

2015-2016

**HOUSE
ETHICS**

MINUTES

HOUSE ETHICS COMMITTEE

MEMBER	ASSISTANT	PHONE	OFFICE	SEAT
Rep. John Faircloth, Chair	Becky Bauerband, Clerk	3-5877	613	39
Rep. Rick Glazier, Chair	Megan Lewis, Clerk	3-5601	1021	71
Rep. Becky Carney, Vice Chair	Beth LeGrande	3-5827	1221	12
Rep. Leo Daughtry, Vice Chair	Jan Copeland	3-5605	2207	2
Rep. Jamie Boles	Kerry Guice	3-5903	528	25
Rep. William Brisson	Caroline Stirling	3-5772	405	23
Rep. Rayne Brown	Andrew Bailey	5-0873	633	61
Rep. Tricia Cotham	Carol Erichsen	5-0706	402	33
Rep. Edward Hanes	Rita Harris	3-5829	1006	94
Rep. Darren Jackson	Angela McMillan	3-5974	1013	34
Rep. Pat McElraft	Nancy Fox	3-6275	634	9
Rep. Chuck McGrady	Laura Bone	3-5956	304	28
Rep. Jacqueline Schaffer	Sharon Sullivan	3-5886	2213	65
Rep. Mitchell Setzer	Margaret Herring	3-4948	2204	7
Rep. Evelyn Terry	Franklin Terry	3-5777	1015	92
Rep. Michael Wray	Susan Burleson	3-5662	503	24



Becky Bauerband (Rep. John Faircloth)

From: Becky Bauerband (Rep. John Faircloth)
Sent: Tuesday, March 17, 2015 12:34 PM
To: Becky Bauerband (Rep. John Faircloth)
Subject: <NCGA> House Ethics Committee Meeting Notice for Wednesday, March 18, 2015 at 2:00 PM
Attachments: Add Meeting to Calendar_LINC_ics

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION**

You are hereby notified that the **House Committee on Ethics** will meet as follows:

DAY & DATE: Wednesday, March 18, 2015
TIME: 2:00 PM
LOCATION: 415 LOB
COMMENTS: Representative Faircloth, Chair

Respectfully,

Representative John Faircloth, Co-Chair
Representative Rick Glazier, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 12:31 PM on Tuesday, March 17, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Rebecca Bauerband (Committee Assistant)



**House Committee on Ethics
Wednesday, March 18, 2:00PM
Room 415 Legislative Office Building**

AGENDA

I. Call To Order

Chairs: Representative John Faircloth
Representative Rick Glazier

II. Welcome and Opening Remarks By Chairs

III. Presentations

Brief overview of the House Ethics Committee
Brad Krehely, Committee Co-Counsel

Overview of the State Ethics Commission and Recommended Revisions to the Ethics Laws
Perry Newson, Executive Director, North Carolina State Ethics Commission

Overview of the Lobbying Compliance Division of the Secretary of State's Office, and Recommended Revisions to the Lobbying Laws
Joal Broun, Lobbyist Compliance Director, North Carolina Secretary of State's Office
Rodney Maddox, Chief Deputy Secretary, North Carolina Secretary of State's Office

IV. Committee Discussion

V. Adjournment



House Ethics

[illegible]



House Committee on Ethics
Wednesday, March 18, 2015 at 2:00 PM
Room 415 of the Legislative Office Building

MINUTES

The House Committee on Ethics met at 2:00 PM on March 18, 2015 in Room 415 of the Legislative Office Building. Representatives Boles, R. Brown, Carney, Daughtry, Faircloth, Glazier, Jackson, McElraft, Schaffer, and Wray attended.

Representative John Faircloth, Chair, presided. He called the meeting to order at 2:00 PM. Chairman Faircloth introduced the Sergeant at Arms staff and Pages present for the meeting.


Chairman Faircloth introduced Brad Krehely, Committee Co-Counsel, to give an overview of the House Ethics Committee. A copy is attached as Exhibit "A".

Chairman Faircloth introduced Perry Newson, Executive Director of the North Carolina State Ethics Commission. He presented an overview of the State Ethics Commission, and recommended revisions to the Ethics Laws. A copy is attached as Exhibit "B".

Chairman Faircloth introduced Rodney Maddox, Chief Deputy Secretary of the North Carolina Secretary of State's office, and Joal Broun, Lobbyist Compliance Director of the North Carolina Secretary of State's office. They gave a brief overview of the Lobbying Compliance Division of the Secretary of State's Office, and recommended revisions to the lobbying laws. A copy is attached as Exhibit "C". Each member of the committee was given a copy of the 2015 Lobbyist Expense Report, Exhibit "D", Lobbyist Registration Statement 2015, Exhibit "E", and the Principal Registration and Lobbyist Authorization Statement 2015, Exhibit "F".

After the presentation, Chairman Faircloth opened the floor for discussion.

The meeting adjourned at 2:38 PM.


Representative John Faircloth, Chair
Presiding


Rebecca Bauerband, Committee Clerk



Overview of the House Ethics Committee

Brad Krehely, Committee Counsel

March 18, 2015

Thank you, Mr. Chairman and members of the Committee. I'm Brad Krehely, and I'm Counsel to the House Ethics Committee. The chairs have asked me to give you a brief overview of the Committee, explain how it is different from the Legislative Ethics Committee, and mention how ethics staff at the General Assembly is organized.

So, what is the House Ethics Committee?

The House Ethics Committee is a standing committee of the General Assembly. Like other standing committees, bills are referred to the Committee and scheduled by the chairs. Standing committees occasionally have informational meetings to hear from various stakeholders. The House Ethics Committee should not be confused with the Legislative Ethics Committee.

How is the House Ethics Committee different from the Legislative Ethics Committee? The Legislative Ethics Committee is a joint committee (House and Senate) that consists of 12 members (6 Senators, 6 Representatives). The Committee is also bipartisan in equal numbers (6 Republicans, 6 Democrats). The major responsibilities of the LEC include:

- Giving advice—issuing advisory opinions, giving final approval to recommended advisory opinions from the State Ethics Commission, and issuing principles and guidelines
- Investigating ethics complaints
- The LEC has occasionally made recommended changes to the ethics laws.

How is the General Assembly's Ethics Staff Organized?

First, we have an ethics training and advising staff that consists of Tim Hovis, Erika Churchill, and Denise Adams. They are responsible for ethics training and also offer informal advice to members of the General Assembly. They are also staff to the Legislative Ethics Committee.

Second, we have a group that primarily staffs the Legislative Ethics Committee. Those individuals are Bill Patterson, Susan Barham, and me.

