

March 17, 2005

S 612. AMEND LOBBYING LAWS (=H 6). *TO AMEND THE LOBBYING LAWS BY INCREASING THE INFORMATION REQUIRED TO BE REPORTED ON LOBBYING ACTIVITIES AND BY REQUIRING REGISTRATION AND REPORTING OF LOBBYING ACTIVITIES OF EXECUTIVE BRANCH AGENCIES AND EMPLOYEES, AND TO APPROPRIATE FUNDS TO IMPLEMENT THE ACT.* Identical to H 6, introduced 1/27/05.

Intro. by Rand.

Ref. to Judiciary I

GS 120, APPROP

March 31, 2005

S 612. AMEND LOBBYING LAWS. Intro. 3/17/05. Senate committee substitute makes the following changes to 1st edition. Amends Article 9A of GS Chapter 120 to rename it "Legislative Branch Lobbying," to delete references providing for the regulation of executive branch lobbying, and to regulate only legislative branch lobbying. Enacts new Article 4C of GS Chapter 147 to specifically regulate executive branch lobbying. Provisions of Article 4C are identical to those in Article 9A, as amended by committee substitute, except article relates solely to executive branch lobbying. Further amends Article 9A as follows: (1) Amends definitions section by adding definition of "legislative employee" and to define "lobbying" to include developing legislative goodwill and attempts to influence an elected or appointed legislator prior to taking office. (2) Deletes proposed GS 120-47.2A and transfers prohibitions against certain lobbying expenditures to new GS 120-47.5A, which prohibits lobbyist from giving items with a cumulative value in excess of \$100 in a calendar year to legislators, their immediate family members, and legislative employees (was, prohibited all gifts over \$25 in value and all other items regardless of value and permitted gifts under \$25 in value but only if given to every member of General Assembly). (3) Amends GS 120-47.6 to eliminate the requirement that expense reports be divided into expense categories and to require that report include information on the beneficiaries of all contractual arrangements or direct business relationships between a legislative lobbyist or principal and a legislator (or immediate family member) or a legislative employee (was, only those valued in excess of \$100 per year). (4) Incorporates amendments to GS 120-47.6 into GS 120-47.7 (statement of principal's lobbying expense) and adds requirement that principal report on the compensation paid or promised to all legislative lobbyists and also include an itemized description of lobbyist's reimbursed or paid lobbying expenditures. (5) Revises proposed GS 120-47.7B to prohibit elected executive branch officers from being employed as a lobbyist during the time of the current biennial legislative session during which the person served in office and to prohibit registered lobbyists from serving as a campaign manager or treasurer of a General Assembly election campaign. Deletes prohibition against legislator's solicitation of lobbyist donations for charitable or civil projects. (6) Amends GS 120-47.8 to exempt from article persons who represent their employer's interests in a legislative action for no more than 12 hours during a 12-month reporting period. (7) Deletes appropriations provisions. Makes technical corrections and conforming changes.

April 11, 2005

S 612. AMEND LOBBYING LAWS. Intro. 3/17/05. Senate committee substitute makes the following changes to 2nd edition. Amends Article 9A of GS Chapter 120 to add definitions for "developing legislative goodwill" and "immediate family member" and to include legislative liaison personnel in the definition of lobbyist. Amends GS 120-47.2(a) to require a separate registration fee for legislative and executive lobbyist registrations. Reorganizes new GS 120-47.5A and amends section to prohibit combined expenditures by lobbyist's principal and legislative lobbyist, and individual expenditures of each legislative lobbyist (regardless of number of lobbyist's principals), of over \$100 on the Governor, the Lieutenant Governor, a legislator, or a legislative employee, or the immediate family members of those individuals. Provides for proration of those expenses benefiting more than one recipient. Exempts from expenditure limitations gifts from listed family members and the costs of attending (including lodging, food, and beverages) events sponsored by civic, charitable, governmental, trade association, or community organizations. Amends GS 120-47.6 and 120-47.7 to require that lobbyists and principals file expense reports every six months within 45 days after the end of reporting periods ending on June 30 and

