

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 961
Committee Substitute Favorable 4/15/09
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Senate Judiciary I Committee Substitute Adopted 6/22/10
PROPOSED SENATE COMMITTEE SUBSTITUTE H961-PCS30532-ST-95

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



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1 by elected officials is minimized and that the equal and meaningful participation of all citizens
2 in the democratic process is ensured. Accordingly, this Article establishes the North Carolina
3 Voter-Owned Elections Fund as an alternative source of campaign financing for candidates
4 who obtain a sufficient number of qualifying contributions from registered voters and who
5 voluntarily accept strict fund-raising and spending limits. This Article is available to candidates
6 for the Council of State offices of Auditor, Superintendent of Public Instruction, and
7 Commissioner of Insurance in elections to be held in 2008 and ~~thereafter~~ thereafter; to
8 candidates for the Council of State offices of Secretary of State and Treasurer, and to
9 candidates for the offices of Commissioner of Agriculture and Commissioner of Labor, in
10 elections to be held in 2012 and thereafter; and to candidates for the Council of State office of
11 Attorney General in elections to be held in 2016 and thereafter.

12 **"§ 163-278.96. Definitions.**

13 The following definitions apply in this Article:

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

- 1 (12) Office. – The Council of State offices of Auditor, Secretary of State,
2 Superintendent of Public Instruction, Treasurer, Commissioner of
3 Agriculture, Commissioner of Labor, and Commissioner of Insurance.
4 (13) Participating candidate. – A candidate for office who has filed a declaration
5 of intent to participate under G.S. 163-278.98(a).
6 (14) Political committee. – Defined in G.S. 163-278.6.
7 (15) Qualifying contribution. – A contribution of not less than ten dollars
8 (\$10.00) and not more than two hundred dollars (\$200.00) in the form of ~~a~~
9 ~~check or money order~~ prescribed for noncash monetary contributions in
10 G.S. 163-278.14(b) to the candidate that meets both of the following
11 conditions:
12 a. Made by ~~any~~ an individual who is a registered voter in this
13 ~~State.~~ State at the time of the submittal of the report specified in
14 G.S. 163-278.98(c).
15 b. Made only during the qualifying period and obtained with the
16 approval of the candidate or candidate's committee.
17 (16) Qualifying period. – The period beginning September 1 in the year before
18 the election and ending on the day of the primary.
19 (17) Trigger for matching funds. – The dollar amount at which matching funds
20 are released under G.S. 163-278.99B for certified candidates. In the case of a
21 contested primary, the trigger equals the maximum qualifying contributions
22 for the candidate. In the case of a contested general election, the trigger
23 equals the base level of funding available under G.S. 163-278.99(b)(4).

24 **"§ 163-278.97. Voter-Owned Elections Fund established; sources of funding.**

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

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

- 32 (1) Unspent Fund revenues distributed for an election that remain unspent or
33 uncommitted at the time the recipient is no longer a certified candidate in the
34 election.
35 (2) Money ordered returned to the Fund in accordance with G.S. 163-278.99D.
36 (3) Money paid to the Fund equal to excess contributions as provided in
37 G.S. 163-278.98(e)(1).
38 (4) Voluntary donations made directly to the Fund.
39 (5) Appropriations from the General Fund.
40 (6) Money collected pursuant to G.S. 55A-1-22, 57C-1-22, 58-33-125, 78A-37,
41 95-110.5(20), 95-69.11(11), 106-22, and 147-69.2(e).

42 (c) Evaluation and Determination of Fund Amount. – By January 1, 2011, and every
43 four years thereafter, the Board, in conjunction with the Advisory Council established under
44 G.S. 163-278.68(b), shall prepare and provide to the Joint Legislative Commission on
45 Governmental Operations of the General Assembly a report documenting, evaluating, and
46 making recommendations relating to the administration, implementation, and enforcement of
47 this Article. In its report, the Board shall set out the funds received to date and the expected
48 needs of the Fund during the next election cycle ~~and make recommendations about the~~
49 ~~feasibility of expanding its provisions to include other candidates for State office~~ based on the
50 experience of this Article and the experience of similar programs in North Carolina and other
51 states. The Board shall also evaluate and make recommendations regarding how to address

1 activities that could undermine the purpose of this Article, including spending that appears to
2 target candidates but is not reached by regulation.