Finally, the House Ethics Committee's staff is a combination of both groups. Bill Patterson, Denise Adams, and I staff the House Ethics Committee. However, as a practical matter, you may also be working with Erika, Tim, and Susan as well.

Thank you, Mr. Chairman. We look forward to working with you and the rest of the committee.



Ethics Commission

House Ethics Committee

March 18, 2015 – Room 415 LOB

Thank Chair, Members of the Committee

Intro – Pam Cashwell, AD; Kathy Edwards, Advice Attorney

We have been asked to give a brief intro of the Commission, what we do, and any requests

The Commission consists of 8 volunteer members, 4 appointed by the Gov & 4 appointed by the GA

It has a staff of 13

It administers the State Government Ethics Act & portions of the Lobbying Law along with the Sec of State

Everything the Commission does is mandated by law – and it has four (4) primary legal functions

SEIs – Financial & Personal Interest Disclosure (138A-10; 138A-21 through -27)

This is the one function that I know all of you are familiar with – you have all done it – again before 4-15

There are now two options for filing SEIs: Manual & Online (as of 2012)

There are approx. 7000 filers every year

But we have over 10,000 filings every year – due to multiple filings, supplements, & new people coming on

Electronic filing is becoming more prevalent – increased every year since available in 2012

- Last year, approx.. 4000 people filed electronically
- 6000 filed manually

Once an SEI is filed, whether manually or electronically, we must “evaluate” it – look for potential conflicts

But we do not evaluate everyone – we do NOT evaluate judicial officials or legislators – so you do not see

Starting last year, we a biennial evaluation cycle was established – so we evaluate approx.. 3000 per year now

Another recent SEI development is online access – starting last month, 2015 & future SEIs available online

- This does not include personal contact information
- We changed the form to exclude this information from online access – but it is still a public record

Advice (138A-13; 120C-102)

The Commission provides specific guidance to covered persons under both the Ethics Act & Lobbying Law

It is our **legal duty** to provide this advice – “shall render advice on specific questions” – 138A-13(a)

As you might imagine, the requests vary greatly – from the simple to the extremely complex

- Some can be answered instantly; others take weeks or even months to research and determine



There are two types of advice: informal advice & formal opinions

- Informal advice is given by staff
- Formal advisory opinions are issued by the full Commission

All forms of advice are strictly confidential

We have found that requests for advice is cyclical – more requests when GA is in session, and in election yrs

In 2014, we addressed nearly 600 requests for advice

Inquiries & Complaints (138A-12; 120C-601)

The Commission handles complaints under both the Ethics Act and the Lobbying Law

There are very specific requirements for how to handle ethics complaints set out in the Ethics Act

But there is a different procedure under the Lobbying Law

Under the Ethics Act, there are specific rqmts for filing a complaint – must be signed & sworn

But once those rqmts are met, the standard is very low for initiating an initial inquiry -- *allegations*

Last year we handled 190 complaints & inquiries

Education (138A-14; 120C-103)

The fourth main function is education

We educate or help educate public servants, legislators, & others – on both the Ethics Act & Lobbying Law

We do this through live programs, distance programs broadcast all across the state, & an online program

We also do a special lobbying program once a year

Proposed Statutory Changes 2015

You have asked us to introduce any special issues or requests the Commission may have, and I want to take these final few minutes to mention the Commission's proposed statutory changes

By way of background info, the Ethics Act was passed in 2006 – we are now in our 9th year of operation

Over the past 9 years we have encountered particular situations or issues that have raised the possibility of clarifying or improving the two laws

Several years ago, we started looking at possible changes – it has been an ongoing & evolving process

It culminated last year with the approval of a rather long list of suggested changes to both laws – chart

- Most are technical or minor in nature
- Some are more significant [complaint section; all SEI evals provisional]

The Commission revisited the changes last month and added a few additional suggestions & prioritized what it considered the most important suggested changes



All of the proposed changes, and the identified priorities, are included in two charts

But there are far too many to present or discuss in this limited amount of time,

So we will be happy to come back and discuss those with you in as much detail as you like and answer Qs

That concludes my brief overview at this time

2014-2015 Proposed Statutory Changes – Five Priorities:

- DOA Resources – “for administrative purposes
- Complaint rewrite
- Provisional appointments & evaluations – assume position prior to evaluation
- Board-to-board SEI filings – eliminate exception & require new SEI
- SEI compliance: start response time from date on notice letter, rather than receipt



Lobbying Compliance Division of the Secretary of State Presentation Notes

March 18, 2015

Rodney Maddox, Chief Deputy Secretary of State and Joal Broun, Director Lobbying Compliance

Before N.C. House Committee on Ethics

- A. Greetings to Committee Leadership and Members
- B. Introduction of Rodney Maddox, Chief Deputy Secretary of State, and Joal Broun, Director Lobbying Compliance Division.
- C. Acknowledgement of Committee request to present remarks relating to (1) An Explanation as to what the Lobbying Compliance Division does, (2) Present concerns, and (3) Present suggested changes.
- D. Presentation:

Part One: Introductory Remarks by Chief Deputy Secretary Maddox

At the foundational level, the Lobbying Compliance Division administers a statutory program that requires those persons who are paid to persuade Executive or Legislative branch officials to modify public policy decisions, to identify themselves and their patrons, and additionally to regularly report their lobbying expenses. The Lobby Compliance Division receives this information and makes it available to the governmental officials, media and public through a robust public website. In the past 12 months this specific website received 992,000 hits indicating substantial interest in this data.

This background information is made available to Executive and Legislative branch officials so that decision makers will know the identity of those directly and indirectly providing information relating to public policy development. The expectation is that such information better enables policy makers to more accurately evaluate the weight that they will individually accord to the information provided by the paid advocates.

For the mechanical details as to how this process works, I would now ask my colleague, Ms. Joal Broun, Director of the Lobbying Compliance Division to share that information with you.

Part Two: Remarks Presented by Director Joal Broun

- I. Introduction: My name is Joal Broun and I am the director of the Lobbying Compliance Division of the North Carolina Department of the Secretary of State.
 - A. As request, I am going to share with you the mechanics of what we do.
- II. Registration
 - A. Electronically filed registrations



1. If you have previously filed, the system populates the information for the filer, if not the filer enters all the information;
- B. The lobbyist and principal registration fee is \$250 dollars and goes to the General Fund.
- C. When we receive them, we examine them for compliance and put them on the public website.
 1. If you want to find out who is registered, you can search by the lobbyist's first or last name and find out who is registered and whom they advocate for.
 2. If you file a lobbyist registration today and it is correct, the registration filing is on the website within 24 hours.
- D. The registration data creates the directory, and persons can search under the lobbyist's first or last name and name of the principal.