December 31 of each year and that expense reports be filed under oath (was, required filing of expense report within 60 days of the last day of the regular session and supplemental report by February 28 of the following year), and amends GS 120-47.7(e) to impose same penalties on principals for failure to file expense reports as are currently imposed on lobbyists. Amends new GS 120-47.8(10) to exempt employees who represent their employer's interests in legislative action for no more than 6 hours during a 6-month reporting period (was, 12 hours during 12-month period). Makes identical amendments to new Article 4C of GS Chapter 147 (executive branch lobbying) and also amends Article to modify definition of "executive branch officer or employee" as those persons who participate in decision making regarding executive action but not persons chiefly engaged in clerical, secretarial, or ministerial duties. Makes technical and conforming changes.

April 13, 2005

S 612. AMEND LOBBYING LAWS. Intro. 3/17/05. Senate amendments make the following changes to 3rd edition. Amendment #1 modifies proposed GS 147-54.36(d) to add children and stepchildren to the list of individuals to which the prohibitions on lobbying expenditures do not apply. Amendment #2 modifies proposed GS 120-47.1(1b) to state that "legislative goodwill" does not otherwise include communications or activities with a covered person in a normal business or commercial relationship.

July 20, 2005

S 612. AMEND LOBBYING LAWS. Intro. 3/17/05. House committee substitute makes the following changes to 4th edition. Unless otherwise noted, modifies the following provisions contained in both Article 9A of GS Chapter 120 (Legislative Branch Lobbying) and proposed Article 4C of GS Chapter 147 (Executive Branch Lobbying).

Definitions. Narrows definition of "executive branch officers" in GS 147-54.31 to include the Governor, members of the Council of State, department heads listed in GS 143-6, and the Board of Governors and the presidents of the constituent institutions of the University of North Carolina (deletes from definition members of State boards and commissions, State employees, and persons elected to Council of State before taking office). Defines "expenditure" to include contributions, deletes references to compensation, and provides that expenditures include things valued at greater than \$10 or contracts made for the benefit of or at the request of a member of the General Assembly, legislative employee, executive branch officer, or that person's immediate family member. Defines "immediate family member" to include a person's spouse, descendants, or ascendants (was, spouse, unemancipated children, or dependants claimed for tax purposes). Defines "lobbying" to include attempts to influence legislative or executive action through communications and activities (was, communications only) and to also include efforts to influence the family member of a legislator or a legislative employee. Also includes efforts to develop goodwill within definition of "lobbying," including those directed at a member of the General Assembly, legislative employee, executive branch officer, or person's immediate family member (was, General Assembly member, legislative employee, or a executive branch officer or employee). In addition to business and commercial activities not connected to legislative action, excludes from "lobbying" communications and activities involving civic, religious, and fraternal relationships. Clarifies that if a lobbyist is employed by a law firm or consulting firm, the "principal" is the person whose interests the lobbyist represents.

Lobbyist registration and reporting. Provides that it is unlawful for non-exempt persons to lobby without registering. Provides that an executive lobbyist's failure to file an expense report will result in registration revocation. Authorizes Secretary of State to provide required lists of registered legislative and executive lobbyists electronically. Decreases registration fee for legislative lobbyists from \$200 to \$100 except that an executive lobbyist pays a \$75 fee to also register as a legislative lobbyist. Deletes proposed GS 147-54.33 establishing executive lobbyist registration fee. Requires that all legislative lobbyist registration fees paid be used to pay costs incurred in administering and enforcing Article 9A (was, required that funds be deposited in General Fund). Provides that Secretary of State may permit, but not require, electronic payment of fees. Deletes provisions prohibiting legislative and executive lobbyists from making expenditures

