

April 5, 2001

S 922. CONFLICT OF INTEREST. TO AMEND THE LAWS REGARDING CONFLICT OF INTEREST. Clarifies and updates several criminal statutes that prohibit public officials from benefiting from contracts with the public agencies they serve. Repeals GS 14-236 and -237 and incorporates the essential provisions of those statutes into a revised GS 14-234, which applies to any public employee or official. As revised, the statute contains three main prohibitions: (1) A public official or employee is prohibited from obtaining a direct benefit from any contract in which he or she is involved on behalf of the public agency. (2) Even if a public official or employee is not involved in making a contract in which he has a direct benefit, he is prohibited from influencing or attempting to influence anyone in the agency who is involved in making the contract. (3) All public officers and employees are prohibited from soliciting or receiving any gift, reward, or promise of reward in exchange for recommending, influencing, or attempting to influence the award of a contract. "Direct benefit" is defined as meaning that the person or spouse (i) has a 10% or more ownership or other interest in an entity that is a party to the contract, (ii) derives any income or commission directly from the contract, or (iii) acquires property under the contract. A public officer is "involved" in the making of the contract if he or she participates in the development of specifications or terms, or if the board, commission, or other body of which he or she is a member takes action on the contract, whether or not the public officer actually participates in that action. A new provision makes clear that the prohibitions of the law do not apply to a real property conveyance pursuant to a court order in a condemnation proceeding. New provisions specify that contracts made in violation of the law are void, but such voided contracts may stay in effect if immediate termination would result in harm to the public health or welfare and continuation is approved by the Local Government Comm'n (for local agencies) or the Governor (for state agencies). Repeals outdated or inconsistent provisions and makes technical and other conforming changes. Effective Dec. 1, 2001, and applies to offense committed on or after that date. Prosecutions for offenses committed before the effective date are not abated.

Intro. by Clodfelter.

Ref. to Judiciary I	GS 14, 115C, 115D, 153A, 160A
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