III. Reporting

- A. Reports are electronically filed and there are two methods.
- B. Some of the information for the filer is prepopulated when the filer begins the report filing process.
- C. When the Review Officers review the reports, they examine the following information to determine whether:
 1. The person who signed the report is authorized to do so;
 2. The Notarization is correct; and
 3. The amounts are added correctly on the form.
- D. Once the Review Officers review the reports, we publish the reports on our public website under the lobbyist's name and the principal's name.

IV. Directory of Lobbyists and Their Principals

- A. The Directory is provided on the public website.
- B. The Directory is updated every 24 hours.
- C. We electronically send a directory every 20 days to all covered persons while the General Assembly is in session and every 60 days when General Assembly is not in session.

V. Who does the processing

- A. A small staff of 4 Review Officers
 1. They also provide customer service:
 - a. You can come to our office and we will assist you in filing your registration or report.
 - i. We provide one on one assistance and we also provide a computer and scanner for those who do not have access to such equipment so that the filer can file their reports electronically.
 - b. The Review Officers also assist customers over the telephone.
- B. Attachment of the following forms for illustration of the information that the filers provide to us:



1. Lobbyist Registration Form
2. Principal Registration Form
3. Lobbyist Long Expense Report Form

Thank you for the opportunity to speak with you.

Part Three: Closing Remarks by Rodney Maddox, Chief Deputy Secretary of State

Thank you Director Broun, before concluding our presentation today, there are some key points that I hope you will keep in mind as you reflect upon lobbying related issues in the future.

These key contextual points are:

- a. The intersection of various legal rights in the lobbying/public policy development arena is probably the most constitutionally complex one that any agency will ever encounter. Since the various interested and impacted persons and institutions are almost all exercising basic constitutional rights, it requires great care and attention to find the proper balance of rights in both designing the system and in administering the chosen process;
- b. The main portion of the lobbying/public policy development process that is administered by the Lobbying Compliance Division is focused on the behavior of private sector commercial business enterprises. In contrast, the Ethics Commission is in the main focused upon the behavior of public officials.
- c. Overall, the role of the Lobbying Compliance Division is constructed with the public sharing and disclosure of commercial business information as the primary tool to achieve its statutorily intended goal. While on the other hand, for the most part, the Ethics Commission focuses its attention upon the values and behavior of public officials which presents the opportunity for a different measure of information confidentiality.

Now in conclusion, we are requesting additional resources to better carry out our mission. We very much appreciate the opportunity to present to the Committee directly and also request that you continue giving us such an opportunity on at least an annual basis.

Thank you very much.



Exhibit D



Elaine F. Marshall, North Carolina Secretary of State
2015 LOBBYIST EXPENSE REPORT

If you have NO reportable expenditures, use Form LR-EZ short form.

MAILING ADDRESS: Lobbying Compliance Division
Department of the Secretary of State
PO Box 29622
Raleigh, NC 27626-0622

PHONE: (919) 807-2170

FAX: (919) 807-2205

EMAIL: lobbyistfiling@sosnc.com

WEB: <http://www.secretary.state.nc.us/lobbyists/security.aspx>

STREET ADDRESS: 2 South Salisbury Street
Raleigh, NC 27601-2903

☐ **AMENDED REPORT** (Check if amending previously filed report.)

Original Tracking # _____

PERIOD: ☐ Quarter Ended March 31, 2015

☐ Quarter Ended September 30, 2015

☐ Quarter Ended June 30, 2015

☐ Quarter Ended December 31, 2015

☐ Monthly _____ (Please enter month)

☐ Check if this is the final report to be filed by this lobbyist for 2014.

Name of Lobbyist as Registered: _____

Complete Name of Principal As Registered: _____

PART I: REPORTABLE EXPENDITURES

NOTE: If 15 or less designated individuals ("DIs") are benefited, list by name; if more than 15, list approximate number benefited and basis for their selection; i.e., the name of the legislative body, committee or caucus or the name of the public servant group whose membership list is a matter of public record under NCGS §132-1, or some other description that clearly distinguishes the group's purpose or composition. If DIs' immediate family members are benefited, state separately. N.C. Gen. Stat. § 120C-401(b1).

***EXPENSE CODES**

TL: Transportation and Lodging

FB: Food and Beverages

GI: Gifts

EN: Entertainment

ME: Meetings and Events

OT: Other

SECTION A. LOBBYIST MADE AND PRINCIPAL REIMBURSED:

Expenditures Reportable This Period: (DO NOT RE-ENTER DETAIL FOR ANY PREVIOUSLY REPORTED MONTHLY EXPENSE; CHECK BOX AND INCORPORATE SECTION TOTAL FROM MONTHLY REPORT BELOW; ENTER DETAIL FOR NEWLY REPORTED EXPENSE ONLY)

Date	Description of Expenditure, Payee/Beneficiary and Address	Designated Individual(s) or Immediate Family Member(s) Benefited	*Exp. Code	Amount

THIS PERIOD'S SUBTOTAL (Must enter total or "0"):

\$

☐ For Quarterly Report Only: Check and enter any subtotal reported on a monthly report for first month of quarter →

☐ For Quarterly Report Only: Check and enter any subtotal reported on a monthly report for second month of quarter

QUARTERLY TOTAL (Must enter total or "0"):

\$ _____

SECTION B. LOBBYIST MADE AND PRINCIPAL DID NOT REIMBURSE:

Expenditures Reportable This Period: (DO NOT RE-ENTER DETAIL FOR ANY PREVIOUSLY REPORTED MONTHLY EXPENSE; CHECK BOX AND INCORPORATE SECTION TOTAL FROM MONTHLY REPORT BELOW; ENTER DETAIL FOR NEWLY REPORTED EXPENSE ONLY)

Date	Description of Expenditure, Payee/Beneficiary and Address	Designated Individual(s) or Immediate Family Member(s) Benefited	*Expense Code	Amount
THIS PERIOD'S SUBTOTAL (Must enter total or "0"):				\$
<input type="checkbox"/> For Quarterly Report Only: Check and enter any subtotal reported on a monthly report for first month of quarter				
<input type="checkbox"/> For Quarterly Report Only: Check and enter any subtotal reported on a monthly report for second month of quarter				

QUARTERLY TOTAL (Must enter total or "0"):

\$ _____

PART II: CONTRACTUAL ARRANGEMENTS, PROMISES, OBLIGATIONS AND/OR DIRECT BUSINESS RELATIONSHIPS IN EFFECT DURING PREVIOUS 12 MONTHS