of more than \$100 per calendar year per covered person. Specifies that lobbying expenditures to be reported include: (1) expenditures benefiting or made on behalf of covered individuals or family members in the regular course of their nonlegislative or nonexecutive employment; (2) contractual arrangements or direct business relationships between a covered individual and a lobbyist in effect during the reporting period or the previous 12 months; and (3) amounts reimbursed by a principal to a lobbyist. Exempts from reporting requirements gifts from certain listed family members and lawful campaign contributions. If more than 15 covered persons benefit from an expenditure, provides that the names of those individuals need not be reported as long as report states the basis for the selection of the individuals. Authorizes the Secretary of State to adopt rules to facilitate disclosure of expenditures and to protect payee addresses under protective orders. Requires that legislative lobbyists file monthly (was, semiannual) expenditure reports and that executive lobbyists file quarterly reports within 10 business days after the end of the reporting period (was, 45 days after period ended). Also requires that lobbyist report group expenditures in listed categories and provides that for the purposes of reporting compensation paid to lobbyist, amounts reimbursed will be considered compensation if a significant part of the person's duties include lobbying. Deletes provision specifically requiring that the oath required by section attest to the truthfulness and completeness of the report. Provides that the Governor, the Lieutenant Governor, and legislative employees are also exempt from the requirements of Article 9A (was, General Assembly members only).

Enforcement and prohibitions. Authorizes the Secretary of State to petition the Superior Court of Wake County (was, a court of competent jurisdiction) for subpoenas needed to conduct investigations. Deletes provision requiring that records become public only after it is determined that no criminal charges will be filed. Prohibits a member or former member of the General Assembly from being employed as a lobbyist within one year after the expiration of member's term. Also prohibits the employment of the Governor, a member of the Council of State, or a head of a principal State department listed in GS 143B-6 as a lobbyist within one year after person's separation from employment or leaving office, whichever is later. Fourth edition prohibited legislators, Governor, or members of the Council of State from being employed as a lobbyist during any biennial legislative session in which the person held office. Provides that effective for appointments made on or after January 1, 2007, a lobbyist will not be eligible for appointment to a board, authority, or commission that regulates activities of a person represented by the lobbyist within one year after the expiration of the lobbyist's registration. Also prohibits lobbyist from allowing a covered individual to use the cash or credit of the lobbyist unless the lobbyist is present when the expenditure is made.

Reporting by exempt persons. Enacts new GS 120-47.8A and 147-54.41 to require that a person who is otherwise exempt from registration and reporting requirements report any expenditures made to an executive branch office, legislator, or legislative employee of over \$200 in value (including scholarships) and that if the expenditure is made from a person outside NC, the person accepting it must file report. Exempts lawful campaign contributions, gifts from family members, gifts from citizens of other countries or states given during ceremonial presentations, or a thing of value paid for by the State.

Miscellaneous. Enacts new GS 147-54.8 establishing a "no gifts registry" to include a list of individuals to whom lobbyists are prohibited from giving gifts. Effective July 1, 2005, appropriates \$200,000 from General Fund to Secretary of State to implement act and \$112,000 for implementation of electronic filing of lobbyists' reports. Makes technical and conforming changes. Changes effective date of act to January 1, 2007 (was, January 1, 2006).

July 27, 2005

S 612. AMEND LOBBYING LAWS. Intro. 3/17/05. House committee substitute makes the following changes to 5th edition.

Modifies the following provisions contained in both Article 9A of GS Chapter 120 (Legislative Branch Lobbying) and proposed Article 4C of GS Chapter 147 (Executive Branch Lobbying): (1) Amends provision requiring that a separate registration fee be paid for each lobbyist's principal for which a lobbyist acts to provide that a lobbyist's principal will only be charged one registration fee for each legislative lobbyist or executive lobbyist per year. (2) Amends provisions requiring that Secretary of State adopt expenditure disclosure rules to require that those rules facilitate complete

and timely disclosures. (3) Clarifies that exemption from both Articles for persons expressing personal opinions applies only to persons who are not acting as a lobbyist. (4) Requires that report filed by a person who is otherwise exempt from registration and reporting requirements who makes an expenditure of \$200 or more also include the name of the person accepting expenditure.

Requires that expenditure reports filed by legislative lobbyists also include fees paid for lobbying. Reinstates proposed GS 147-54.33 establishing registration fees for executive lobbyists, contained in 4th edition, but decreases registration fee from \$200 to \$100 and establishes a \$75 fee for a legislative lobbyist to also register as an executive lobbyist. Requires that all executive lobbyist registration fees paid be used to pay costs incurred in administering and enforcing Article 9A (was, required that funds be deposited in General Fund). Provides that Secretary of State may permit, but not require, electronic payment of fees. Makes technical and conforming changes.

