined under subdivision (b)(4) of this section as  
10 follows:

11 (1) One-third of the amount within five business days after the certified  
12 candidate's name is approved to appear on the ballot in a contested general  
13 election, but no earlier than five business days after the primary.

14 (2) The remainder of the amount on August 1 before the general election.

15 (b) Amount of Fund Distribution. – ~~By August 1, 2011, and no less frequently than~~  
16 ~~every four years thereafter, No later than August 1 of the second year before an election, the~~  
17 Board shall determine the amount of funds, ~~rounded to the nearest one hundred dollars~~  
18 ~~(\$100.00),~~ funds to be distributed to certified candidates as follows:

19 (1) ~~Uncontested primaries. No primary.~~ – No funds shall be distributed.

20 (2) Contested primaries. – No funds shall be distributed except as provided in  
21 G.S. 163-278.99B.

22 (3) Uncontested general elections. – No funds shall be distributed.

23 (4) Contested general elections. – The amount of funds to be distributed to a  
24 candidate is the average amount of campaign-related expenditures made in  
25 the general election by all candidates who won the immediately preceding  
26 three general elections for that office, rounded to the nearest one thousand  
27 dollars (\$1,000), but not less than three hundred thousand dollars  
28 (\$300,000). For purposes of this subsection, "campaign-related  
29 expenditures" does not include loan repayments and contributions to a  
30 candidate, political committee, or political party. For purposes of this  
31 subsection, expenditures are made in the general election if they are required  
32 to be reported on the third and fourth quarterly reports.

33 (c) Method of Fund Distribution. – The Board, in consultation with the State Treasurer  
34 and the State Controller, shall develop a rapid, reliable method of conveying funds to certified  
35 candidates. In all cases, the Board shall distribute funds to certified candidates in a manner that  
36 is expeditious, ensures accountability, and safeguards the integrity of the Fund. If the money in  
37 the Fund is insufficient to fully fund all certified candidates, then the available money shall be  
38 distributed proportionally, according to each candidate's eligible funding, and the candidate  
39 may raise additional money in the same manner as a nonparticipating candidate for the same  
40 office up to the unfunded amount of the candidate's eligible funding.

41 **"§ 163-278.99A. Reporting requirements.**

42 (a) Reporting by Noncertified Candidates and Other Entities. – Any nonparticipating  
43 candidate with a certified opponent shall report total contributions received to the Board by  
44 facsimile machine or electronically within 24 hours after the total amount of contributions  
45 received exceeds eighty percent (80%) of the trigger for matching funds as defined in  
46 G.S. 163-278.96(17). Any entity making independent expenditures in support of or in  
47 opposition to a certified candidate, or in support of a candidate opposing a certified candidate,  
48 or paying for electioneering communications referring to one of those candidates, shall report  
49 the total funds received, spent, or obligated for those expenditures or payments to the Board by  
50 facsimile machine or electronically within 24 hours after the total amount of expenditures or  
51 obligations made, or funds raised or borrowed, for the purpose of making the independent

1 expenditures or electioneering communications exceeds five thousand dollars (\$5,000). After  
2 the initial 24-hour filing, the nonparticipating candidate or other reporting entity shall comply  
3 with an expedited reporting schedule. The schedule and forms for reports required by this  
4 subsection shall be supplied by the Board.

5 (b) Reporting by Participating and Certified Candidates. – Notwithstanding other  
6 provisions of law, participating and certified candidates shall report any money received and all  
7 campaign expenditures, obligations, and related activities to the Board according to procedures  
8 developed by the Board. Upon the filing of a final report for any losing primary election,  
9 special election, or general election, each candidate who has revenues from the Fund remaining  
10 unspent shall return those revenues to the Board. In developing these procedures, the Board  
11 shall utilize existing campaign reporting procedures wherever practicable.

12 (c) Timely Access to Reports. – The Board shall ensure prompt public access to the  
13 reports received in accordance with this Article. The Board may utilize electronic means of  
14 reporting and storing information.

15 **"§ 163-278.99B. Matching funds.**

16 (a) When Matching Funds Become Available. – When any report or group of reports  
17 shows that "funds in opposition to a certified candidate or in support of an opponent to that  
18 candidate" as described in this section exceed the trigger for matching funds as defined in  
19 G.S. 163-278.96(17), the Board shall issue immediately to that certified candidate an additional  
20 amount equal to the reported excess within the limits set forth in this section. "Funds in  
21 opposition to a certified candidate or in support of an opponent to that candidate" shall be equal  
22 to the sum of subdivisions (1) and (2) as follows:

23 (1) The greater of the following:

24 a. Campaign expenditures or obligations made, or funds raised or  
25 borrowed, whichever is greater, reported by any one nonparticipating  
26 opponent of a certified candidate. Where a certified candidate has  
27 more than one nonparticipating opponent, the measure shall be taken  
28 from the nonparticipating candidate showing the highest relevant  
29 dollar amount.

30 b. The funds distributed in accordance with G.S. 163-278.99(b) to a  
31 certified opponent of the certified candidate.

32 (2) The aggregate total of all expenditures and payments reported in accordance  
33 with G.S. 163-278.99A(a) of entities making independent expenditures or  
34 electioneering communications in opposition to the certified candidate or in  
35 support of any opponent of that certified candidate.

36 (b) Limit on Matching Funds ~~in Contested Primary. Before Date of Primary.~~ – Total  
37 matching funds to a certified candidate ~~in a contested~~ before the date of the primary shall be  
38 limited to an amount equal to the maximum qualifying contributions for a candidate with a  
39 contested primary. Matching funds are available to a certified candidate with an opponent in  
40 the primary or to a certified candidate who is clearly referred to in expenditures reportable  
41 under G.S. 163-278.99A made in opposition to that candidate.

42 (c) Limit on Matching Funds in Contested General Election. – Total matching funds to  
43 a certified candidate in a contested general election shall be limited to an amount equal to two  
44 times the amount described in G.S. 163-278.99(b)(4).

45 (d) Determinations by Board. – In the case of electioneering communications, the  
46 Board shall determine which candidate, if any, is entitled to receive matching funds as a result  
47 of the communication. The Board shall issue matching funds based on the communication only  
48 if it ascertains that the communication is susceptible of no reasonable interpretation other than  
49 as an appeal to vote for or against a specific candidate. In making its determination, the Board  
50 shall not consider evidence external to the communication itself of the intent of the sponsor or  
51 the effect of the communication. The Board shall notify each candidate it determines is entitled

1 to receive matching funds based on those communications, the sponsor of those  
2 communications, and any candidate who is an opponent of the candidate it determines is  
3 entitled to the matching funds. The Board shall give the sponsor of the communication and any  
4 opposing candidate an adequate opportunity to rebut the determination of the Board. In  
5 considering the rebuttal, all candidates in the race and the sponsor shall be given adequate and  
6 equal opportunity to be heard. The Board shall adopt procedures for implementing this  
7 subsection, balancing in those procedures adequacy of opportunity to rebut and adequacy and  
8 equality of opportunity to be heard on the rebuttal with the need to expedite the decision on  
9 awarding matching funds. The Board shall distribute the matching funds, if any, at the  
10 conclusion of its process.

11 (e) Proportional Measuring of Multicandidate Communications. – In calculating the  
12 amount of matching funds a certified candidate is eligible to receive under this section, the  
13 Board shall include the proportion of expenditures, obligations, or payments for multicandidate  
14 communications that pertains to the candidate.

15 (f) No Matching Funds for Communications Supporting or Opposing All Candidates. –  
16 No matching funds are available under this section as a result of an expenditure that supports  
17 all candidates for the same office or opposes all candidates for the same office. No matching  
18 funds are available under this section as a result of an electioneering communication that the  
19 Board ascertains is susceptible of no reasonable interpretation other than as an appeal to vote  
20 for all candidates for the same office or to vote against all candidates for the same office.