Expenditures Reportable This Period: (DO NOT RE-ENTER DETAIL FOR ANY PREVIOUSLY REPORTED MONTHLY EXPENSE; CHECK BOX AND INCORPORATE SECTION TOTAL FROM MONTHLY REPORT BELOW; ENTER DETAIL FOR NEWLY REPORTED EXPENSE ONLY)

Effective Date(s)	Description of Contractual Arrangement, Promise, Obligation or Direct Business Relationship	Applicable Designated Individual ("DI") or DI Immediate Family Member	Amount or Value of Other Consideration
THIS PERIOD'S SUBTOTAL (Must enter total or "0"):			\$
<input type="checkbox"/> For Quarterly Report Only: Check and enter any subtotal reported on a monthly report for first month of quarter			
<input type="checkbox"/> For Quarterly Report Only: Check and enter any subtotal reported on a monthly report for second month of quarter			

QUARTERLY TOTAL (Must enter total or "0"):

\$ _____

PART III: SOLICITATION OF OTHERS EXCEEDING \$3,000.00

Expenditures Reportable This Period: (DO NOT RE-ENTER DETAIL FOR ANY PREVIOUSLY REPORTED MONTHLY EXPENSE; CHECK BOX AND INCORPORATE SECTION TOTAL FROM MONTHLY REPORT BELOW; ENTER DETAIL FOR NEWLY REPORTED EXPENSE ONLY)

Date(s) of Solicitation	Description of Solicitation	Payee/Beneficiary and Address	Expense Amount
THIS PERIOD'S SUBTOTAL (Must enter total or "0"):			\$
<input type="checkbox"/> For Quarterly Report Only: Check and enter any subtotal reported on a monthly report for first month of quarter			
<input type="checkbox"/> For Quarterly Report Only: Check and enter any subtotal reported on a monthly report for second month of quarter			

QUARTERLY TOTAL (Must enter total or "0"):

\$ _____

PART IV. EVENT REPORTING**(USE THIS PAGE ONLY IF THE LOBBYIST HAS INCURRED EVENT REPORTABLE EXPENDITURES OR THE PRINCIPAL REIMBURSED THE LOBBYIST FOR AN EVENT.)**

Please comply with the State Ethics Commission Rule, 30 NCAC 10C .0302 when completing Sections A or B of Event Reporting. This rule became effective on January 1, 2014.

State Ethics Commission Rule 30 NCAC 10C .0302 REPORTABLE EXPENDITURES MADE FOR LOBBYING

(a) For purposes of G.S. 120C-402(b)(1) and 120C-403(b)(1), when reporting expenditures for events held for lobbying, the entire cost of the event must be reported, not just the "gift" given or provided to the designated individual(s) attending the event. Examples of non-gift reportable expenditures made for lobbying are expenses and charges incurred for items and/or services provided in connection with the lobbying event, such as planning and organizing services, printing services and supplies, facility rental and set-up charges, food supplies and services, name badges, flowers, and other decorations.

(b) Reportable expenditures made for lobbying events shall be reported on the expense report filed with the Secretary of State for the month the lobbying event is held.

SECTION A. LOBBYIST MADE DIRECTLY

Expenditures Reportable This Period: (Do not reenter detail for any previously reported monthly expense; instead, check appropriate month's box below and incorporate the section's total from the monthly report by reference; enter detail for newly reported expenses only.)

Event Date	Name of Event & Description of Expenditure Payee/Beneficiary and Address	Designated Individual or Immediate Family or Third Party Beneficiary	*Expense Code	Total Cost of the Event Paid By Lobbyist

THIS PERIOD'S SUBTOTAL (Must enter total or "0"):

☐ For Quarterly Report Only: Check and enter any subtotal reported on a monthly report for the first month of the quarter

☐ For Quarterly Report Only: Check and enter any subtotal reported on a monthly report for the second month of the quarter

Quarterly Total (Must enter total or "0")

\$ _____

Section B. Lobbyist Made and Principal Reimbursed

Name of Principal That Reimbursed Lobbyist for Event Costs: _____

Expenditures Reportable This Period: (Do not reenter detail for any previously reported monthly expense; instead, check appropriate month's box below and incorporate the section's total from the monthly report by reference; enter detail for newly reported expenses only.)

Event Date	Name of Event & Description of Expenditure Payee/Beneficiary and Address	Designated Individual or Immediate Family or Third Party Beneficiary	*Expense Code	Total Cost of the Event Paid By Principal

THIS PERIOD'S SUBTOTAL (Must enter total or "0"):

☐ For Quarterly Report Only: Check and enter any subtotal reported on a monthly report for the first month of the quarter

☐ For Quarterly Report Only: Check and enter any subtotal reported on a monthly report for the second month of the quarter

Quarterly Total (Must enter total or "0")

\$ _____

PART V: CERTIFICATION AND NOTARIZATION

1

IMPORTANT INSTRUCTIONS FOR LOBBYIST AND NOTARY

LOBBYIST MUST SIGN AND DATE HERE TO CERTIFY THE REPORT. FOR QUARTERLY REPORTS UNDER OATH, VENUE (STATE AND COUNTY WHERE NOTARIZED) AND JURAT MUST ALSO BE COMPLETED. WARNING: INCOMPLETE CERTIFICATION OR NOTARIZATION MAY RESULT IN REJECTION OF REPORT.

STATE OF _____

COUNTY OF _____

The undersigned, being first duly sworn, hereby certifies that all information contained herein (including any attachments hereto) is true, complete and correct to the best of his/her knowledge and belief.

Signature of Lobbyist

Date

Sworn to (or affirmed) and subscribed before me,

this _____ day of _____, 201____.

Signature of Notary Public

Printed Name of Notary Public

My commission expires: _____

(NOTARY STAMP OR SEAL)

PART VI: REPORT PREPARER'S IDENTITY/SIGNATURE

Printed Full Name of Report Preparer:

Signature of Report Preparer:

DO NOT COMPLETE UNLESS REPORT PREPARER IS A PERSON OTHER THAN THE REPORTING LOBBYIST WHO EXERCISED INDEPENDENT JUDGMENT OR DISCRETION AS TO THE INFORMATION REPORTED HEREIN. LOBBYIST SIGNATURE HERE IS UNNECESSARY AND WILL NOT CONSTITUTE CERTIFICATION OF THE REPORT UNDER OATH.



