

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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SENATE BILL 620  
Judiciary I Committee Substitute Adopted 5/2/11  
PROPOSED HOUSE COMMITTEE SUBSTITUTE S620-PCS35278-ST-64

Short Title: Clarify Use of Position.

(Public)

Sponsors:

Referred to:

April 19, 2011

1 A BILL TO BE ENTITLED  
2 AN ACT TO CLARIFY THAT A LEGISLATOR'S OR PUBLIC SERVANT'S PUBLIC  
3 POSITION MAY BE DISCLOSED IN AN AGENDA OR OTHER DOCUMENT  
4 RELATED TO A MEETING, CONFERENCE, OR SIMILAR EVENT AND TO MODIFY  
5 THE REPORTING REQUIREMENTS FOR LOBBYIST PRINCIPALS.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 138A-31(b) reads as rewritten:

8 "(b) A covered person shall not mention or ~~permit~~ authorize another person to mention  
9 the covered person's public position in nongovernmental advertising that advances the private  
10 interest of the covered person or others. The prohibition in this subsection shall not apply to  
11 any of the following:

12 (1) ~~political advertising,~~ Political advertising.

13 (2) ~~news stories, news articles,~~ News stories and articles.

14 (3) ~~the~~ The inclusion of a covered person's public position in a directory or a  
15 biographical listing, ~~listing.~~

16 (4) The inclusion of a covered person's public position in an agenda or other  
17 document related to a meeting, conference, or similar event when the  
18 disclosure could reasonably be considered material by an individual  
19 attending the meeting, conference, or similar event.

20 (5) ~~or the~~ The inclusion of a covered person's public position in a charitable  
21 solicitation for a nonprofit business entity qualifying under 26 U.S.C. §  
22 501(c)(3).

23 (6) ~~Disclosure~~ The disclosure of a covered person's position to an existing or  
24 prospective customer, supplier, or client ~~is not considered advertising for~~  
25 ~~purposes of this subsection~~ when the disclosure could reasonably be  
26 considered material by the customer, supplier, or client."

27 **SECTION 2.** G.S. 120C-403 reads as rewritten:

28 "§ 120C-403. Lobbyist principal's reports.

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



1 (b) The report shall be filed whether or not reportable expenditures are made, shall be  
2 due 15 business days after the end of the reporting period, and shall include all of the following  
3 for the reporting period:

- 4 (1) All reportable expenditures made for lobbying.  
5 (2) Solicitation of others when such solicitation involves an aggregate cost of  
6 more than three thousand dollars (\$3,000).  
7 ~~(3) With respect to each lobbyist registered under G.S. 120C-206, payment for~~  
8 ~~services paid to all lobbyists during the quarter. If a lobbyist is a full time~~  
9 ~~employee of the principal, or is paid by means of an annual fee or retainer,~~  
10 ~~the principal shall estimate and report the portion of the salary, fee, or~~  
11 ~~retainer that is reasonably allocated for the purpose of lobbying. A lobbyist~~  
12 ~~principal may rely upon a statement by the lobbyist estimating the portion of~~  
13 ~~the salary, fee, or retainer that is reasonably allocated for the purpose of~~  
14 ~~lobbying.~~  
15 (4) With respect to each lobbyist registered under G.S. 120C-206, reportable  
16 expenditures reimbursed or paid to lobbyists for lobbying that are not  
17 reported on the lobbyist's report, with an itemized description of those  
18 reportable expenditures.  
19 (5) All reportable expenditures for gifts given under G.S. 138A-32(e)(1)-(9),  
20 138A-32(e)(11), 138A-32(e)(12), and all gifts given under  
21 G.S. 138A-32(e)(10) with a value of more than two hundred dollars  
22 (\$200.00).  
23 (6) With respect to each lobbyist registered under G.S. 120C-206, the name of  
24 each person or governmental unit not otherwise registered as a lobbyist  
25 principal for whom the lobbyist principal directs the lobbyist to lobby,  
26 whether for pay or not. If the lobbyist principal is an association or other  
27 organization, the lobbyist principal shall not be required to report under this  
28 subdivision any individual member of the association or other organization  
29 for which the lobbyist is directed to lobby by that lobbyist principal.

30 (c) In addition to the reports required by this section, each lobbyist principal incurring  
31 reportable expenditures in any month while the General Assembly is in session with respect to  
32 lobbying legislators and legislative employees shall file a monthly reportable expenditure  
33 report. The monthly reportable expenditure report shall contain information required by this  
34 section with respect to all lobbying of legislators and legislative employees, and is due within  
35 10 business days after the end of the month. The information on the monthly report shall also  
36 be included in each quarterly report required by subsection (a) of this section.

37 (d) In addition to the reports required by this section, each lobbyist principal shall  
38 annually, in the last report for the registration period under G.S. 120C-200(d), report the  
39 cumulative combined total of all payments made during the registration period for all of the  
40 following:

- 41 (1) All payments for lobbying.  
42 (2) Activities as described in subdivision (e)(2) of this section.

43 (d1) The cumulative combined total of payments reported under subsection (d) for  
44 lobbying and other activities described in subdivision (2) of subsection (e) of this section made  
45 during the registration period, as applicable:

- 46 (1) If a lobbyist represents the lobbyist principal, but is not directly employed by  
47 that lobbyist principal, the portion of the payment that is for lobbying and to  
48 whom it was paid.  
49 (2) If a lobbyist is under contract with the lobbyist principal for lobbying, the  
50 portion of the contract that is reasonably allocated for lobbying.

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

4 (d2) Notwithstanding any other provision of this Article, the cumulative combined total  
5 of all payments for lobbying and other activities made by the principal to all lobbyists  
6 registered for that lobbyist principal shall be reported as one cumulative amount with no further  
7 division or allocation by individual lobbyist, activity, or any other categorization.

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

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

12 (2) In addition to reporting any payment to a lobbyist for lobbying under  
13 subsection (d) of this section, a lobbyist principal shall report, cumulatively  
14 for the year, any payment to a lobbyist for any of the following  
15 communications and activities that were used to lobby within the registration  
16 period under G.S. 120C-200(d):

17 a. Research.

18 b. Drafting of written communications.

19 c. Monitoring of proposed or pending legislative action or executive  
20 action, including time spent preparing communications with the  
21 lobbyist principal to relate information on proposed or pending  
22 legislative action or executive action.

23 d. Time spent advising and rendering opinions to the lobbyist principal  
24 as to the construction and effect of proposed or pending legislative  
25 action or executive action.

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

28 a. Direct lobbying communications or direct lobbying activities with a  
29 designated individual or that designated individual's immediate  
30 family.

31 b. Communications or activities to develop goodwill, including the  
32 building of relationships, with a designated individual or that  
33 designated individual's immediate family member."

34 **SECTION 3.** This act becomes effective October 1, 2011, and applies to reports  
35 filed on or after that date.