

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 961
PROPOSED COMMITTEE SUBSTITUTE H961-PCS50551-RC-8

Short Title: Pay to Play Regulation.

(Public)

Sponsors:

Referred to:

April 1, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO PREVENT CONFLICT OF INTEREST AND ITS APPEARANCE
3 INVOLVING POLITICAL CONTRIBUTIONS BY STATE CONTRACTORS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Article 3 of Chapter 143 of the General Statutes is amended by
6 adding a new section to read:

7 "**§ 163-278.13D. Prohibition on contributions by entity affiliated with a vendor.**

8 (a) Definitions. – The following definitions apply in this section:

9 (1) Contribution. – As defined in G.S. 163-278.6(6). A contribution is made
10 during the term of a contract if it is dated or pledged on or after the first day
11 of the term of the contract, but not later than the last day of the term of the
12 contract, if it is delivered on or after the first day of the term of the contract,
13 but not later than the last day of the term of the contract, or if the entity
14 affiliated with the vendor pledges during the term of the contract to deliver
15 the contribution after the last day of the term of the contract. A contribution
16 is accepted during the term of a contract if the relevant political campaign
17 receives the contribution on or after the first day of the term of the contract,
18 but not later than the last day of the term of the contract and does not return
19 the contribution within 10 days, or the relevant political campaign agrees on
20 or after the first day of the term of the contract to receive the contribution
21 after the last day of the term of the contract.

22 (2) Entity affiliated with a vendor. – An officer, director, member, or manager
23 of the vendor if the vendor is an incorporated business or a limited liability
24 company, a partner or general manager if the vendor is an unincorporated
25 business entity, or any political committee of which the vendor is the parent
26 entity as provided in G.S. 163-278.19.

27 (3) Office with authority to award contract. – Any of the principal offices or
28 departments listed in G.S. 143A-11. Notwithstanding any other provision of
29 law or delegation of authority and for the purposes of subsection (b) of this
30 section, the head of the principal office or department shall be deemed to
31 award all contracts for that principal office or department and for any other
32 offices, agencies, or commissions administratively housed within that
33 principal office or department.



1 (4) Relevant political campaign. – A candidate for the office with authority to
2 award the contract, the officer holding the office with authority to award the
3 contract, or a political committee controlled by a candidate for or officer
4 holding the office with authority to award the contract.

5 (b) Prohibition. – No entity affiliated with a vendor that has entered into a contract for
6 supplies, materials, equipment, other tangible personal property, or services in excess of
7 twenty-five thousand dollars (\$25,000) with any of the principal offices or departments listed in
8 G.S. 143A-11 and subject to the provisions of Article 3 of Chapter 143 of the General Statutes
9 shall make during the term of the contract a contribution to a relevant political campaign. No
10 relevant political campaign shall knowingly accept a contribution during the term of the
11 contract from an entity affiliated with a vendor that has entered into a contract for supplies,
12 materials, equipment, other tangible personal property, or services in excess of twenty-five
13 thousand dollars (\$25,000) with any of the principal offices or departments listed in
14 G.S. 143A-11 and subject to the provisions of Article 3 of Chapter 143 of the General Statutes.
15 This subsection does not apply if the contributions by all entities affiliated with the vendor to
16 the relevant political campaign during the term of the contract do not exceed one thousand
17 dollars (\$1,000). The State Board of Elections shall adopt any procedures for reporting it deems
18 necessary for the enforcement of this subsection.

19 (c) Penalty. – A violation of this section is a Class 2 misdemeanor."

20 **SECTION 2.** This act becomes effective December 1, 2009, and applies to
21 contributions made on or after that date.