3 **"§ 163-278.98. Requirements for participation.**

4 (a) Declaration of Intent to Participate. – Any individual choosing to receive campaign
5 funds from the Fund shall first file with the Board a declaration of intent to participate in the
6 program established by this Article as a candidate for a stated office. The declaration of intent
7 shall be filed before or during the qualifying period and before collecting any qualifying
8 contributions. In the declaration, the candidate shall swear or affirm that only one political
9 committee, identified with its treasurer, shall handle all contributions, campaign-related
10 expenditures, and obligations for the participating candidate and that the candidate will comply
11 with the contribution and expenditure limits set forth in subsection (e) of this section and all
12 other requirements set forth in this Article or adopted by the Board. Failure to comply is a
13 violation of this Article.

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

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

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

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

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

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

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

- 49 (1) Beginning August 1 of the year before the election and before filing a
50 declaration of intent, a candidate shall limit campaign-related expenditures
51 to twenty thousand dollars (\$20,000) and shall not accept more than twenty

1 thousand dollars (\$20,000) from sources and in amounts permitted by
2 Article 22A of this Chapter. A candidate who exceeds either of these limits
3 shall be ineligible to file a declaration of intent or receive funds from the
4 Fund. However, the acceptance of contributions in excess of that twenty
5 thousand dollar (\$20,000) limit does not render the candidate ineligible if the
6 candidate pays to the Board an amount equal to the contributions accepted
7 by the candidate in excess of that limit. The Board shall deposit all such
8 payments into the Fund.

9 (2) From the filing of a declaration of intent through the end of the qualifying
10 period, a candidate may accept only qualifying contributions, contributions
11 under ten dollars (\$10.00) from North Carolina voters, in-kind party
12 contributions as permitted in subdivision (4) of this subsection, and personal
13 and family contributions permitted under subdivision (4a) of this subsection.
14 The total contributions the candidate may accept during this period shall not
15 exceed the maximum qualifying contributions for that candidate. Except for
16 personal and family contributions permitted under subdivision (4a) of this
17 subsection, multiple contributions from the same contributor to the same
18 candidate shall not exceed two hundred dollars (\$200.00). In addition to
19 these contributions, the candidate may only expend during this period the
20 remaining money raised pursuant to subdivision (1) of this subsection and
21 possible matching funds received pursuant to G.S. 163-278.99B. If the
22 candidate has any remaining money that was raised as contributions before
23 August 1 of the year before the election, the candidate may not expend that
24 money after filing the declaration of intent, except for purposes permitted
25 under subdivision (2), (3), (6), (7), or (8) of G.S. 163-278.16B(a).

26 (3) After the qualifying period and through the date of the general election, the
27 candidate shall cease campaign-related fund-raising activities and shall
28 expend only the funds the candidate receives from the Fund pursuant to
29 G.S. 163-278.99(b) plus any funds remaining from the qualifying period and
30 possible matching funds.

31 (4) In addition to the amounts above, a candidate may accept in-kind
32 contributions from political party executive committees, up to an aggregate
33 value of thirty thousand dollars (\$30,000) for the election cycle.

34 (4a) During the qualifying period, the candidate may contribute up to one
35 thousand dollars (\$1,000) of that candidate's own money to the campaign.
36 Debt incurred by the candidate for a campaign expenditure shall count
37 toward that limit. The candidate may accept in contributions one thousand
38 dollars (\$1,000) from each member of that candidate's family consisting of
39 spouse, parent, child, brother, and sister. Up to two hundred dollars
40 (\$200.00) of a contribution from the candidate's family member may be
41 treated as a qualifying contribution if it meets the requirements of
42 G.S. 163-278.96(15)a. and b.

43 (5) A candidate and the candidate's committee shall limit the use of all revenues
44 permitted by this subsection to expenditures for campaign-related purposes
45 only. The Board shall publish guidelines outlining permissible
46 campaign-related expenditures.

47 (6) Except as provided in subdivision (1) of this subsection, any contribution
48 received by a participating or certified candidate that falls outside that
49 permitted by this subsection shall be returned to the donor as soon as
50 practicable. Contributions intentionally made, solicited, or accepted in
51 violation of this Article are subject to civil penalties as specified in

1 G.S. 163-278.99D. The funds involved shall be forfeited to the Civil Penalty
2 and Forfeiture Fund.

3 (7) A candidate shall return to the Fund any amount distributed for an election
4 that is unspent and uncommitted at the date of the election or at the time the
5 individual ceases to be a certified candidate, whichever occurs first. For
6 accounting purposes, all qualifying, personal, and family contributions shall
7 be considered spent before revenue from the Fund is spent or committed.