Elaine F. Marshall, Secretary of State

Lobbyist Registration Statement 2015**Lobbyist Information**

Name of Lobbyist: (Mr./Ms./Dr.) _____

Firm Name of Lobbyist (If Applicable): _____

¹**Check all applicable boxes:** Lobbyist is not a member of a Firm ☐ Lobbyist is an employee of the Principal ☐

Physical Business Address of Lobbyist (NOT a P.O. Box): _____

Mailing Address of Lobbyist: _____

Telephone No. of Lobbyist: _____ Fax No.: _____

E-Mail Address of Lobbyist: _____

Optional secondary e-mail address (Example: Administrative Assistant): _____

Principal Information

Name of Principal: _____

Physical Business Address of Principal (NOT a P.O. Box): _____

Name of Principal's Authorized Officer (Must be same name as listed on Principal Registration): _____

Title of Principal's Authorized Officer: _____

Mailing Address of Principal's Authorized Officer: _____

Telephone No. of Principal's Authorized Officer: _____ Fax No.: _____

E-Mail Address of Principal's Authorized Officer: _____

Optional secondary e-mail address (Example: Administrative Assistant): _____

The question below MUST be answered "yes" or "no". If yes, include the name of the State Agency.***G.S. § 120C-200(f).**

_____ I am a former employee of the state agency _____ (**MUST** enter state agency name) and I left that employment within the last six months.

*State agency. – An agency in the executive branch of the government of this State, including the Governor's Office, a board, a department, a division, and any other unit of government in the executive branch. N.C. Gen. Stat. § 138A-(3)(30k).

¹ You must check a box or complete the Firm Name Section above, otherwise this registration will be rejected.

GENERAL SUBJECTS ON WHICH THE LOBBYIST INTENDS TO LOBBY

Enter codes from the subject identification table below. List all applicable categories.

CODE	SUBJECT	CODE	SUBJECT
1	Agriculture, horticulture, farming, and livestock	17	Health service, medicine, drugs and controlled substances, health insurance, hospitals
2	Amusements, games, athletics and sports	18	Higher education
3	Banking, finance, credit and investments	19	Housing, construction, building codes
4	Children, minors, youth, seniors	20	Insurance (excluding health insurance)
5	Church and religion	21	Labor, salaries and wages, collective bargaining
6	Communications, newspaper, television, radio, computers and information technology	22	Law enforcement, courts, judges, crimes, prisons
7	Consumer affairs	23	Licenses, permits
8	Ecology, environment, pollution, conservation, zoning, land and water use	24	Liquor, alcoholic beverages
9	Education	25	Manufacturing, distribution, services
10	Elections, campaigns, voting, political parties	26	Natural resources, forest and forest products, fisheries, mining and mining products
11	Equal rights, civil rights, minority affairs	27	Public lands, parks, recreation
12	Government, taxation, financing, revenue, budget, appropriations, bids, fees, funds	28	Social insurance, unemployment insurance, public assistance, workers compensation
13	Government, county	29	Transportation, highways, streets and roads
14	Government, federal	30	Utilities, power, cable television, gas
15	Government, municipal	31	Other (must specify): _____
16	Government, state		

Registration will be rejected if Category 31 "Other" is selected and no subject is specified.

Report Preparer's Identity/Signature (Rule 18 NCAC 12 .0209)

Print name of Preparer (if other than lobbyist): _____

Signature of Preparer: _____ Date _____

CERTIFICATION

I hereby certify that all information disclosed in this "Lobbyist Registration Statement 2015" is true, complete and correct in accordance with G.S. §120C-200. By signing this certification, I understand I have an affirmative duty to comply with the Lobbying Law and the rules, including filing reports, as the law requires.

Signature of Lobbyist _____ Date _____



Elaine F. Marshall, Secretary of State

Principal Registration and Lobbyist Authorization Statement 2015

Principal Information

Name of Principal: _____

Physical Business Address of Principal (NOT a P.O. Box): _____

Name of Principal's Authorized Officer (Mr./Ms./Dr.): _____

Title of Principal's Authorized Officer: _____

Mailing Address of Principal's Authorized Officer: _____

Telephone No. of Principal's Authorized Officer: _____ Fax: _____

E-Mail Address of Principal's Authorized Officer: _____

Optional secondary e-mail address (Example: Administrative Assistant): _____

Principal Legal Structure: (Check One) ☐ NC Corporation ☐ Limited Liability Company ☐ Unincorporated Association ☐ Foreign Corporation _____ (Foreign State of Incorporation) ☐ Non-Profit ☐ Professional Limited Liability Company.

If the entity is an unincorporated association, the authorized officer must provide a list of all officers. Please attach the list to this registration.

☐ To add additional authorized officers complete Form AAOS-11.

Lobbyist Information

Name of Lobbyist (Mr./Ms./Dr.): _____

Firm Name of Lobbyist (If Applicable): _____

Physical Business Address of Lobbyist (NOT a P.O. Box): _____

Mailing Address of Lobbyist: _____

Telephone No. of Lobbyist: _____ Fax No. _____

E-Mail Address of Lobbyist: _____

Optional secondary e-mail address (Example: Administrative Assistant): _____

Report Preparer's Identity/Signature (Rule 18 NCAC 12 .0209)

Print name of Preparer (if other than lobbyist) _____

Signature of Preparer _____ Date _____

CERTIFICATION

I certify that I have the authority to sign this form on behalf of the principal. I certify that I have the authority to make the following additional certifications on behalf of the principal: I hereby certify that all information disclosed in this "Principal Registration and Lobbyist Authorization Statement 2015" is true, complete and correct in accordance with G.S. §120C-206, and authorize the above named lobbyist to lobby on behalf of the Principal for the calendar year 2015. I certify that the principal understands its affirmative duty to comply with the Lobbying Law and rules, including filing reports required by law under Chapter 120C.

Signature of Principal's Authorized Office _____

Date _____



HOUSE PAGES

NAME OF COMMITTEE Ethics DATE 3-18-15

1. Name: _____

County: _____

Sponsor: _____

2. Name: _____

County: _____

Sponsor: _____

3. Name: _____

County: _____

Sponsor: _____

4. Name: _____

County: _____

Sponsor: _____

5. Name: _____

County: _____

Sponsor: _____

SGT-AT-ARM

1. Name: MARVIN LEE

2. Name: REGGIE Sills

3. Name: TERRY McGRAW

4. Name: CHRIS MCCracken



Wednesday, March 18
ETHICS

Room
415

Time
2:00 pm

Name	County	Sponsor
Tabi Zorn	Union	D. Craig Horn



VISITOR REGISTRATION SHEET

House Ethics Committee

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

<i>Amy Dotts</i>	<i>SOS</i>
<i>Ken Melton</i>	<i>K. M. A.</i>
<i>Amy McConkey</i>	<i>Ni Beverage</i>
<i>Lexi Morgan</i>	<i>NLRMA</i>
<i>Elizabeth Robinson</i>	<i>NLRMA</i>
<i>Andy Chase</i>	<i>KMA</i>
<i>Jane Parker</i>	<i>INDY Week</i>
<i>Kim Strach</i>	<i>State Board of Elections</i>
<i>Amy Strange</i>	<i>State Board of Elections</i>