21 **"§ 163-278.99C. Unaffiliated and new-party candidates.**

22 Unaffiliated candidates certified pursuant to G.S. 163-122 and new-party candidates  
23 certified pursuant to G.S. 163-98 shall be eligible for revenues from the Fund in the same  
24 amounts and at the same time as specified in G.S. 163-278.99. For unaffiliated candidates and  
25 new-party candidates not certified to appear on the ballot by noon on the deadline set in  
26 G.S. 163-106(c) for candidate filing in the election year, the deadline for seeking certification  
27 to receive revenue from the Fund is noon on the first business day of July of the election year.

28 **"§ 163-278.99D. Enforcement by the Board; civil penalty.**

29 In addition to any other penalties that may be applicable, any individual, political  
30 committee, or other entity that violates any provision of this Article is subject to a civil penalty  
31 of up to ten thousand dollars (\$10,000) per violation or three times the amount of any financial  
32 transactions involved in the violation, whichever is greater. In addition to any fine, for good  
33 cause shown, a candidate found in violation of this Article may be required to return to the  
34 Fund all amounts distributed to the candidate from the Fund. If the Board makes a  
35 determination that a violation of this Article has occurred, the Board shall calculate and assess  
36 the amount of the civil penalty and shall notify the entity that is assessed the civil penalty of the  
37 amount that has been assessed. The Board shall then proceed in the manner prescribed in  
38 G.S. 163-278.34. In determining whether or not a candidate is in violation of this Article, the  
39 Board may consider as a mitigating factor any circumstances out of the candidate's control.

40 **"§ 163-278.99D.1. Enforcement and administration.**

41 (a) Enforcement by the Board. – The Board, with the advice of the Advisory Council  
42 for the Public Campaign Fund established by G.S. 163-278.68, shall administer the provisions  
43 of this Article.

44 (b) Appeals. – The initial decision on an issue concerning qualification, certification, or  
45 distribution of funds under this Article shall be made by the Executive Director of the Board.  
46 The procedure for challenging that decision is as follows:

- 47 (1) An individual or entity aggrieved by a decision by the Executive Director of  
48 the Board may appeal to the full Board within three business days of the  
49 decision. The appeal shall be in writing and shall set forth the reasons for the  
50 appeal.



1           (2) Within five business days after an appeal is properly made, and after due  
2 notice is given to the parties, the Board shall hold a hearing. The appellant  
3 has the burden of providing clear and convincing evidence to demonstrate  
4 that the decision of the Executive Director was improper. The Board shall  
5 rule on the appeal within three business days after the completion of the  
6 hearing.

7           (c) Board to Adopt Procedures and Issue Opinions. – The Board shall adopt procedures  
8 and issue opinions to ensure effective administration of this Article. Such procedures and  
9 opinions shall include, but not be limited to, procedures for obtaining qualifying contributions,  
10 certification of candidates, addressing circumstances involving special elections, vacancies,  
11 recounts, withdrawals, or replacements, collection of revenues for the Fund, distribution of  
12 Fund revenue to certified candidates, return of unspent Fund disbursements, and compliance  
13 with this Article. The Board shall adopt procedures for the distribution of matching money that  
14 further the purpose and avoid the subversion of G.S. 163-278.99B. For races involving special  
15 elections, recounts, vacancies, withdrawals, or replacement candidates, the Board shall  
16 establish procedures for qualification, certification, disbursement of Fund revenues, and return  
17 of unspent Fund revenues. Where applicable, the Board shall adopt the provisions of  
18 G.S. 163-278.64A. The Board shall fulfill each of these duties in consultation with the  
19 Advisory Council on the Public Campaign Fund.

20           (d) Report to the Public. – The Advisory Council for the Public Campaign Fund shall  
21 issue a report by March 1, 2013, and every two years thereafter that evaluates and makes  
22 recommendations about the implementation of this Article based on the experience of the Fund  
23 and the experience of similar programs in other states. The Advisory Council shall also  
24 evaluate and make recommendations regarding how to address activities that could undermine  
25 the purpose of this Article, including spending that appears to target candidates receiving  
26 money from the Fund but that does not meet the definition of "independent expenditures."

27 **"§ 163-278.99E. Voter education.**

28           (a) Voter Guide. – The Board shall publish a Voter Guide that explains the functions of  
29 office as defined in G.S. 163-278.96(12) and the laws concerning the election all 10 offices of  
30 the Council of State, the purpose and function of the Fund, and the laws concerning voter  
31 registration. The Board shall distribute the Guide to as many voting-age individuals in the State  
32 as practical, through a mailing to all residences or other means it deems effective. The State  
33 Board of Elections shall maintain a list of the addresses from which mailed Voter Guides are  
34 returned as undeliverable. That list shall be available for public inspection. The distribution  
35 shall occur no more than 28 days nor fewer than seven days before the one-stop voting period  
36 provided in G.S. 163-227.2 for the primary and no more than 28 days nor fewer than seven  
37 days before the one-stop voting period provided in G.S. 163-227.2 for the general election.

38           (b) Candidate Information. – The Voter Guide shall include information concerning all  
39 candidates for office as defined in G.S. 163-278.96(12), all 10 of the offices of the Council of  
40 State, as provided by those candidates according to a format provided to the candidates by the  
41 Board. The Board shall request information for the Guide from each candidate according to the  
42 following format:

43           (1) Place of residence.

44           (2) Education.

45           (3) Occupation.

46           (4) Employer.

47           (5) Previous elective offices held.

48           (6) Endorsements, limited to 50 words. – Endorsements. – Concerning  
49 endorsements, the Board shall send to the candidates instructions as follows:

50           "In order to have an endorsement published, you must provide written

confirmation to the Board from the endorsing person or organization that you received that person's or organization's endorsement."

- (7) ~~Candidate statement, limited to 150 words.~~ Statement. – Concerning that statement, the Board shall send to the candidates instructions as follows: "Your statement may include information such as your qualifications, your endorsements, why you would make a good elected official, what distinguishes you from your opponent(s), and any other information relevant to your candidacy. The State Board of Elections will reject any portion of any statement which it determines contains obscene, profane, or defamatory language. The candidate shall have three days to resubmit the candidate statement if the Board rejects a portion of the statement."

The entire entry for a candidate shall be limited to 250 words.

(c) Disclaimer. – The Voter Guide shall contain the following statement: "Statements by candidates do not express or reflect the opinions of the State Board of Elections."

(d) Relationship to the Judicial Voter Guide. – ~~The Board may~~ Whenever possible, the Board shall publish the Voter Guide in conjunction with the Judicial Voter Guide described in G.S. 163-278.69."

**SECTION 1.(b)** G.S. 55A-1-22 reads as rewritten:

**"§ 55A-1-22. Filing, service, and copying fees.**

(a) The Secretary of State shall collect the following fees when the documents described in this subsection are delivered to the Secretary for filing:

| Document   | Fee                        |
|--|----------------------------|
| (1) Articles of incorporation  | <del>\$60.00</del> \$65.00 |
| (2) Application for reserved name  | \$10.00                    |
| (3) Notice of transfer of reserved name  | \$10.00                    |
| (4) Application for registered name  | \$10.00                    |
| (5) Application for renewal of registered name   | \$10.00                    |
| (6) Corporation's statement of change of registered agent or registered office or both | \$ 5.00                    |
| (7) Agent's statement of change of registered office for each affected corporation     | \$ 5.00                    |
| (8) Agent's statement of resignation   | No fee                     |
| (9) Designation of registered agent or registered office or both                       | \$ 5.00                    |
| (10) Amendment of articles of incorporation  | \$25.00                    |
| (11) Restated articles of incorporation without amendment of articles                  | \$10.00                    |
| (12) Restated articles of incorporation with amendment of articles                     | \$25.00                    |
| (13) Articles of merger  | \$25.00                    |
| (14) Articles of dissolution   | \$15.00                    |
| (15) Articles of revocation of dissolution   | \$10.00                    |
| (16) Certificate of administrative dissolution   | No fee                     |
| (17) Application for reinstatement following administrative dissolution                | \$100.00                   |
| (18) Certificate of reinstatement  | No fee                     |
| (19) Certificate of judicial dissolution   | No fee                     |
| (20) Application for certificate of authority  | \$125.00                   |
| (21) Application for amended certificate of authority                                  | \$25.00                    |
| (22) Application for certificate of withdrawal   | \$10.00                    |
| (23) Certificate of revocation of authority to conduct affairs                         | No fee                     |
| (24) Corporation's Statement of Change of Principal Office                             | \$ 5.00                    |
| (24a) Designation of Principal Office Address  | \$ 5.00                    |

- 1 (25) Articles of correction \$10.00
- 2 (26) Application for certificate of existence or authorization (paper) \$15.00
- 3 (26a) Application for certificate of existence or authorization
- 4 (electronic) \$10.00
- 5 (27) Any other document required or permitted to be filed by this
- 6 Chapter \$10.00
- 7 (28) Repealed by Session Laws 2001-358, s. 7(c), effective January 1, 2002.