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

12 **"§ 163-278.99. Distribution from the Fund.**

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

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

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

20 (b) Amount of Fund Distribution. – ~~By August 1, 2011, and no less frequently than~~
21 ~~every four years thereafter, No later than August 1 of the second year before an election, the~~
22 ~~Board shall determine the amount of funds, rounded to the nearest one hundred dollars~~
23 ~~(\$100.00), funds to be distributed to certified candidates as follows:~~

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

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

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

28 (4) Contested general elections. – The amount of funds to be distributed to a
29 candidate is the average amount of campaign-related expenditures made in
30 the general election by all candidates who won the immediately preceding
31 three general elections for that office, rounded to the nearest one thousand
32 dollars (\$1,000), but not less than three hundred thousand dollars
33 (\$300,000). For purposes of this subsection, "campaign-related
34 expenditures" does not include loan repayments and contributions to a
35 candidate, political committee, or political party. For purposes of this
36 subsection, expenditures are made in the general election if they are required
37 to be reported on the third and fourth quarterly reports.

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

46 **"§ 163-278.99A. Reporting requirements.**

47 (a) Reporting by Noncertified Candidates and Other Entities. – Any nonparticipating
48 candidate with a certified opponent shall report total contributions received to the Board by
49 facsimile machine or electronically within 24 hours after the total amount of contributions
50 received exceeds eighty percent (80%) of the trigger for matching funds as defined in
51 G.S. 163-278.96(17). Any entity making independent expenditures in support of or in

1 opposition to a certified candidate, or in support of a candidate opposing a certified candidate,
2 or paying for electioneering communications referring to one of those candidates, shall report
3 the total funds received, spent, or obligated for those expenditures or payments to the Board by
4 facsimile machine or electronically within 24 hours after the total amount of expenditures or
5 obligations made, or funds raised or borrowed, for the purpose of making the independent
6 expenditures or electioneering communications exceeds five thousand dollars (\$5,000). After
7 the initial 24-hour filing, the nonparticipating candidate or other reporting entity shall comply
8 with an expedited reporting schedule. The schedule and forms for reports required by this
9 subsection shall be supplied by the Board.

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

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

20 **"§ 163-278.99B. Matching funds.**

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

28 (1) The greater of the following:

29 a. Campaign expenditures or obligations made, or funds raised or
30 borrowed, whichever is greater, reported by any one nonparticipating
31 opponent of a certified candidate. Where a certified candidate has
32 more than one nonparticipating opponent, the measure shall be taken
33 from the nonparticipating candidate showing the highest relevant
34 dollar amount.

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

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

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

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

50 (d) Determinations by Board. – In the case of electioneering communications, the
51 Board shall determine which candidate, if any, is entitled to receive matching funds as a result

1 of the communication. The Board shall issue matching funds based on the communication only
2 if it ascertains that the communication is susceptible of no reasonable interpretation other than
3 as an appeal to vote for or against a specific candidate. In making its determination, the Board
4 shall not consider evidence external to the communication itself of the intent of the sponsor or
5 the effect of the communication. The Board shall notify each candidate it determines is entitled
6 to receive matching funds based on those communications, the sponsor of those
7 communications, and any candidate who is an opponent of the candidate it determines is
8 entitled to the matching funds. The Board shall give the sponsor of the communication and any
9 opposing candidate an adequate opportunity to rebut the determination of the Board. In
10 considering the rebuttal, all candidates in the race and the sponsor shall be given adequate and
11 equal opportunity to be heard. The Board shall adopt procedures for implementing this
12 subsection, balancing in those procedures adequacy of opportunity to rebut and adequacy and
13 equality of opportunity to be heard on the rebuttal with the need to expedite the decision on
14 awarding matching funds. The Board shall distribute the matching funds, if any, at the
15 conclusion of its process.

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

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

26 **"§ 163-278.99C. Unaffiliated and new-party candidates.**

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

33 **"§ 163-278.99D. Enforcement by the Board; civil penalty.**

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

45 **"§ 163-278.99D.1. Enforcement and administration.**

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

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

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

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

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

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

31 **"§ 163-278.99E. Voter education.**

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

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

- 47 (1) Place of residence.
- 48 (2) Education.
- 49 (3) Occupation.
- 50 (4) Employer.
- 51 (5) Previous elective offices held.