August 10, 2005

S 612. AMEND LOBBYING LAWS. Intro. 3/17/05. House committee substitute makes the following changes to 6th edition. Amends title to read, *AN ACT TO AMEND THE LOBBYING LAWS BY INCREASING THE INFORMATION REQUIRED TO BE REPORTED ON LOBBYING ACTIVITIES WITHOUT LIMITING EXPENDITURES; BY REQUIRING MONTHLY REPORTING OF LEGISLATIVE LOBBYING DURING SESSIONS OF THE GENERAL ASSEMBLY AND QUARTERLY THEREAFTER; BY ESTABLISHING A WAITING PERIOD BEFORE CERTAIN STATE OFFICERS MAY LOBBY; BY BARRING LOBBYISTS FROM CERTAIN APPOINTMENTS AND OTHER ACTIVITIES; BY REQUIRING REGISTRATION AND QUARTERLY REPORTING OF LOBBYING ACTIVITIES OF EXECUTIVE BRANCH OFFICERS; AND BY CREATING A NO GIFTS REGISTRY* in order to more fully describe the contents of the bill. Adds GS 120-47.3(d) and 147-54.33(d) allowing Secretary of State to adopt rules providing for reduction or waiver of fees if the lobbyist's principal has annual revenue of \$300,000 or less and no more than two registered lobbyists or if there is hardship. Adds GS 120-47.5A(c) and GS 147-54.36(c) to specify that lobbying the Governor and Lt. Governor with respect to legislative actions is reported only as legislative lobbying and lobbying these officials with respect to executive actions is reported only as executive branch lobbying. Requires principals to report all compensation paid or agreed to be paid to all legislative lobbyists. Provides that superior court of Wake County may exercise personal jurisdiction over any nonresident person who makes a reportable expenditure. Deletes prohibition against registered legislative lobbyist as campaign manager for elections to the General Assembly and clarifies that local government may appoint lobbyist to regulatory body. Authorizes Secretary of State to appoint advisory council. Adds provision that provisions on executive lobbying do not apply to representation regarding sale or lease of property to the state. Deletes appropriations. Makes other technical amendments.

August 11, 2005

S 612. AMEND LOBBYING LAWS. Intro. 3/17/05. House amendments make the following changes to 7th edition. Amendment #1 amends both Article 9A of GS Chapter 120 (legislative lobbying) and Article 4C of GS Chapter 147 (executive branch lobbying) to provide that if principal has annual revenue of \$300,000 or less and has no more than two registered lobbyists, the Secretary of State may reduce the registration fee to not less than \$25 (was, may reduced or waive fee). Retains the authority of the Secretary of State to waive the fee in cases of hardship. A reduced or waived fee covers both articles. Amendment #2 makes technical changes. Amendment #3 amends both articles to clarify that venue is with the Superior Court of Wake County for a nonresident who makes a reportable expenditure and personal jurisdiction may be asserted under GS 1-75.4. Amendment #4 amends both articles to delete the phrase "as defined in GS 8-53.11" following the phrase "the news medium." Amendment #5 includes within the definition of "executive branch officer" deputy secretaries of heads of the principal departments in the executive branch. Amendment #7 provides that the cooling off period before a former legislator can lobby starts at the end of the person's legislative service (was, expiration of the person's term) and that the cooling off period before an executive branch official can lobby starts at separation from employment or leaving office (was, whichever is later). Amendment #8 reduces

from one year to 60 days the cooling off periods (1) before a former legislator can lobby, (2) before a former legislator can lobby, and (3) before a lobbyist can be appointed to a state government body that regulates the activity of a person the lobbyist represented.