8 (a1) Of the fee charged pursuant to subdivision (a)(1) of this section, five dollars (\$5.00)  
 9 shall be paid into the North Carolina Voter-Owned Elections Fund for distribution in  
 10 accordance with Article 22J of Chapter 163 of the General Statutes.

11 (b) The Secretary of State shall collect a fee of ten dollars (\$10.00) each time process is  
 12 served on the Secretary under this Chapter. The party to a proceeding causing service of  
 13 process is entitled to recover this fee as costs if the party prevails in the proceeding.

14 (c) The Secretary of State shall collect the following fees for copying, comparing, and  
 15 certifying a copy of any filed document relating to a domestic or foreign corporation:

- 16 (1) One dollar (\$1.00) a page for copying or comparing a copy to the original.
- 17 (2) Fifteen dollars (\$15.00) for a paper certificate.
- 18 (3) Ten dollars (\$10.00) for an electronic certificate."

19 **SECTION 1.(c)** G.S. 57C-1-22 reads as rewritten:

20 **"§ 57C-1-22. Filing, service, and copying fees.**

21 (a) The Secretary of State shall collect the following fees when the documents  
 22 described in this subsection are delivered to the Secretary of State for filing:

| <u>Document</u>  | <u>Fee</u>                   |
|--|------------------------------|
| 24 (1) Articles of organization  | <del>\$125.00</del> \$130.00 |
| 25 (2) Application for reserved name   | 10.00                        |
| 26 (3) Notice of transfer of reserved name   | 10.00                        |
| 27 (4) Application for registered name   | 10.00                        |
| 28 (5) Application for renewal of registered name  | 10.00                        |
| 29 (6) Limited liability company's statement of change of registered<br>30 agent or registered office or both  | 5.00                         |
| 31 (7) Agent's statement of change of registered office for each<br>32 affected limited liability company      | 5.00                         |
| 33 (8) Agent's statement of resignation  | No fee                       |
| 34 (9) Designation of registered agent or registered office or both  | 5.00                         |
| 35 (10) Amendment of articles of organization  | 50.00                        |
| 36 (11) Restated articles of organization without amendment of articles  | 10.00                        |
| 37 (12) Restated articles of organization with amendment of articles   | 50.00                        |
| 38 (12a) Articles of conversion (other than articles of conversion included<br>39 as part of another document) | 50.00                        |
| 40 (13) Articles of merger   | 50.00                        |
| 41 (14) Articles of dissolution  | 30.00                        |
| 42 (15) Cancellation of articles of dissolution  | 10.00                        |
| 43 (16) Certificate of administrative dissolution  | No fee                       |
| 44 (16a) Application for reinstatement following administrative<br>45 dissolution                              | 100.00                       |
| 46 (17) Certificate of reinstatement   | No fee                       |
| 47 (18) Certificate of judicial dissolution  | No fee                       |
| 48 (19) Application for certificate of authority   | 250.00                       |
| 49 (20) Application for amended certificate of authority   | 50.00                        |
| 50 (21) Application for certificate of withdrawal  | 10.00                        |
| 51 (22) Certificate of revocation of authority to transact business  | No fee                       |

|   |       |   |        |
|---|-------|---|--------|
| 1 | (23)  | Articles of correction  | 10.00  |
| 2 | (24)  | Application for certificate of existence or authorization (paper) | 15.00  |
| 3 | (24a) | Application for certificate of existence or authorization         |        |
| 4 |       | (electronic)  | 10.00  |
| 5 | (25)  | Annual report   | 200.00 |
| 6 | (26)  | Any other document required or permitted to be filed by this      |        |
| 7 |       | Chapter   | 10.00  |
| 8 | (27)  | Repealed by Session Laws 2001-358, s. 8(c).                       |        |

9       (a1) Of the fee charged pursuant to subdivision (a)(1) of this section, five dollars (\$5.00)  
10 shall be paid into the North Carolina Voter-Owned Elections Fund for distribution in  
11 accordance with Article 22J of Chapter 163 of the General Statutes.

12       (b) The Secretary of State shall collect a fee of ten dollars (\$10.00) each time process is  
13 served on the Secretary of State under this Chapter. The party to a proceeding causing service  
14 of process is entitled to recover this fee as costs if the party prevails in the proceeding.

15       (c) The Secretary of State shall collect the following fees for copying, comparing, and  
16 certifying a copy of any filed document relating to a domestic or foreign limited liability  
17 company:

- 18       (1) One dollar (\$1.00) a page for copying or comparing a copy to the original;  
19       and  
20       (2) Fifteen dollars (\$15.00) for a paper certificate.  
21       (3) Ten dollars (\$10.00) for an electronic certificate."

22       **SECTION 1.(d)** G.S. 58-33-125(c) reads as rewritten:

23       "(c) Any person who is not licensed and who is required by law or administrative rule to  
24 secure a license shall, upon application for licensing, pay to the Commissioner a fee of ~~five~~  
25 ~~dollars (\$50.00).~~ five-five dollars (\$55.00). If additional licensing for other kinds of insurance  
26 is requested, a fee of ~~five dollars (\$50.00)~~ five-five dollars (\$55.00) shall be paid to the  
27 Commissioner upon application for licensing for each additional kind of insurance. Of the  
28 five-five dollar (\$55.00) fee charged, five dollars (\$5.00) shall be paid into the North Carolina  
29 Voter-Owned Elections Fund or distribution in accordance with Article 22J of Chapter 163 of  
30 the General Statutes.

31       In addition to the fees prescribed by this subsection, any person applying for a supplemental  
32 license to sell Medicare supplement and long-term care insurance policies shall pay an  
33 additional fee of fifty dollars (\$50.00) upon application for licensing for those kinds of  
34 insurance."

35       **SECTION 1.(e)** G.S. 78A-37(b) reads as rewritten:

36       "(b) Every applicant for initial or renewal registration shall pay a filing fee of ~~three~~  
37 ~~hundred dollars (\$300.00)~~ three hundred five dollars (\$305.00) in the case of a dealer and ~~one~~  
38 ~~hundred twenty five dollars (\$125.00)~~ one hundred thirty dollars (\$130.00) in the case of a  
39 salesman. The Administrator may by rule reduce the registration fee proportionately when the  
40 registration will be in effect for less than a full year. Of a fee charged pursuant to this  
41 subsection, five dollars (\$5.00) shall be paid into the North Carolina Voter-Owned Elections  
42 Fund for distribution in accordance with Article 22J of Chapter 163 of the General Statutes."

43       **SECTION 1.(f)** G.S. 95-110.5(20) reads as rewritten:

44       "(20) To establish fees not to exceed two hundred dollars (\$200.00) for the  
45 inspection and issuance of certificates of operation for all devices and  
46 equipment subject to this Article upon installation or alteration, for each  
47 follow-up inspection, and for annual periodic inspections thereafter. Of the  
48 fee charged pursuant to this subdivision, five dollars (\$5.00) shall be paid  
49 into the North Carolina Voter-Owned Elections Fund for distribution in  
50 accordance with Article 22J of Chapter 163 of the General Statutes."