(6) ~~Endorsements, limited to 50 words.~~ Endorsements. – Concerning endorsements, the Board shall send to the candidates instructions as follows: "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	\$60.00 \$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

1	(23)	Certificate of revocation of authority to conduct affairs	No fee
2	(24)	Corporation's Statement of Change of Principal Office	\$ 5.00
3	(24a)	Designation of Principal Office Address	\$ 5.00
4	(25)	Articles of correction	\$10.00
5	(26)	Application for certificate of existence or authorization (paper)	\$15.00
6	(26a)	Application for certificate of existence or authorization	
7		(electronic)	\$10.00
8	(27)	Any other document required or permitted to be filed by this	
9		Chapter	\$10.00
10	(28)	Repealed by Session Laws 2001-358, s. 7(c), effective January 1, 2002.	
11	(a1)	<u>Of the fee charged pursuant to subdivision (a)(1) of this section, five dollars (\$5.00)</u>	
12		<u>shall be paid into the North Carolina Voter-Owned Elections Fund for distribution in</u>	
13		<u>accordance with Article 22J of Chapter 163 of the General Statutes.</u>	
14	(b)	The Secretary of State shall collect a fee of ten dollars (\$10.00) each time process is	
15		served on the Secretary under this Chapter. The party to a proceeding causing service of	
16		process is entitled to recover this fee as costs if the party prevails in the proceeding.	
17	(c)	The Secretary of State shall collect the following fees for copying, comparing, and	
18		certifying a copy of any filed document relating to a domestic or foreign corporation:	
19	(1)	One dollar (\$1.00) a page for copying or comparing a copy to the original.	
20	(2)	Fifteen dollars (\$15.00) for a paper certificate.	
21	(3)	Ten dollars (\$10.00) for an electronic certificate."	
22		SECTION 1.(c) G.S. 57C-1-22 reads as rewritten:	
23		"§ 57C-1-22. Filing, service, and copying fees.	
24	(a)	The Secretary of State shall collect the following fees when the documents	
25		described in this subsection are delivered to the Secretary of State for filing:	
26		<u>Document</u>	<u>Fee</u>
27	(1)	Articles of organization	\$125.00 \$130.00
28	(2)	Application for reserved name	10.00
29	(3)	Notice of transfer of reserved name	10.00
30	(4)	Application for registered name	10.00
31	(5)	Application for renewal of registered name	10.00
32	(6)	Limited liability company's statement of change of registered	
33		agent or registered office or both	5.00
34	(7)	Agent's statement of change of registered office for each	
35		affected limited liability company	5.00
36	(8)	Agent's statement of resignation	No fee
37	(9)	Designation of registered agent or registered office or both	5.00
38	(10)	Amendment of articles of organization	50.00
39	(11)	Restated articles of organization without amendment of articles	10.00
40	(12)	Restated articles of organization with amendment of articles	50.00
41	(12a)	Articles of conversion (other than articles of conversion included	
42		as part of another document)	50.00
43	(13)	Articles of merger	50.00
44	(14)	Articles of dissolution	30.00
45	(15)	Cancellation of articles of dissolution	10.00
46	(16)	Certificate of administrative dissolution	No fee
47	(16a)	Application for reinstatement following administrative	
48		dissolution	100.00
49	(17)	Certificate of reinstatement	No fee
50	(18)	Certificate of judicial dissolution	No fee
51	(19)	Application for certificate of authority	250.00

1	(20)	Application for amended certificate of authority	50.00
2	(21)	Application for certificate of withdrawal	10.00
3	(22)	Certificate of revocation of authority to transact business	No fee
4	(23)	Articles of correction	10.00
5	(24)	Application for certificate of existence or authorization (paper)	15.00
6	(24a)	Application for certificate of existence or authorization	
7		(electronic)	10.00
8	(25)	Annual report	200.00 205.00
9	(26)	Any other document required or permitted to be filed by this	
10		Chapter	10.00
11	(27)	Repealed by Session Laws 2001-358, s. 8(c).	

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

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

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

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

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

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

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

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

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

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

47 "(20) To establish fees not to exceed two hundred dollars (\$200.00) for the
 48 inspection and issuance of certificates of operation for all devices and
 49 equipment subject to this Article upon installation or alteration, for each
 50 follow-up inspection, and for annual periodic inspections thereafter. Of the
 51 fee charged pursuant to this subdivision, an additional five dollars (\$5.00)

1 shall be paid into the North Carolina Voter-Owned Elections Fund for
2 distribution in accordance with Article 22J of Chapter 163 of the General
3 Statutes."