VISITOR REGISTRATION SHEET

House Ethics Committee
Name of Committee

3/18/15
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Butch Gunnells	NC Ber
Michael House	THC G
John P. [unclear]	VERA
Philip [unclear]	LA BLM
Kathleen Edwards	State Ethics Comm'n
Berny Rowan	" " "
Pam Cashwell	SEC
Mike Arnold	SOS
Joel Brown	SOS
George Jeter	SOS
Rodney Maddox	SOS



Becky Bauerband (Rep. John Faircloth)

From: Becky Bauerband (Rep. John Faircloth)
Sent: Tuesday, April 21, 2015 10:24 AM
To: Rep. Leo Daughtry; Rep. Rick Glazier; Rep. Pricey Harrison; Rep. John Faircloth
Cc: Jan Copeland (Rep. Leo Daughtry); Megan Lewis (Rep. Rick Glazier); Sue Osborne (Rep. Pricey Harrison); Becky Bauerband (Rep. John Faircloth)
Subject: <NCGA> House Ethics Committee Meeting Notice for Wednesday, April 22, 2015 at 8:30 AM
Attachments: Add Meeting to Calendar_LINC_.ics

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION**

You are hereby notified that the **House Committee on Ethics** will meet as follows:

DAY & DATE: Wednesday, April 22, 2015
TIME: 8:30 AM
LOCATION: 415 LOB
COMMENTS: Representative Glazier, Chair

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HB 584	Use of Position/Letters of Reference.	Representative Glazier Representative Faircloth Representative Daughtry Representative Harrison



Respectfully,

Representative John Faircloth, Co-Chair
Representative Rick Glazier, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 10:23 AM on Tuesday, April 21, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Rebecca Bauerband (Committee Assistant)



**House Committee on Ethics
Wednesday, April 22, 8:30 am
Room 415 Legislative Office Building**

AGENDA

I. Welcome and Opening Remarks

Representative John Faircloth and Representative Rick Glazier, Chairs; Rick Glazier Presiding

II. Agenda Items

HB 584	Use of Position/Letters of Reference
	Representative Rick Glazier, Sponsor
	Representative John Faircloth, Sponsor
	Representative Leo Daughtry, Sponsor
	Representative Pricey Harrison, Sponsor

III. Adjournment



HOUSE COMMITTEE ON ETHICS

[illegible]



**MINUTES
HOUSE ETHICS COMMITTEE**

April 22, 2015

The House Ethics committee met on Wednesday, April 22, 2015, in Room 415 of the Legislative Office Building at 8:35 AM. The following members were present: Chairman Rick Glazier, Chairman John Faircloth, Vice Chairs: Representatives Becky Carney and Leo Daughtry, Members: Representatives Jamie Boles, Tricia Cotham, Mitchell Setzer, Evelyn Terry, and Michael Wray.

Erika Churchill, Denise Huntley Adams, Brad Krehely, and Bill Patterson, Research Staff, were in attendance. A Visitor Registration list is attached and made part of these minutes.

Chairman Glazier called the meeting to order and introduced the Pages and Sergeant-At-Arms.

Chairman Glazier and Chairman Faircloth recused themselves as chair for the meeting and Vice-Chair Becky Carney presided over the meeting.

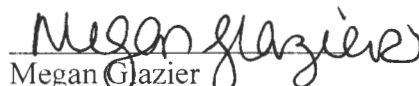
The following bill was considered:

HB 584, USE OF POSITION/LETTERS OF REFERENCE. A copy of the bill, proposed committee substitute, and bill summary is attached and made part of these minutes. Vice-Chairman Carney adopted the PCS for discussion. Chairman Glazier presented the bill. Upon motion made by Representative Setzer, the committee voted for a favorable report to the proposed committee substitute, unfavorable to the original bill, to be reported to the House floor.

There being no further business, the Chair adjourned the meeting at 8:50 AM.

Respectfully submitted,


Representative Rick Glazier
Chair


Megan Glazier
Committee Assistant



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE BILL 584

Short Title: Use of Position/Letters of Reference. (Public)

Sponsors: Representatives Glazier, Faircloth, Daughtry, and Harrison (Primary Sponsors).
For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Ethics.

April 6, 2015

A BILL TO BE ENTITLED

AN ACT TO CLARIFY THAT A LEGISLATOR OR PUBLIC SERVANT MAY
REFERENCE THEIR PUBLIC POSITION IN A LETTER OF REFERENCE.

The General Assembly of North Carolina enacts:

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

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

- (1) Political advertising.
- (2) News stories and articles.
- (3) The inclusion of a covered person's public position in a directory or a biographical listing.
- (4) The inclusion of a covered person's public position in an agenda or other document related to a meeting, conference, or similar event when the disclosure could reasonably be considered material by an individual attending the meeting, conference, or similar event.
- (5) The inclusion of a covered person's public position in a charitable solicitation for a nonprofit business entity qualifying under 26 U.S.C. § 501(c)(3).
- (6) The disclosure of a covered person's position to an existing or prospective customer, supplier, or client when the disclosure could reasonably be considered material by the customer, supplier, or client.
- (7) A letter of character reference for any of the following:
 - a. A student seeking admittance to a school or institution of higher education.
 - b. An individual seeking an academic scholarship.
 - c. An individual seeking leniency upon sentencing by the courts, or other matters related to probation or parole.
- (8) A response to the inquiry of a potential employer as to the qualifications and character of an individual seeking employment."

SECTION 2. This act is effective when it becomes law.



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HOUSE BILL 584: Use of Position/Letters of Reference

2015-2016 General Assembly

Committee:	House Ethics	Date:	April 22, 2015
Introduced by:	Reps. Glazier, Faircloth, Daughtry, Harrison	Prepared by:	Denise Adams
Analysis of:	First Edition		Legislative Analyst

SUMMARY: *House Bill 584 would expand the statutory exceptions that govern when a covered person may mention their public position to include (i) certain letters of reference and (ii) responses to inquiries of potential employers.*

CURRENT LAW: Under the State Government Ethics Act, a covered person is defined as "a legislator, public servant, or judicial officer, as identified by the [State Ethics] Commission." The State Government Ethics Act provides that unless there is a statutory exception, a covered person should not mention or authorize another person to mention the covered person's public position in nongovernmental advertising that advances the private interest of the covered person or others. There are currently six exceptions to this prohibition:

- (1) Political advertising.
- (2) News stories and articles.
- (3) The inclusion of a covered person's public position in a directory or a biographical listing.
- (4) The inclusion of a covered person's public position in an agenda or other document related to a meeting, conference, or similar event when the disclosure could reasonably be considered material by an individual attending the meeting, conference, or similar event.
- (5) The inclusion of a covered person's public position in a charitable solicitation for a nonprofit business entity qualifying under 26 U.S.C. § 501(c)(3).
- (6) The disclosure of a covered person's position to an existing or prospective customer, supplier, or client when the disclosure could reasonably be considered material by the customer, supplier, or client.