51       **SECTION 1.(g)** G.S. 95-69.11(11) reads as rewritten:

1           "(11) To establish reasonable fees for the inspection and issuance of inspection  
2           certificates for boilers and pressure vessels that are in use. Of any fee  
3           charged pursuant to this subdivision, five dollars (\$5.00) shall be paid into  
4           the North Carolina Voter-Owned Elections Fund for distribution in  
5           accordance with Article 22J of Chapter 163 of the General Statutes."

6           **SECTION 1.(h)** G.S. 106-22 is amended by adding a new subdivision to read:

7           "(18) Rental agreements. – For every rental agreement where the Board or the  
8           Commissioner is the lessor, the Board or Commissioner shall pay five  
9           percent (5%) of the rental agreement into the North Carolina Voter-Owned  
10           Elections Fund for distribution in accordance with Article 22J of Chapter  
11           163 of the General Statutes."

12           **SECTION 1.(i)** G.S. 147-69.2 is amended by adding a new subsection to read:

13           "(e) There shall be charged a fee of two one-hundredths of a percent (.02%) on each  
14           fund held by the Treasurer that consists of nontax revenue, excluding funds holding monies for  
15           pensions and retirement, escheats, general fund, federal funds, and bond proceeds, to be paid  
16           into the North Carolina Voter-Owned Elections Fund for distribution in accordance with  
17           Article 22J of Chapter 163 of the General Statutes."

18           **SECTION 1.(j)** For the period January 1, 2011, through December 31, 2012, two  
19           dollars and fifty cents (\$2.50) of each three dollar (\$3.00) allocation under G.S. 105-159.2 shall  
20           be transferred on a monthly basis to the North Carolina Voter-Owned Election Fund for  
21           distribution under Article 22J of Chapter 163 of the General Statutes in the 2012 election.

22           **SECTION 1.(k)** The State Board of Elections shall make the determination of  
23           available funds required by G.S. 163-278.99(b), as enacted by this section, on October 1, 2010,  
24           or within 30 days of receiving preclearance under section 5 of the Voting Rights Act of 1965,  
25           whichever date occurs first.

26           **SECTION 1.(l)** This section becomes effective October 1, 2010.

27           **SECTION 2.(a)** G.S. 163-278.96(12), as amended by Section 1 of this act, reads as  
28           rewritten:

29           "(12) Office. – The Council of State offices of Attorney General, Auditor,  
30           Secretary of State, Superintendent of Public Instruction, Treasurer,  
31           Commissioner of Agriculture, Commissioner of Labor, and Commissioner  
32           of Insurance."

33           **SECTION 2.(b)** This section becomes effective July 1, 2015.

34           **SECTION 3.(a)** G.S. 126-14 reads as rewritten:

35           "**§ 126-14. Promise or threat to obtain political contribution or support.**

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

- 39           (1) a State employee subject to the Personnel Act,
- 40           (2) a probationary State employee,
- 41           (3) a temporary State employee, or
- 42           (4) an applicant for a position subject to the Personnel Act

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

48           (a1) It is unlawful for an individual as defined in G.S. 138A-3(30)a. to coerce a person as  
49           described in G.S. 138A-32(d)(1), (2), or (3) to support or contribute to a political candidate, a  
50           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 3.(b)** This section becomes effective December 1, 2010, and applies to  
11 offenses committed on or after that date.

12 **SECTION 4.(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 4.(b)** This section becomes effective December 1, 2010, and applies to  
26 offenses committed on or after that date.

27 **SECTION 5.(a)** G.S. 120C-304(a) reads as rewritten:

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

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

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

34 **SECTION 5.(b)** G.S. 120C-304(b) reads as rewritten:

35 "(b) No public servant or former public servant as defined in G.S. 138A-3(30)a. may  
36 register as a lobbyist under this Chapter while in office or within ~~six months~~one year after  
37 leaving office."

38 **SECTION 5.(c)** G.S. 120C-304(c) reads as rewritten:

39 "(c) ~~No public servant or former public servant as defined in G.S. 138A-3(30)e.~~  
40 employee of any State agency may register as a lobbyist under this Chapter lobby the State  
41 agency that previously employed the former employee within six months one year after  
42 voluntary or for cause separation from employment as a public servant with that State agency."

43 **SECTION 5.(d)** G.S. 120C-200 is amended by adding a new subsection to read:

44 "(f) In addition to the information required for registration under subsection (b) of this  
45 section, former employees of a State agency who register as a lobbyist within one year after  
46 voluntary or for cause separation from employment with the State agency shall also indicate  
47 which State agency was employed."

48 **SECTION 5.(e)** This section becomes effective October 1, 2010, and applies to  
49 individuals leaving office or employment on or after that date.

50 **SECTION 6.** G.S. 163-278.22(7) reads as rewritten:

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

9           **SECTION 7.(a)** G.S. 163-278.27 reads as rewritten:

10       **"§ 163-278.27. Criminal penalties; duty to report and prosecute.**

11       (a) Any individual, candidate, political committee, referendum committee, treasurer,  
12       person or media who intentionally violates the applicable provisions of G.S. 163-278.7,  
13       163-278.8, 163-278.9, 163-278.10, 163-278.11, 163-278.12, 163-278.13, 163-278.13B,  
14       163-278.14, 163-278.16, 163-278.16B, 163-278.17, 163-278.18, 163-278.19, 163-278.20,  
15       163-278.39, 163-278.40A, 163-278.40B, 163-278.40C, 163-278.40D, 163-278.40E, or  
16       163-278.40J is guilty of a Class 2 misdemeanor. The statute of limitations as stated in G.S. 15-1  
17       shall run from the day the last report is due to be filed with the appropriate board of elections  
18       for the election cycle for which the violation occurred.

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

21       (a2) A person or individual who intentionally violates G.S. 163-278.14(a) or  
22       G.S. 163-278.19(a) and the unlawful contributions total more than ten thousand dollars  
23       (\$10,000) per election is guilty of a Class I felony.

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

27           (1) In the case of a candidate for nomination or election to the State Senate or  
28           State House of Representatives: report to the district attorney of the  
29           prosecutorial district in which the candidate for nomination or election  
30           resides;

31           (2) In the case of a candidate for nomination or election to the office of  
32           Governor, Lieutenant Governor, Secretary of State, State Auditor, State  
33           Treasurer, State Superintendent of Public Instruction, State Attorney  
34           General, State Commissioner of Agriculture, State Commissioner of Labor,  
35           State Commissioner of Insurance, and all other State elective offices, Justice  
36           of the Supreme Court, Judge of the Court of Appeals, judge of a superior  
37           court, judge of a district court, and district attorney of the superior court:  
38           report to the district attorney of the prosecutorial district in which Wake  
39           County is located;

40           (3) In the case of an individual other than a candidate, including, without  
41           limitation, violations by members of political committees, referendum  
42           committees or treasurers: report to the district attorney of the prosecutorial  
43           district in which the individual resides; and

44           (4) In the case of a person or any group of individuals: report to the district  
45           attorney or district attorneys [of] the prosecutorial district or districts in  
46           which any of the officers, directors, agents, employees or members of the  
47           person or group reside.

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

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

4 **SECTION 7.(b)** G.S. 163-278.14(a) reads as rewritten:

5 "(a) No individual, political committee, or other entity shall make any contribution  
6 anonymously or in the name of another. No candidate, political committee, referendum  
7 committee, political party, or treasurer shall knowingly accept any contribution made by any  
8 individual or person in the name of another individual or person or made anonymously. If a  
9 candidate, political committee, referendum committee, political party, or treasurer receives  
10 anonymous contributions or contributions determined to have been made in the name of  
11 another, he shall pay the money over to the Board, by check, and all such moneys received by  
12 the Board shall be deposited in the Civil Penalty and Forfeiture Fund of the State of North  
13 Carolina. This subsection shall not apply to any contribution by an individual with the lawful  
14 authority to act on behalf of another individual, whether through power of attorney, trustee, or  
15 other lawful authority."

16 **SECTION 7.(c)** This section becomes effective December 1, 2010, and applies to  
17 offenses committed on or after that date.

18 **SECTION 8.** In order to foster and facilitate transparency of information relating  
19 to political campaigns, the State Board of Elections shall create an easily searchable database to  
20 provide any member of the public with access to the database to search by geographic location,  
21 occupation, employer, contributor, or contributee, within an election cycle and over a period of  
22 time as specified by the searcher.