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

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

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

11 "(18) Rental agreements. – For every rental agreement for real property where the
12 Board or the Commissioner is the lessor, the Board or Commissioner shall
13 charge an additional three percent (3%), which shall be paid into the North
14 Carolina Voter-Owned Elections Fund for distribution in accordance with
15 Article 22J of Chapter 163 of the General Statutes."

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

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

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

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

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

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

33 "(12) Office. – The Council of State offices of Attorney General, Auditor,
34 Secretary of State, Superintendent of Public Instruction, Treasurer,
35 Commissioner of Agriculture, Commissioner of Labor, and Commissioner
36 of Insurance."

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

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

39 "**§ 126-14. Promise or threat to obtain political contribution or support.**

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

- 43 (1) a State employee subject to the Personnel Act,
- 44 (2) a probationary State employee,
- 45 (3) a temporary State employee, or
- 46 (4) an applicant for a position subject to the Personnel Act

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

1 (a1) It is unlawful for an individual as defined in G.S. 138A-3(30)a. to coerce a person as
2 described in G.S. 138A-32(d)(1), (2), or (3) to support or contribute to a political candidate, a
3 political committee as defined in G.S. 163-278.6, or a political party by threatening discipline
4 or promising preferential treatment with regard to that person's business with the individual's
5 State office or that person's activities regulated by the individual's State office.

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

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

13 **SECTION 3.(b)** This section becomes effective December 1, 2010, and applies to
14 offenses committed on or after that date.

15 **SECTION 4.(a)** G.S. 14-234(a) reads as rewritten:

16 "**§ 14-234. Public officers or employees benefiting from public contracts; exceptions.**

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

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

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

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

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

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

33 ~~(1) While~~while in office—office or

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

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

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

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

42 "(c) No public servant or former public servant as defined in G.S. 138A-3(30)c. may
43 register as a lobbyist under this Chapter within ~~six months~~—one year after separation from
44 employment as a public servant. No other employee of any State agency may register as a
45 lobbyist under this Chapter to lobby the State agency that previously employed the former
46 employee within one year after voluntary separation or separation for cause from that State
47 agency."

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

49 "(f) In addition to the information required for registration under subsection (b) of this
50 section, former employees of a State agency who register as a lobbyist within one year after

1 voluntary separation or separation for cause from employment with a State agency shall also
2 indicate which State agency with which the former employee was employed."

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

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

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

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

15 **"§ 163-278.27. Criminal penalties; duty to report and prosecute.**

16 (a) Any individual, candidate, political committee, referendum committee, treasurer,
17 person or media who intentionally violates the applicable provisions of G.S. 163-278.7,
18 163-278.8, 163-278.9, 163-278.10, 163-278.11, 163-278.12, 163-278.13, 163-278.13B,
19 163-278.14, 163-278.16, 163-278.16B, 163-278.17, 163-278.18, 163-278.19, 163-278.20,
20 163-278.39, 163-278.40A, 163-278.40B, 163-278.40C, 163-278.40D, 163-278.40E, or
21 163-278.40J is guilty of a Class 2 misdemeanor. The statute of limitations as stated in G.S. 15-1
22 shall run from the day the last report is due to be filed with the appropriate board of elections
23 for the election cycle for which the violation occurred.

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

26 (a2) A person or individual who intentionally violates G.S. 163-278.14(a) or
27 G.S. 163-278.19(a) and the unlawful contributions total more than ten thousand dollars
28 (\$10,000) per election is guilty of a Class I felony.

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

32 (1) In the case of a candidate for nomination or election to the State Senate or
33 State House of Representatives: report to the district attorney of the
34 prosecutorial district in which the candidate for nomination or election
35 resides;

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

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

49 (4) In the case of a person or any group of individuals: report to the district
50 attorney or district attorneys [of] the prosecutorial district or districts in

1 which any of the officers, directors, agents, employees or members of the
2 person or group reside.

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

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

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

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

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

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

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

29 **"§ 143C-2-5. Grants and contracts database.**

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

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

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

42 **"§ 143C-2-6. Contents of database and Web site.**

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

48 (b) The Office of State Budget and Management shall work with the Office of the State
49 Auditor and the Grant Information Center to incorporate data on grants into the database and
50 Web site required by this Article. All State institutions, departments, bureaus, agencies, or

1 commissions subject to the authority of the Governor shall make necessary changes to existing
2 reporting processes for grants and contracts to ensure the goals of this Article are met.