BILL ANALYSIS: House Bill 584 would add two new statutory exceptions to current law to clarify that covered persons may mention or authorize others to mention the covered person's public position in the following situations:

- (7) A letter of character reference for (i) a student seeking admittance to a school or institute of higher education, (ii) an individual seeking an academic scholarship, or (iii) an individual seeking leniency about sentencing by the courts, or other matters related to probation or parole.
- (8) A response to an inquiry of a potential employer as to the qualifications and character of an individual seeking employment.

EFFECTIVE DATE: This bill would be effective when it becomes law.

O. Walker Reagan
Director



Research Division
(919) 733-2578



**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

**ETHICS COMMITTEE REPORT
Representative John Faircloth, Co-Chair
Representative Rick Glazier, Co-Chair**

FAVORABLE

HB 584

Use of Position/Letters of Reference.

Draft Number:	None
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	No
Floor Manager:	Glazier

TOTAL REPORTED: 1



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House Staff

Committee: Ethics Date: 4-22-15

Pages

1. Name Jacob Johnson
County HAYwood Sponsor Joe Sam Queen
2. Name Ethan Mastin
County Surry Sponsor Sarah Stevens
3. Name Lizzie O'BRIANT
County Randolph Sponsor PAT. B. HURLEY
4. Name _____
County _____ Sponsor _____
5. Name _____
County _____ Sponsor _____

Sergeant-at-Arms

Barry Moore

BARRY MOORE

BH Powell

B. H. Powell

David Linthicum

DAVID LINTHICUM



VISITOR REGISTRATION SHEET

House Ethics Committee

04/22/15
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Mike Arnold

SOS

Perry Newson

SE 2

Pam Cashwell

SEC

Kathy Edwards

Sec

ANDY WALSH

5A

Allen Hardison

CRSWMA



Becky Bauerband (Rep. John Faircloth)

From: Becky Bauerband (Rep. John Faircloth)
Sent: Tuesday, April 28, 2015 04:32 PM
To: Rep. Leo Daughtry; Rep. Rick Glazier; Rep. Becky Carney; Rep. John Faircloth
Cc: Jan Copeland (Rep. Leo Daughtry); Megan Lewis (Rep. Rick Glazier); Beth LeGrande (Rep. Becky Carney); Becky Bauerband (Rep. John Faircloth)
Subject: <NCGA> House Ethics Committee Meeting Notice for Wednesday, April 29, 2015 at 9:00 AM
Attachments: Add Meeting to Calendar_LINC_.ics

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION**

You are hereby notified that the **House Committee on Ethics** will meet as follows:

DAY & DATE: Wednesday, April 29, 2015
TIME: 9:00 AM
LOCATION: 415 LOB
COMMENTS: Rep. Faircloth, Chair

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HB 677	State Ethics Comm. Revisions.	Representative Glazier Representative Faircloth Representative Daughtry Representative Carney



Respectfully,

Representative John Faircloth, Co-Chair
Representative Rick Glazier, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 4:30 PM on Tuesday, April 28, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Rebecca Bauerband (Committee Assistant)



House Committee on Ethics
Wednesday, April 29, 9:00 AM
415 LOB

AGENDA

I. Welcome and Opening Remarks

Representative John Faircloth and Representative Rick Glazier, Chairs; Rep. Faircloth presiding

II. Agenda Items

Bills:

BILL NO.	SHORT TITLE	SPONSOR
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HB 677	State Ethics Comm. Revisions	
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Representative Glazier
Representative Faircloth
Representative Daughtry
Representative Carney

Adjournment



House Ethics

[illegible]



House Committee on Ethics
Wednesday, April 29, 2015 at 9:00 AM
Room 415 of the Legislative Office Building

MINUTES

The House Committee on Ethics met at 9:00 AM on April 29 2015 in Room 415 of the Legislative Office Building. Representatives Carney, Daughtry, Faircloth, Glazier, Jackson, and Terry attended.

Representative John Faircloth, Chair, presided. He called the meeting to order at 9:00 AM. Chairman Faircloth introduced the Sergeant at Arms staff and Pages present for the meeting.

Chairman Faircloth asked Representative Jackson to temporarily Chair during the discussion of House Bill 677. Co-Chairs Glazier and Faircloth, along with Vice Co-Chairs Carney and Daughtry are primary sponsors of House Bill 677.

Staff Member Denise Adams explained the provisions of the PCS for House Bill 677.

Chairman Faircloth made a motion of unfavorable to the original bill, favorable to the PCS. The motion carried. The PCS had a serial referral to Rules, Calendar, and Operations of the House.

The meeting adjourned at 9:08 AM.



Representative John Faircloth, Chair
Presiding



Rebecca Bauerband, Committee Clerk



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE BILL 677
PROPOSED COMMITTEE SUBSTITUTE H677-PCS40446-ST-40

Short Title: State Ethics Comm. Revisions.

(Public)

Sponsors:

Referred to:

April 14, 2015

A BILL TO BE ENTITLED
AN ACT TO MAKE VARIOUS REVISIONS TO THE STATE GOVERNMENT ETHICS
ACT AND THE LOBBYING LAWS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 138A-3(15) is amended by adding a new sub-subdivision to
read:

"g. Campaign contributions properly received and reported under federal
law."

SECTION 2. G.S. 138A-3(30)b. reads as rewritten:

"b. Employees of the Office of the ~~Governor~~ Governor and Lieutenant
Governor."