23 **SECTION 9.** Article 2 of Chapter 143C of the General Statutes is amended to add  
24 new sections to read:

25 **§ 143C-2-5. Grants and contracts database.**

26 (a) The Director of the Budget shall require the Office of State Budget and  
27 Management, with the support of Information Technology Services, to build and maintain a  
28 database and Web site for providing a single, searchable Web site on State spending for grants  
29 and contracts.

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

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

38 **§ 143C-2-6. Contents of database and Web site.**

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

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

49 (c) All State contracts and grants awarded in amounts in excess of ten thousand dollars  
50 (\$10,000) shall be included in the database and Web site required by this Article. The following  
51 information shall be provided for each contract or grant:



- 1           (1)   The name of the entity receiving the award.
- 2           (2)   The amount of the award or estimated award.
- 3           (3)   Information on the award, including transaction type, funding agency,  
4           duration of contract, or grant award.
- 5           (4)   The location of the entity receiving the award.
- 6           (5)   Background information on the entity receiving the award.
- 7           (6)   Time lines for anticipated completion of the work required.
- 8           (7)   Expected outcomes of the contract or grant and specific deliverables  
9           required.
- 10          (8)   Contact information for the responsible State government officer or  
11          administrator of the contract or grant."

12   **SECTION 10.** G.S. 138A-3(30) reads as rewritten:

- 13   "(30) Public servants. – All of the following:
- 14          a.   Constitutional officers of the State and individuals elected or  
15          appointed as constitutional officers of the State prior to taking office.
  - 16          b.   Employees of the Office of the Governor.
  - 17          c.   Heads of all principal State departments, as set forth in G.S. 143B-6,  
18          who are appointed by the Governor.
  - 19          d.   The chief deputy and chief administrative assistant of each individual  
20          designated under sub-subdivision a. or c. of this subdivision.
  - 21          e.   Confidential assistants and secretaries as defined in G.S. 126-5(c)(2),  
22          to individuals designated under sub-subdivision a., c., or d. of this  
23          subdivision.
  - 24          f.   Employees in exempt positions designated in accordance with  
25          G.S. 126-5(d)(1), (2), or (2a) and confidential secretaries to these  
26          individuals.
  - 27          g.   Any other employees or appointees in the principal State departments  
28          as may be designated by the Governor to the extent that the  
29          designation does not conflict with the State Personnel Act.
  - 30          h.   Judicial employees.
  - 31          i.   All voting members of boards, including ex officio members,  
32          permanent designees of any voting member, and members serving by  
33          executive, legislative, or judicial branch appointment.
  - 34          j.   For The University of North Carolina, the voting members of the  
35          Board of Governors of The University of North Carolina, the  
36          president, the vice-presidents, and the chancellors, the  
37          vice-chancellors, and voting members of the boards of trustees of the  
38          constituent institutions.
  - 39          k.   For the Community College System, the voting members of the State  
40          Board of Community Colleges, the President and the chief financial  
41          officer of the Community College System, the president, chief  
42          financial officer, and chief administrative officer of each community  
43          college, and voting members of the boards of trustees of each  
44          community college.
  - 45          l.   Members of the ~~Commission~~Commission, the executive director,  
46          and the assistant executive director of the Commission.
  - 47          m.   Individuals under contract with the State working in or against a  
48          position included under this subdivision.
  - 49          n.   The director of the Office of State Personnel.
  - 50          o.   The State Controller.

- 1 p. The chief information officer, deputy chief information officers,  
2 chief financial officers, and general counsel of the Office of  
3 Information Technology.  
4 q. The director of the State Museum of Art.  
5 r. The executive director of the Agency for Public Telecommunication.  
6 s. The Commissioner of Motor Vehicles.  
7 t. The Commissioner of Banks and the chief deputy commissioners of  
8 the Banking Commission.  
9 u. The executive director of the North Carolina Housing Finance  
10 Agency.  
11 v. The executive director, chief financial officer, and chief operating  
12 officer of the North Carolina Turnpike Authority."

13 **SECTION 11.** G.S. 143B-478 is amended by adding a new subsection to read:

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

16 **SECTION 12.** G.S. 138A-22 is amended by adding a new subsection to read:

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

- 20 (1) Filed on or before April 15 of the year following the year a covered person  
21 elects not to continue in the position making that individual a covered  
22 person, with all information provided in the statement of economic interest  
23 current as of the last day of December of the preceding year.  
24 (2) Filed on or before April 15 of the year following the year the covered person  
25 resigns from the position making that individual a covered person, with all  
26 information provided in the statement of economic interest current as of the  
27 last day in the position.  
28 (3) Filed on or before April 15 of the year following the year the covered person  
29 dies while holding the position that made the deceased a covered person,  
30 with all information provided in the statement of economic interest current  
31 as of the day of death. The statement of economic interest shall be filed by  
32 the personal representative of the estate."

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

34 "**§ 138A-24. Contents of statement.**

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

- 39 (1) Except as otherwise provided in this subdivision, the name, current mailing  
40 address, occupation, employer, and business of the filing person. Any  
41 individual holding or seeking elected office for which residence is a  
42 qualification for office shall include a home address. A judicial officer may  
43 use a current mailing address instead of the home address on the form  
44 required in this subsection. The judicial officer may also use the initials  
45 instead of the name of any unemancipated child of the judicial officer who  
46 also resides in the household of the judicial officer. If the judicial officer  
47 provides the initials of an unemancipated child, the judicial officer shall  
48 concurrently provide the name of the unemancipated child to the  
49 Commission. The name of an unemancipated child provided by the judicial  
50 officer to the Commission shall not be a public record under Chapter 132 of  
51 the General Statutes and is privileged and confidential.

- 1 (2) A list of each asset and liability included in this subdivision of whatever  
2 nature (including legal, equitable, or beneficial interest) with a value of at  
3 least ten thousand dollars (\$10,000) owned by the filing person and the filing  
4 person's immediate family, except assets or liabilities held in a blind trust.  
5 This list shall include the following:
- 6 a. All real estate located in the State owned wholly or in part by the  
7 filing person or the filing person's immediate family, including  
8 descriptions adequate to determine the location by city and county of  
9 each parcel.
  - 10 b. Real estate that is currently leased or rented to or from the State.
  - 11 c. Personal property sold to or bought from the State within the  
12 preceding two years.
  - 13 d. Personal property currently leased or rented to or from the State.
  - 14 e. The name of each publicly owned company. For purposes of this  
15 sub-subdivision, the term "publicly owned company" shall not  
16 include a widely held investment fund, including a mutual fund,  
17 regulated investment company, or pension or deferred compensation  
18 plan, if all of the following apply:
    - 19 1. The filing person or a member of the filing person's  
20 immediate family neither exercises nor has the ability to  
21 exercise control over the financial interests held by the fund.
    - 22 2. The fund is publicly traded, or the fund's assets are widely  
23 diversified.
  - 24 f. The name of each nonpublicly owned company or business entity,  
25 including interests in sole proprietorships, partnerships, limited  
26 partnerships, joint ventures, limited liability companies, limited  
27 liability partnerships, and closely held corporations.
  - 28 g. For each company or business entity listed under sub-subdivision f.  
29 of this subdivision, if known, a list of any other companies or  
30 business entities in which the company or business entity owns  
31 securities or equity interests exceeding a value of ten thousand  
32 dollars (\$10,000).
  - 33 ~~h. A list of all nonpublicly owned businesses of which the filing person  
34 and the filing person's immediate family is an officer, employee,  
35 director, partner, owner, or member or manager of a limited liability  
36 company.~~
  - 37 i. For any company or business entity listed under sub-subdivisions f.,  
38 g., and h. of this subdivision, if known, any company or business  
39 entity that has any material business dealings, contracts, or other  
40 involvement with the State, or is regulated by the State, including a  
41 brief description of the business activity.
  - 42 j. For a vested trust created, established, or controlled by the filing  
43 person of which the filing person or the members of the filing  
44 person's immediate family are the beneficiaries, excluding a blind  
45 trust, the name and address of the trustee, a description of the trust,  
46 and the filing person's relationship to the trust.
  - 47 k. A list of all liabilities, excluding indebtedness on the filing person's  
48 primary personal residence, by type of creditor and debtor.
  - 49 l. Repealed by Session Laws 2007-348, s. 34. See Editor's note for  
50 effective date.