3 (c) All State contracts and grants awarded in amounts in excess of ten thousand dollars
4 (\$10,000) shall be included in the database and Web site required by this Article. The following
5 information shall be provided for each contract or grant:

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

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

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

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

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

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

13 (7) Expected outcomes of the contract or grant and specific deliverables
14 required.

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

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

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

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

- 1 m. Individuals under contract with the State working in or against a
2 position included under this subdivision.
3 n. The director of the Office of State Personnel.
4 o. The State Controller.
5 p. The chief information officer, deputy chief information officers,
6 chief financial officers, and general counsel of the Office of
7 Information Technology.
8 q. The director of the State Museum of Art.
9 r. The executive director of the Agency for Public Telecommunication.
10 s. The Commissioner of Motor Vehicles.
11 t. The Commissioner of Banks and the chief deputy commissioners of
12 the Banking Commission.
13 u. The executive director of the North Carolina Housing Finance
14 Agency.
15 v. The executive director, chief financial officer, and chief operating
16 officer of the North Carolina Turnpike Authority."

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

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

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

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

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

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

38 **"§ 138A-24. Contents of statement.**

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

- 43 (1) Except as otherwise provided in this subdivision, the name, current mailing
44 address, occupation, employer, and business of the filing person. Any
45 individual holding or seeking elected office for which residence is a
46 qualification for office shall include a home address. A judicial officer may
47 use a current mailing address instead of the home address on the form
48 required in this subsection. The judicial officer may also use the initials
49 instead of the name of any unemancipated child of the judicial officer who
50 also resides in the household of the judicial officer. If the judicial officer
51 provides the initials of an unemancipated child, the judicial officer shall

1 concurrently provide the name of the unemancipated child to the
2 Commission. The name of an unemancipated child provided by the judicial
3 officer to the Commission shall not be a public record under Chapter 132 of
4 the General Statutes and is privileged and confidential.

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

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

- 1 k. A list of all liabilities, excluding indebtedness on the filing person's
2 primary personal residence, by type of creditor and debtor.
- 3 l. Repealed by Session Laws 2007-348, s. 34. See Editor's note for
4 effective date.
- 5 m. A list of all stock options in a company or business not otherwise
6 disclosed on this statement.
- 7 (3) The name of each source (not specific amounts) of income of more than five
8 thousand dollars (\$5,000) received during the previous year by business or
9 industry type, if that source is not listed under subdivision (2) of this
10 subsection. Income shall include salary, wages, professional fees, honoraria,
11 interest, dividends, rental income, and business income from any source
12 other than capital gains, federal government retirement, military retirement,
13 or social security income.
- 14 (4) If the filing person is a practicing attorney, an indication of whether the
15 filing person, or the law firm with which the filing person is affiliated,
16 earned legal fees during the past year in excess of ten thousand dollars
17 (\$10,000) from any of the following categories of legal representation:
- 18 a. Administrative law.
19 b. Admiralty law.
20 c. Corporate law.
21 d. Criminal law.
22 e. Decedents' estates law.
23 f. Environmental law.
24 g. Insurance law.
25 h. Labor law.
26 i. Local government law.
27 j. Negligence or other tort litigation law.
28 k. Real property law.
29 l. Securities law.
30 m. Taxation law.
31 n. Utilities regulation law.
- 32 (5) Except for a filing person in compliance under subdivision (4) of this
33 subsection, if the filing person is a licensed professional or provides
34 consulting services, either individually or as a member of a professional
35 association, a list of categories of business and the nature of services
36 rendered, for which payment for services were charged or paid during the
37 past year in excess of ten thousand dollars (\$10,000).
- 38 (6) An indication of whether the filing person, the filing person's employer, a
39 member of the filing person's immediate family, or the immediate family
40 member's employer is licensed or regulated by, or has a business relationship
41 with, the board or employing entity with which the filing person is or will be
42 associated. This subdivision does not apply to a legislator, a judicial officer,
43 or that legislator's or judicial officer's immediate family.
- 44 (7) A list of societies, organizations, or advocacy groups, pertaining to subject
45 matter areas over which the public servant's agency or board may have
46 jurisdiction, in which the public servant or a member of the public servant's
47 immediate family is a director, officer, or governing board member. This
48 subdivision does not apply to a legislator, a judicial officer, or that
49 legislator's or judicial officer's immediate family.
- 50 (8) A list of all things with a total value of over two hundred dollars (\$200.00)
51 per calendar quarter given and received without valuable consideration and

1 under circumstances that a reasonable person would conclude that the thing
2 was given for the purpose of lobbying, if such things were given by a person
3 not required to report under Chapter 120C of the General Statutes, excluding
4 things given by a member of the filing person's extended family. The list
5 shall include only those things received during the 12 months preceding the
6 reporting period under subsection (d) of this section, and shall include the
7 source of those things. The list required by this subdivision shall not apply to
8 things of monetary value received by the filing person prior to the time the
9 filing person filed or was nominated as a candidate for office, as described in
10 G.S. 138A-22, or was appointed or employed as a covered person.

