

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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HOUSE BILL 139  
Committee Substitute Favorable 4/21/11  
PROPOSED COMMITTEE SUBSTITUTE H139-PCS80230-TB-6

Short Title: Limit Contributions by State Vendors.

(Public)

Sponsors:

Referred to:

February 21, 2011

A BILL TO BE ENTITLED

AN ACT TO LIMIT CAMPAIGN CONTRIBUTIONS BY INDIVIDUALS WHO  
DIRECTLY AND SUBSTANTIALLY BENEFIT FROM CONTRACTS WITH THE  
STATE TO CANDIDATE CAMPAIGN COMMITTEES OF CERTAIN STATEWIDE  
CANDIDATES.

The General Assembly of North Carolina enacts:

**SECTION 1.** Article 22A of Chapter 163 of the General Statutes is amended by  
adding a new section to read:

**"§ 163-278.13D. Limitation on contributions from State vendors.**

(a) No vendor of this State may make a contribution greater than five hundred dollars (\$500.00) per election to a candidate as defined in G.S. 163-278.38Z(2) or candidate campaign committee as defined in G.S. 163-278.38Z(3) for a public servant as defined in G.S. 138A-3(30)a. and G.S. 120C-104 if the public servant has authority over the contract with the vendor.

(b) This section shall not apply to a vendor who has filed a notice of candidacy for office under G.S. 163-106, G.S. 163-107.1, or Article 11 of Chapter 163 of the General Statutes or has been nominated under G.S. 163-114 or G.S. 163-98 and is making a contribution to that vendor's candidate campaign committee.

(c) For purposes of this section, the term "vendor" shall mean any of the following:

(1) An individual with a contract greater than twenty-five thousand dollars (\$25,000) with any office established by Article III of the North Carolina Constitution.

(2) An individual employed by a corporation or person with a contract greater than twenty-five thousand dollars (\$25,000) with any office established by Article III of the North Carolina Constitution in any of the following capacities:

a. Will derive a direct financial benefit from the contract. Direct financial benefit exists only if the individual (i) has more than a ten percent (10%) beneficial ownership in a party to the contract or (ii) acquires property under the contract.

b. Oversees the performance of the contract and has authority to make decisions regarding the contract or to interpret the contract.



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- 1                   c.     Participates in the development of specifications or terms and in the
- 2                             preparation or award of the contract.
- 3       (3)     An individual who is a member of a board, commission, or other body of a
- 4             corporation with a contract greater than twenty-five thousand dollars (\$25,000)
- 5             with any office established by Article III of the North Carolina Constitution that
- 6             takes action on the contract, whether or not the individual actually participates in
- 7             that action, unless the individual is prohibited from voting by a policy of the
- 8             corporation and does not vote on the contract."

9             **SECTION 2.** This act becomes effective January 1, 2012, and applies to

10     contributions made on or after that date.