- 1 m. A list of all stock options in a company or business not otherwise  
2 disclosed on this statement.
- 3 (3) The name of each source (not specific amounts) of income of more than five  
4 thousand dollars (\$5,000) received during the previous year by business or  
5 industry type, if that source is not listed under subdivision (2) of this  
6 subsection. Income shall include salary, wages, professional fees, honoraria,  
7 interest, dividends, rental income, and business income from any source  
8 other than capital gains, federal government retirement, military retirement,  
9 or social security income.
- 10 (4) If the filing person is a practicing attorney, an indication of whether the  
11 filing person, or the law firm with which the filing person is affiliated,  
12 earned legal fees during the past year in excess of ten thousand dollars  
13 (\$10,000) from any of the following categories of legal representation:
- 14 a. Administrative law.  
15 b. Admiralty law.  
16 c. Corporate law.  
17 d. Criminal law.  
18 e. Decedents' estates law.  
19 f. Environmental law.  
20 g. Insurance law.  
21 h. Labor law.  
22 i. Local government law.  
23 j. Negligence or other tort litigation law.  
24 k. Real property law.  
25 l. Securities law.  
26 m. Taxation law.  
27 n. Utilities regulation law.
- 28 (5) Except for a filing person in compliance under subdivision (4) of this  
29 subsection, if the filing person is a licensed professional or provides  
30 consulting services, either individually or as a member of a professional  
31 association, a list of categories of business and the nature of services  
32 rendered, for which payment for services were charged or paid during the  
33 past year in excess of ten thousand dollars (\$10,000).
- 34 (6) An indication of whether the filing person, the filing person's employer, a  
35 member of the filing person's immediate family, or the immediate family  
36 member's employer is licensed or regulated by, or has a business relationship  
37 with, the board or employing entity with which the filing person is or will be  
38 associated. This subdivision does not apply to a legislator, a judicial officer,  
39 or that legislator's or judicial officer's immediate family.
- 40 (7) A list of societies, organizations, or advocacy groups, pertaining to subject  
41 matter areas over which the public servant's agency or board may have  
42 jurisdiction, in which the public servant or a member of the public servant's  
43 immediate family is a director, officer, or governing board member. This  
44 subdivision does not apply to a legislator, a judicial officer, or that  
45 legislator's or judicial officer's immediate family.
- 46 (8) A list of all things with a total value of over two hundred dollars (\$200.00)  
47 per calendar quarter given and received without valuable consideration and  
48 under circumstances that a reasonable person would conclude that the thing  
49 was given for the purpose of lobbying, if such things were given by a person  
50 not required to report under Chapter 120C of the General Statutes, excluding  
51 things given by a member of the filing person's extended family. The list

1 shall include only those things received during the 12 months preceding the  
2 reporting period under subsection (d) of this section, and shall include the  
3 source of those things. The list required by this subdivision shall not apply to  
4 things of monetary value received by the filing person prior to the time the  
5 filing person filed or was nominated as a candidate for office, as described in  
6 G.S. 138A-22, or was appointed or employed as a covered person.

7 (9) A list of any felony convictions of the filing person, excluding any felony  
8 convictions for which a pardon of innocence or order of expungement has  
9 been granted.

10 (10) Any other information that the filing person believes may assist the  
11 Commission in advising the filing person with regards to compliance with  
12 this Chapter.

13 (11) A list of any nonprofit corporation or organization with which associated  
14 during the preceding calendar year, including a list of which of those  
15 nonprofit corporations or organizations with which associated do business  
16 with the State or receive State funds and a brief description of the nature of  
17 the business, if known or with which due diligence could reasonably be  
18 known.

19 (12) A statement of whether the filing person or the filing person's immediate  
20 family is or has been a lobbyist or lobbyist principal registered under  
21 Chapter 120C of the General Statutes within the preceding 12 months.

22 (13) The name of each business with which associated that the filing person or  
23 filing person's immediate family is an employee, director, officer, partner,  
24 proprietor, or member or manager."

25 **SECTION 13.(b)** G.S. 138A-24(c) reads as rewritten:

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

32 **SECTION 13.(c)** G.S. 138A-24(a)(2)i. is recodified as G.S. 138A-24(a)(14).

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

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

41 **SECTION 13.(e)** This section becomes effective January 1, 2011, and applies to  
42 statements of economic interest filed on or after that date.

43 **SECTION 14.** G.S. 138A-41 reads as rewritten:

44 **"§ 138A-41. Other ethics standards.**

45 (a) Nothing in this Chapter shall prevent the Supreme Court, the Committee, the  
46 Legislative Services Commission, constitutional officers of the State, heads of principal  
47 departments, the Board of Governors of The University of North Carolina, the State Board of  
48 Community Colleges, or other boards from adopting additional or supplemental ethics  
49 standards applicable to that public agency's operations.

50 (b) The Governor, as a constitutional officer of the State, shall have the authority to  
51 adopt additional and supplemental ethics standards applicable to any appointee of the Governor

1 to any State board, commission, council, committee, task force, authority, or similar public  
2 body, however denominated, created by statute or executive order, whether advisory or  
3 non-advisory in authority. If the Governor adopts such ethics standards, the standards shall be  
4 published in the North Carolina Register and made available to each appointee subject to the  
5 ethics standards.

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

10 **SECTION 15.(a)** G.S. 120C-303(a) reads as rewritten:

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

- 13 (1) Knowingly give a gift to a designated individual.
- 14 (2) Knowingly give a gift with the intent that a designated individual be ~~the~~an  
15 ultimate recipient."

16 **SECTION 15.(b)** G.S. 138A-32(c) reads as rewritten:

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

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

28 **SECTION 15.(c)** G.S. 138A-32(d1) reads as rewritten:

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

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

34 **SECTION 15.(d)** This section becomes effective December 1, 2010, and applies to  
35 offenses committed on or after that date.

36 **SECTION 16.** G.S. 120C-101(c) reads as rewritten:

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

- 41 (1) Publish the proposed rules in the North Carolina Register.
- 42 (2) Submit the rule and a notice of public hearing to the Codifier of Rules, and  
43 the Codifier of Rules shall publish the proposed rule and the notice of public  
44 hearing on the Internet to be posted within five business days.
- 45 (3) Notify those on the mailing list maintained in accordance with  
46 G.S. 150B-21.2(d) and any other interested parties of its intent to adopt a  
47 rule and of the public hearing.
- 48 (4) Accept written comments on the proposed rule for at least 15 business days  
49 prior to adoption of the rule.
- 50 (5) Hold at least one public hearing on the proposed rule no less than five days  
51 after the rule and notice have been published.

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

9 **SECTION 17.(a)** G.S. 120C-100(a)(9) reads as rewritten:

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

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

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

22 **SECTION 17.(b)** G.S. 120C-100(a)(10) reads as rewritten:

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

- 25 a. Repealed by Session Laws 2007-348, s. 8(a), effective October 10,  
26 2007.
- 27 b. Represents another person or governmental unit, but is not directly  
28 employed by that person or governmental unit, ~~and receives payment~~  
29 ~~for services.~~ unit. ~~For the purposes of this sub-subdivision, the term~~  
30 ~~"payment for services" shall not include reimbursement of actual~~  
31 ~~travel and subsistence.~~
- 32 c. Contracts for ~~economic consideration~~ payment ~~for the purpose of~~  
33 lobbying.
- 34 d. Is employed by a person and a significant part of that employee's  
35 duties include lobbying. In no case shall an employee be considered a  
36 lobbyist if in no 30-day period less than five percent (5%) of that  
37 employee's actual duties include engaging in lobbying as defined in  
38 subdivision (9)a. of this section or if in no 30-day period less than  
39 five percent (5%) of that employee's actual duties include engaging  
40 in lobbying as defined in subdivision (9)b. of this section.