August 24, 2005

S 612. AMEND LOBBYING LAWS. Intro. 3/17/05. Conference report recommends the following changes to 8th edition to reconcile matters in controversy. Unless otherwise noted, modifies the following provisions contained in both Article 9A of GS Chapter 120 (Legislative Branch Lobbying) and proposed Article 4C of GS Chapter 147 (Executive Branch Lobbying). (1) Adds definition for "news medium." (2) Transfers proposed GS 120-47.3(d) to GS 120-47.4 and further amends GS 120-47.4 to require that Secretary of State develop a form authorizing a lobbyist to represent a principal and prescribes content of that form. Requires that an amended authorization be filed with the Secretary of State no later than 10 days after a change in the information initially provided. Provides for a reduced fee if a lobbyist is registered as an executive and legislative lobbyist at the same time. Provides for reduction or waiver of fees in cases of hardship (3) Modifies proposed GS 120-47.5A (listing exemptions and inclusions to reporting requirements) to delete exclusion of gifts from a parent, grandparent, or grandchild of a covered person, legislative employee, or executive branch officer, to add an exclusion for household members, and to also exclude: (a) lawful campaign contributions; (b) commercial loans and contractual arrangements that include the same terms as are available to the public and are not made for lobbying purposes; (c) lodging and food and beverages consumed at civic, charitable, community, or diplomatic events of under three hours in duration; and (d) academic scholarships made on terms that are not more favorable than those available to the public. (4) Amends GS 120-74.6 (requiring a statement of lobbying expenditures) to prohibit Secretary from imposing any penalties or late filing fees upon a lobbyist for a repeated failure to comply with section (except lobbyist's failure to file a timely report) unless lobbyist was notified by Secretary of initial violation. (5) Modifies proposed GS 120-47.7C to prohibit a member or former member of the General Assembly from becoming an executive or legislative lobbyist within six months (was, 60 days) of member's service in the General Assembly. Also provides that lobbyist is ineligible for appointment to any body with regulatory authority over a person that the lobbyist currently represents or represented (was, represented) within 60 days after the expiration of lobbyist's registration to represent that person. (6) Revises proposed GS 120-47.8A(b) to require a covered person, legislative employee, or executive branch officer who is outside NC to file a report on any expenditure accepted from a person who is also outside NC. (7) Enacts new GS 120-47.11(b) to require that the Secretary of State adopt rules to protect confidential information concerning economic development initiatives or industrial or business recruitment activities from disclosure under GS Chapter 132. (8) Clarifies that legislative liaison personnel will not be required to pay fees established by act.

(9) Deletes deputy secretaries and presidents of UNC System constituent universities from GS 147-54.31 definition of "executive branch officers." (10) Exempts from executive branch lobbying registration and reporting requirements an employee who represents an employer's interests for no more than nine (was, six) hours during a six-month reporting period and a person appearing on behalf of another person or entity in connection with an application for a grant, loan, determination or eligibility, or certification. (11) Exempts from executive branch lobbying expenditure reporting requirements gifts accepted by an executive branch officer in the name of or on behalf of the State. Makes technical and conforming changes.

October 5, 2005

SL 2005-456 (S 612). AMEND LOBBYING LAWS. AN ACT TO AMEND THE LOBBYING LAWS BY INCREASING THE INFORMATION REQUIRED TO BE REPORTED ON LOBBYING ACTIVITIES WITHOUT LIMITING EXPENDITURES; BY REQUIRING MONTHLY REPORTING OF LEGISLATIVE LOBBYING DURING SESSIONS OF THE GENERAL ASSEMBLY AND QUARTERLY THEREAFTER; BY ESTABLISHING A WAITING PERIOD BEFORE CERTAIN STATE OFFICERS MAY LOBBY; BY BARRING LOBBYISTS FROM CERTAIN APPOINTMENTS AND OTHER ACTIVITIES; BY REQUIRING REGISTRATION AND QUARTERLY REPORTING OF LOBBYING ACTIVITIES OF EXECUTIVE BRANCH OFFICERS; AND BY CREATING A NO

GIFTS REGISTRY. Summarized in *Daily Bulletin* 3/17/05, 3/31/05, 4/11/05, 4/13/05, 7/20/05, 7/27/05, 8/10/05, 8/11/05, and 8/24/05. Enacted September 30, 2005. Sections 4 and 5 are effective July 1, 2005. GS 120-47.7C(d), as enacted by Section 1, applies to appointments made on or after January 1, 2007. The remainder is effective January 1, 2007.