- 11 (9) A list of any felony convictions of the filing person, excluding any felony
12 convictions for which a pardon of innocence or order of expungement has
13 been granted.
- 14 (10) Any other information that the filing person believes may assist the
15 Commission in advising the filing person with regards to compliance with
16 this Chapter.
- 17 (11) A list of any nonprofit corporation or organization with which associated
18 during the preceding calendar year, including a list of which of those
19 nonprofit corporations or organizations with which associated do business
20 with the State or receive State funds and a brief description of the nature of
21 the business, if known or with which due diligence could reasonably be
22 known.
- 23 (12) A statement of whether the filing person or the filing person's immediate
24 family is or has been a lobbyist or lobbyist principal registered under
25 Chapter 120C of the General Statutes within the preceding 12 months.
- 26 (13) The name of each business with which associated that the filing person or
27 filing person's immediate family is an employee, director, officer, partner,
28 proprietor, or member or manager."

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

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

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

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

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

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

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

48 "**§ 138A-41. Other ethics standards.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

49 (c) In addition to the reports required by this section, each lobbyist principal incurring
50 reportable expenditures in any month while the General Assembly is in session with respect to
51 lobbying legislators and legislative employees shall file a monthly reportable expenditure

1 report. The monthly reportable expenditure report shall contain information required by this
2 section with respect to all lobbying of legislators and legislative employees, and is due within
3 10 business days after the end of the month. The information on the monthly report shall also
4 be included in each quarterly report required by subsection (a) of this section.

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

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

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

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

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

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

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

25 a. Research.

26 b. Drafting of written communications.

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

31 d. Time spent advising and rendering opinions to the lobbyist principal
32 as to the construction and effect of proposed or pending legislative
33 action or executive action.

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

36 a. Direct lobbying communications or direct lobbying activities with a
37 designated individual or that designated individual's immediate
38 family.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

50 "(8) A list of all things with a total value of over two hundred dollars (\$200.00)
51 per calendar quarter given and received without valuable consideration and

1 under circumstances that a reasonable person would conclude that the thing
 2 was given for ~~the purpose of lobbying~~, if such things were given by a person
 3 not required to report under Chapter 120C of the General Statutes, excluding
 4 things given by a member of the filing person's extended family. The list
 5 shall include only those things received during the 12 months preceding the
 6 reporting period under subsection (d) of this section, and shall include the
 7 source of those things. The list required by this subdivision shall not apply to
 8 things of monetary value received by the filing person prior to the time the
 9 filing person filed or was nominated as a candidate for office, as described in
 10 G.S. 138A-22, or was appointed or employed as a covered person."

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

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

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

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

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

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

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

- 27 (1) ~~name,~~Name.
 28 (2) ~~age,~~Age.
 29 (3) ~~date~~Date of original employment or appointment to the State ~~service,~~service.
 30 (4) ~~the~~The terms of any contract by which the employee is employed whether
 31 written or oral, past and current, to the extent that the agency has the written
 32 contract or a record of the oral contract in its ~~possession,~~possession.
 33 (5) ~~current position,~~Current position.
 34 (6) ~~title,~~Title.
 35 (7) ~~current salary,~~Current salary.
 36 (8) ~~date~~Date and amount of ~~most recent~~each increase or decrease in
 37 ~~salary,~~salary with that department, agency, institution, commission, or
 38 bureau.
 39 (9) ~~date~~Date and ~~type of most recent~~each promotion, demotion, transfer,
 40 suspension, separation, or other change in position
 41 ~~classification,~~classification with that department, agency, institution,
 42 commission, or bureau.
 43 (10) ~~and 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 the records, adopted by
 47 the State Personnel Commission, every person having custody of such records shall permit
 48 them to be inspected and examined and copies thereof made by any person during regular
 49 business hours. Any person who is denied access to any such record for the purpose of
 50 inspecting, examining or copying the same shall have a right to compel compliance with the

1 provisions of this section by application to a court of competent jurisdiction for a writ of
2 mandamus or other appropriate relief."