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

44 **SECTION 17.(c)** G.S. 120C-100(a)(11) reads as rewritten:

45 "(11) Lobbyist principal and principal. – The person or governmental unit on  
46 whose behalf the lobbyist ~~lobbies~~ ~~lobbies~~ and who makes payment for the  
47 lobbying. In the case where a lobbyist is ~~compensated~~ paid by a law firm,  
48 consulting firm, or other entity retained by a person or governmental unit for  
49 lobbying, the principal is the person or governmental unit who makes  
50 payment and whose interests the lobbyist represents in lobbying. In the case  
51 of a lobbyist employed or retained by an association or other organization,

1 the lobbyist principal is the association or other organization, not the  
2 individual members of the association or other organization.

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

5 **SECTION 17.(d)** G.S. 120C-100(a)(11k) reads as rewritten:

6 "(11k) ~~Payment for services.~~ Payment. – Any money, thing of value, or economic  
7 benefit ~~paid conveyed to a~~ the lobbyist for ~~the purpose of lobbying~~ lobbying,  
8 other than reimbursement of actual travel, administrative expenses, or  
9 subsistence."

10 **SECTION 17.(e)** G.S. 120C-100(a)(13) reads as rewritten:

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

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

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

30 **SECTION 17.(f)** G.S. 120C-300 reads as rewritten:

31 **"§ 120C-300. Contingency fees prohibited.**

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

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

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

42 **SECTION 17.(g)** G.S. 120C-305 reads as rewritten:

43 **"§ 120C-305. Prohibition on the use of cash or credit of the lobbyist.**

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

48 **SECTION 17.(h)** G.S. 120C-400(a) reads as rewritten:

49 **"§ 120C-400. Reporting of reportable expenditures.**

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



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

12 **SECTION 17.(i)** G.S. 120C-402(b) reads as rewritten:

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

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

22 **SECTION 17.(k)** G.S. 120C-403 reads as rewritten:

23 **"§ 120C-403. Lobbyist principal's reports.**

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

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

- 29 (1) All reportable expenditures made for ~~the purpose of~~ lobbying.  
30 (2) Solicitation of others when such solicitation involves an aggregate cost of  
31 more than three thousand dollars (\$3,000).  
32 (3) Recodified as G.S. 120C-403(d).  
33 (4) With respect to each lobbyist registered under G.S. 120C-206, reportable  
34 expenditures reimbursed or paid to lobbyists for lobbying that are not  
35 reported on the lobbyist's report, with an itemized description of those  
36 reportable expenditures.  
37 (5) All reportable expenditures for gifts given under G.S. 138A-32(e)(1)-(9),  
38 138A-32(e)(11), 138A-32(e)(12), and all gifts given under  
39 G.S. 138A-32(e)(10) with a value of more than two hundred dollars  
40 (\$200.00).  
41 (6) With respect to each lobbyist registered under G.S. 120C-206, the name of  
42 each person or governmental unit not otherwise registered as a lobbyist  
43 principal for whom the lobbyist principal directs or permits the lobbyist to  
44 lobby, whether for payment or not.

45 (c) In addition to the reports required by this section, each lobbyist principal incurring  
46 reportable expenditures in any month while the General Assembly is in session with respect to  
47 lobbying legislators and legislative employees shall file a monthly reportable expenditure  
48 report. The monthly reportable expenditure report shall contain information required by this  
49 section with respect to all lobbying of legislators and legislative employees, and is due within  
50 10 business days after the end of the month. The information on the monthly report shall also  
51 be included in each quarterly report required by subsection (a) of this section.

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

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

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

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

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

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

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

21           a. Research.

22           b. Drafting of written communications.

23           c. Monitoring of proposed or pending legislative action or executive  
24 action, including time spent preparing communications with the  
25 lobbyist principal to relate information on proposed or pending  
26 legislative action or executive action.

27           d. Time spent advising and rendering opinions to the lobbyist principal  
28 as to the construction and effect of proposed or pending legislative  
29 action or executive action.

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

32           a. Direct lobbying communications or direct lobbying activities with a  
33 designated individual or that designated individual's immediate  
34 family.

35           b. Communications or activities to develop goodwill, including the  
36 building or relationships, with a designated individual or that  
37 designated individual's immediate family member."

38       **SECTION 17.(l)** G.S. 120C-404(b)(1) reads as rewritten:

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

41       **SECTION 17.(m)** G.S. 120C-501(e) reads as rewritten:

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

47       **SECTION 17.(n)** G.S. 120C-800(a) reads as rewritten:

48       "(a) If a designated individual accepts a reportable expenditure made for ~~the purpose of~~  
49 lobbying with a total value of over two hundred dollars (\$200.00) per calendar quarter from a  
50 person or group of persons acting together, exempted or not otherwise covered by this Chapter,  
51 the person, or group of persons, making the reportable expenditure shall report the date, a

1 description of the reportable expenditure, the name and address of the person, or group of  
2 persons, making the reportable expenditure, the name of the designated individual accepting the  
3 reportable expenditure, and the estimated fair market value, or face value if shown, of the  
4 reportable expenditure."

5 **SECTION 17.(o)** G.S. 138A-3(1) reads as rewritten:

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

16 **SECTION 17.(p)** G.S. 138A-3(15) reads as rewritten:

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

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

42 **SECTION 17.(q)** G.S. 138A-13(f) reads as rewritten:

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

45 **SECTION 17.(r)** G.S. 138A-24(a)(8) reads as rewritten:

46 "(8) A list of all things with a total value of over two hundred dollars (\$200.00)  
47 per calendar quarter given and received without valuable consideration and  
48 under circumstances that a reasonable person would conclude that the thing  
49 was given for ~~the purpose of~~ lobbying, if such things were given by a person  
50 not required to report under Chapter 120C of the General Statutes, excluding  
51 things given by a member of the filing person's extended family. The list

1 shall include only those things received during the 12 months preceding the  
 2 reporting period under subsection (d) of this section, and shall include the  
 3 source of those things. The list required by this subdivision shall not apply to  
 4 things of monetary value received by the filing person prior to the time the  
 5 filing person filed or was nominated as a candidate for office, as described in  
 6 G.S. 138A-22, or was appointed or employed as a covered person."

7 **SECTION 17.(s)** G.S. 138A-32(e)(10) reads as rewritten:

8 "(10) Gifts given or received as part of a business, civic, religious, fraternal,  
 9 personal, or commercial relationship provided all of the following conditions  
 10 are met:

- 11 a. The relationship is not related to the public servant's, legislator's, or  
 12 legislative employee's public service or position.  
 13 b. The gift is made under circumstances that a reasonable person would  
 14 conclude that the gift was not given ~~for the purpose of lobbying to~~  
 15 lobby."

16 **SECTION 17.(t)** This section is effective January 1, 2011, and applies to offenses  
 17 committed on or after that date, and reports filed on or after that date.

18 **SECTION 18.(a)** G.S. 126-23 reads as rewritten:

19 **"§ 126-23. Certain records to be kept by State agencies open to inspection.**

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

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

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

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

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

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

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

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

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

35 (9) ~~date~~Date of ~~most recent~~each promotion, demotion, transfer, suspension,  
 36 separation, or other change in position ~~classification,~~classification with that  
 37 department, agency, institution, commission, or bureau.

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

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

41 (c) Subject only to rules and regulations for the safekeeping of the records, adopted by  
 42 the State Personnel Commission, every person having custody of such records shall permit  
 43 them to be inspected and examined and copies thereof made by any person during regular  
 44 business hours. Any person who is denied access to any such record for the purpose of  
 45 inspecting, examining or copying the same shall have a right to compel compliance with the  
 46 provisions of this section by application to a court of competent jurisdiction for a writ of  
 47 mandamus or other appropriate relief."