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

4 "**§ 115C-320. Certain records open to inspection.**

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

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

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

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

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

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

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

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

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

18 (9) ~~date~~ Date and type of most recent each promotion, demotion, transfer,
19 suspension, separation, or other change in position ~~classification,~~
20 and classification with that local board of education.

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

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

24 (c) Subject only to rules and regulations for the safekeeping of records adopted by the
25 local board of education, every person having custody of the records shall permit them to be
26 inspected and examined and copies made by any person during regular business hours. The
27 name of a participant in the Address Confidentiality Program established pursuant to Chapter
28 15C of the General Statutes shall not be open to inspection and shall be redacted from any
29 record released pursuant to this section. Any person who is denied access to any record for the
30 purpose of inspecting, examining or copying the record shall have a right to compel compliance
31 with the provisions of this section by application to a court of competent jurisdiction for a writ
32 of mandamus or other appropriate relief."

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

34 "**§ 115D-28. Certain records open to inspection.**

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

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

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

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

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

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

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

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

46 (8) ~~date~~ Date and amount of ~~most recent each~~ increase or decrease in ~~salary,~~
47 salary with that community college.

48 (9) ~~date~~ Date and type of most recent each promotion, demotion, transfer,
49 suspension, separation, or other change in position ~~classification,~~
50 and classification with that community college.

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

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

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

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

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

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

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

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

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

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

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

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

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

24 (9) ~~date~~ Date and type of the most recent each promotion, demotion, transfer,
25 suspension, separation, or other change in position ~~classification;~~
26 and classification with that area authority.

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

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

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

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

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

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

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

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

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

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

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

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

50 (8) ~~date~~ Date and amount of ~~the most recent~~ each increase or decrease in ~~salary;~~
51 salary with that county.

1 (9) ~~date~~Date and type of the most recent~~each~~ promotion, demotion, transfer,
2 suspension, separation or other change in position ~~classification;~~
3 ~~and~~classification with that county.

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

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

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

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

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

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

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

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

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

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

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

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

27 (8) ~~date~~Date and amount of ~~the most recent~~each increase or decrease in ~~salary;~~
28 salary with that municipality.

29 (9) ~~date~~Date and type of the most~~each~~ recent promotion, demotion, transfer,
30 suspension, separation, or other change in position ~~classification;~~
31 ~~and~~classification with that municipality.

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

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

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

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

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

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

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

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

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

- 1 (5) ~~current position~~ Current position.
2 (6) ~~title;~~ Title.
3 (7) ~~current salary;~~ Current salary.
4 (8) ~~date~~ Date and amount of the ~~most recent~~ each increase or decrease in salary;
5 salary with that authority.
6 (9) ~~date~~ Date and ~~type of the most recent~~ each promotion, demotion, transfer,
7 suspension, separation, or other change in position ~~classification;~~
8 and classification with that authority.
9 (10) ~~the~~ The office to which the employee is currently assigned.

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

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

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

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

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

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

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

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

35 "**§ 7A-38.3E. Mediation of public records disputes.**

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

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

45 (c) Initiation of Mediation. – The Administrative Office of the Courts shall prescribe a
46 request for mediation form. The party filing the request for mediation shall mail a copy of the
47 request by certified mail, return receipt requested, to each party to the dispute. The clerk shall
48 provide each party with a list of mediators certified by the Dispute Resolution Commission. If
49 the parties agree in writing to the selection of a mediator from that list, the clerk shall appoint
50 that mediator selected by the parties. If the parties do not agree on the selection of a mediator,
51 the party filing the request for mediation shall bring the matter to the attention of the clerk, and

1 a mediator shall be appointed by the senior resident superior court judge. The clerk shall notify
2 the mediator and the parties of the appointment of the mediator.

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

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

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

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

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

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

32 "(a) The Supreme Court may adopt standards of conduct for mediators and other neutrals
33 who are certified or otherwise qualified pursuant to G.S. 7A-38.1, 7A-38.3, 7A-38.3B,
34 7A-38.3D, 7A-38.3E, and 7A-38.4A, or who participate in proceedings conducted pursuant to
35 those sections. The standards may also regulate mediator and other neutral training programs.
36 The Supreme Court may adopt procedures for the enforcement of those standards."

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

38 "**§ 132-9. Access to records.**

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

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

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

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

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

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

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

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

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

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

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

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

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

38 "**§ 138A-37. Legislator participation in official legislative actions.**"

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

40 "**§ 138A-38. Permitted participation exception.**

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

44 ...

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

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

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

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

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

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

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