48 **SECTION 18.(b)** G.S. 115C-320 reads as rewritten:

49 **"§ 115C-320. Certain records open to inspection.**

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

- 1           (1) ~~name,~~ Name.  
 2           (2) ~~age,~~ Age.  
 3           (3) ~~date~~ Date of original employment or ~~appointment,~~ appointment.  
 4           (4) ~~the~~ The terms of any contract by which the employee is employed whether  
 5           written or oral, past and current, to the extent that the board has the written  
 6           contract or a record of the oral contract in its ~~possession,~~ possession.  
 7           (5) ~~current position,~~ Current position.  
 8           (6) ~~title,~~ Title.  
 9           (7) ~~current salary,~~ Current salary.  
 10          (8) ~~date~~ Date and amount of ~~most recent~~ each increase or decrease in ~~salary,~~  
 11          salary.  
 12          (9) ~~date~~ Date of ~~most recent~~ each promotion, demotion, transfer, suspension,  
 13          separation, or other change in position ~~classification,~~ and classification.  
 14          (10) ~~the~~ The office or station to which the employee is currently assigned.

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

17          (c) Subject only to rules and regulations for the safekeeping of records adopted by the  
 18          local board of education, every person having custody of the records shall permit them to be  
 19          inspected and examined and copies made by any person during regular business hours. The  
 20          name of a participant in the Address Confidentiality Program established pursuant to Chapter  
 21          15C of the General Statutes shall not be open to inspection and shall be redacted from any  
 22          record released pursuant to this section. Any person who is denied access to any record for the  
 23          purpose of inspecting, examining or copying the record shall have a right to compel compliance  
 24          with the provisions of this section by application to a court of competent jurisdiction for a writ  
 25          of mandamus or other appropriate relief."

26                 **SECTION 18.(c)** G.S. 115D-28 reads as rewritten:

27         **"§ 115D-28. Certain records open to inspection.**

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

- 30                 (1) ~~name,~~ Name.  
 31                 (2) ~~age,~~ Age.  
 32                 (3) ~~date~~ Date of original employment or ~~appointment,~~ appointment.  
 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 board 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 ~~salary,~~  
 40                 salary.  
 41                 (9) ~~date~~ Date of ~~most recent~~ each promotion, demotion, transfer, suspension,  
 42                 separation, or other change in position ~~classification,~~ and classification.  
 43                 (10) ~~the~~ The office or station to which the employee is currently assigned.

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

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

1           **SECTION 18.(d)** G.S. 122C-158(b) reads as rewritten:

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

4           (1) ~~name;~~ Name.

5           (2) ~~age;~~ Age.

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

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

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

12           (6) ~~title;~~ Title.

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

14           (8) ~~date~~ Date and amount of ~~most recent~~ each increase or decrease in ~~salary;~~  
15 salary.

16           (9) ~~date~~ Date of the ~~most recent~~ each promotion, demotion, transfer, suspension,  
17 separation, or other change in position ~~classification;~~ and classification.

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

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

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

28           **SECTION 18.(f)** G.S. 153A-98(b) reads as rewritten:

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

31           (1) ~~name;~~ Name.

32           (2) ~~age;~~ Age.

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

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

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

39           (6) ~~title;~~ Title.

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

41           (8) ~~date~~ Date and amount of ~~the most recent~~ each increase or decrease in ~~salary;~~  
42 salary.

43           (9) ~~date~~ Date of the ~~most recent~~ each promotion, demotion, transfer, suspension,  
44 separation or other change in position ~~classification;~~ and classification.

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

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

49           **(b2)** The board of county commissioners shall determine in what form and by whom this  
50 information will be maintained. Any person may have access to this information for the  
51 purpose of inspection, examination, and copying, during regular business hours, subject only to

1 such rules and regulations for the safekeeping of public records as the board of commissioners  
2 may have adopted. Any person denied access to this information may apply to the appropriate  
3 division of the General Court of Justice for an order compelling disclosure, and the court shall  
4 have jurisdiction to issue such orders."

5 **SECTION 18.(g)** G.S. 160A-168(b) reads as rewritten:

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

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

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

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

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

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

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

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

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

19 (9) ~~date~~ Date of ~~the most~~ each recent promotion, demotion, transfer, suspension,  
20 separation, or other change in position ~~classification;~~ and classification.

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

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

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

32 **SECTION 18.(h)** G.S. 162A-6.1(b) reads as rewritten:

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

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

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

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

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

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

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

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

44 (8) ~~date~~ Date and amount of ~~the most recent~~ each increase or decrease in ~~salary;~~  
45 salary.

46 (9) ~~date~~ Date of ~~the most recent~~ each promotion, demotion, transfer, suspension,  
47 separation, or other change in position ~~classification;~~ and classification.

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

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

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

8 **SECTION 18.(i)** This section becomes effective October 1, 2010.

9 **SECTION 19.(a)** G.S. 120C-600 is amended by adding a new subsection to read:

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

17 **SECTION 19.(b)** G.S. 120C-601 is amended by adding a new subsection to read:

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

21 **SECTION 20.(a)** Article 5 of Chapter 7A of the General Statutes is amended by  
22 adding a new section to read:

23 **"§ 7A-38.3E. Mediation of public records disputes.**

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

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

33 (c) Initiation of Mediation. – The Administrative Office of the Courts shall prescribe a  
34 request for mediation form. The party filing the request for mediation shall mail a copy of the  
35 request by certified mail, return receipt requested, to each party to the dispute. The clerk shall  
36 provide each party with a list of mediators certified by the Dispute Resolution Commission. If  
37 the parties agree in writing to the selection of a mediator from that list, the clerk shall appoint  
38 that mediator selected by the parties. If the parties do not agree on the selection of a mediator,  
39 the party filing the request for mediation shall bring the matter to the attention of the clerk, and  
40 a mediator shall be appointed by the senior resident superior court judge. The clerk shall notify  
41 the mediator and the parties of the appointment of the mediator.

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

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



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

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

16       (h) Nothing in this section shall be construed to limit any party's authority to seek, or  
17 the timing of seeking, injunctive or other relief, pursuant to Chapter 132 of the General  
18 Statutes."

19       **SECTION 20.(b)** G.S. 7A-38.2(a) reads as rewritten:

20       (a) The Supreme Court may adopt standards of conduct for mediators and other neutrals  
21 who are certified or otherwise qualified pursuant to G.S. 7A-38.1, 7A-38.3, 7A-38.3B,  
22 7A-38.3D, 7A-38.3E, and 7A-38.4A, or who participate in proceedings conducted pursuant to  
23 those sections. The standards may also regulate mediator and other neutral training programs.  
24 The Supreme Court may adopt procedures for the enforcement of those standards."

25       **SECTION 20.(c)** G.S. 132-9 reads as rewritten:

26       "**§ 132-9. Access to records.**

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

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

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

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

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

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

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

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

12           **SECTION 20.(d)** This section becomes effective October 1, 2010, and applies to  
13 actions filed on or after that date.

14           **SECTION 21.(a)** G.S. 138A-14(b) reads as rewritten:

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

22           **SECTION 21.(b)** G.S. 138A-24(c2) is recodified as G.S. 138A-22(c2).

23           **SECTION 21.(c)** The catch line to G.S. 138A-37 of the General Statutes reads as  
24 rewritten:

25           "**§ 138A-37. Legislator participation in official legislative actions.**"

26           **SECTION 21.(d)** G.S. 138A-38(a)(6) and (7) read as rewritten:

27           "**§ 138A-38. Permitted participation exception.**

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

31           ...

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

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

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

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

47           **SECTION 21.(f)** G.S. 120C-800(b) reads as rewritten:

48           "(b) If the person making the reportable expenditure in subsection (a) of this section is  
49 outside North Carolina, and the designated individual accepting the reportable expenditure is  
50 also outside North Carolina at the time the designated individual accepts the reportable  
51 expenditure, then the designated individual accepting the reportable expenditure shall be

1 responsible for filing the report or reporting the information in the designated individual's  
2 statement of economic interest in accordance with ~~G.S. 138A-24(a)(2)~~.G.S. 138A-24(a)(8)."  
3           **SECTION 22.** Except as otherwise provided, this act is effective when it becomes  
4 law.