SECTION 3. G.S. 138A-12(k) reads as rewritten:

"(k) ~~Disposition of Inquiries.~~ Post-Hearing Dispositions. — After the hearing, the
Commission shall dispose of the matter in one or more of the following ways:

- (1) If the Commission finds substantial evidence of an alleged violation of a
criminal statute, the Commission shall refer the matter to the Attorney
General for investigation and referral to the district attorney for possible
prosecution.
- (2) If the Commission finds that the alleged violation is not established by clear
and convincing evidence, the Commission shall dismiss the complaint.
- (3) If the Commission finds that the alleged violation of this Chapter is
established by clear and convincing evidence, the Commission shall do one
or more of the following:

- a. Issue a private admonishment to the public servant and notify the
employing entity, if applicable. Such notification shall be treated as
part of the personnel record of the public servant.
- b. Refer the matter for appropriate action to the Governor and the
employing entity that appointed or employed the public servant or of
which the public servant is a member.
- c. Refer the matter for appropriate action to the Chief Justice for
judicial employees.
- d. Refer the matter to the Principal Clerks of the House of
Representatives and Senate of the General Assembly for
constitutional officers of the State.
- e. Refer the matter for appropriate action to the principal clerk of the
house of the General Assembly that elected the public servant for



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members of the Board of Governors and the State Board of Community Colleges."

SECTION 4. G.S. 120C-200 reads as rewritten:

"§ 120C-200. Lobbyist registration procedure.

(a) A lobbyist shall file a separate registration statement for each principal the lobbyist represents with the Secretary of State before engaging in any lobbying. It shall be unlawful for an individual to lobby without registering within one business day of engaging in any lobbying as defined in G.S. 120C-100(9) unless exempted by this Chapter.

(b) The form of the registration statement shall be prescribed by the Secretary of State, be filed electronically, and shall include the registrant's full name, firm, complete address, and telephone number; the registrant's place of business; the full name, complete address, and telephone number of each principal the lobbyist represents; and a general description of the matters on which the registrant expects to act as a lobbyist.

(c) Each lobbyist shall electronically file an amended registration statement form with the Secretary of State no later than 10 business days after any change in the information supplied in the lobbyist's last registration statement under subsection (b) of this section. Each supplementary registration statement shall include a complete statement of the information that has changed.

(d) Unless a resignation is filed under G.S. 120C-210, each registration statement of a lobbyist required under this Chapter shall be effective from the date of filing until January 1 of the following year. The lobbyist shall file a new registration statement after that date, and the applicable fee shall be due and payable.

(e) Each lobbyist shall identify himself or herself as a lobbyist prior to engaging in lobbying communications or activities with a designated individual. The lobbyist shall also disclose the identity of the lobbyist principal connected to that lobbying communication or activity.

(f) In addition to the information required for registration statement under subsection (b) of this section, former employees of a State agency who register as a lobbyist within six months after voluntary separation or separation for cause from employment with a State agency shall also indicate ~~which State agency~~ with which State agency the former employee was employed."

SECTION 5. G.S. 120C-601 reads as rewritten:

"§ 120C-601. Powers and duties of the Commission.

(a) The Commission may investigate complaints of violations of this Chapter and shall refer complaints related solely to Articles 2, 4, or 8 of this Chapter to the Secretary of State. The Commission or the Secretary of State may utilize the services of a hired investigator when conducting investigations.

(b) The Commission may petition the Superior Court of Wake County for the approval to issue subpoenas and subpoenas duces tecum as necessary to conduct investigations of violations of this Chapter. The court shall authorize subpoenas under this subsection when the court determines they are necessary for the enforcement of this Chapter. Subpoenas issued under this subsection shall be enforceable by the court through contempt powers. Venue shall be with the Superior Court of Wake County for any nonresident person, or that person's agent, who makes a reportable expenditure under this Chapter, and personal jurisdiction may be asserted under G.S. 1-75.4.

(c) Complaints of violations of this Chapter and all other records accumulated in conjunction with the investigation of these complaints shall be considered confidential records and may be released only by order of a court of competent jurisdiction. Any information obtained by the Commission from any law enforcement agency, administrative agency, or regulatory organization on a confidential or otherwise restricted basis in the course of an

1 investigation shall be confidential and exempt from G.S. 132-6 to the same extent that it is
2 confidential in the possession of the providing agency or organization.

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

6 **SECTION 6.** This act is effective when it becomes law.





HOUSE BILL 677: State Ethics Comm. Revisions

2015-2016 General Assembly

Committee:	Ethics, if favorable, Rules, Calendar, and Operations of the House	Date:	April 29, 2015
Introduced by:	Reps. Glazier, Faircloth, Daughtry, Carney	Prepared by:	Denise Adams
Analysis of:	PCS to First Edition H677-CSST-40		Legislative Analyst

SUMMARY: *House Bill 677 would make various revisions to the State Government Ethics Act and Lobbying Laws.*

CURRENT LAW: Under current law, the State Ethics Commission (SEC) is largely responsible for interpreting the State Government Ethics Act (SGEA) in Chapter 138A of the General Statutes and Lobbying Law in Chapter 120C of the General Statutes. The SEC and the Secretary of State's Office share the administration of the Lobbying Law.

BILL ANALYSIS:

Section 1: Under current law, a gift is defined as anything of monetary value, given or received without valuable consideration by a lobbyist, lobbyist principal, or liaison personnel. Gifts are not permitted to be given to covered persons unless a gift ban exception applies. Section 1 would add a new exception to the definition of gift under the SGEA to include campaign contributions properly received and reported under federal law.

Section 2: The SGEA applies to covered persons, which include specific public servants, identified in statute or by the SEC. Section 2 would add employees of the Office of the Lieutenant Governor to the statute that identifies public servants.

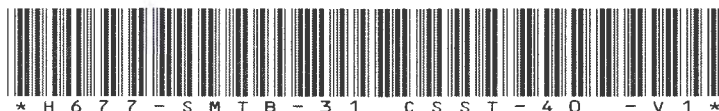
Section 3 would retitle subsection (k) of G.S. 138A-12, the statute governing inquiries by the SEC.

Section 4 would make technical and clarifying changes to the statute that governs lobbyist registration procedure.

Section 5: Under current law, the SEC may investigate complaints of violations of the Lobbying Law and must refer certain types of complaints to the Secretary of State. Section 5 would clarify the SEC or the Secretary of State could utilize the services of a hired investigator when conducting investigations under the Lobbying Law.

EFFECTIVE DATE: House Bill 677 would be effective when it becomes law.

O. Walker Reagan
Director



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Research Division
(919) 733-2578



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE BILL 677

Short Title: State Ethics Comm. Revisions.

(Public)

Sponsors: Representatives Glazier, Faircloth, Daughtry, and Carney (Primary Sponsors).

For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Ethics, if favorable, Rules, Calendar, and Operations of the House.

April 14, 2015

A BILL TO BE ENTITLED
AN ACT TO MAKE REVISIONS TO THE PROCESS BY WHICH THE STATE ETHICS
COMMISSION INVESTIGATES AND ACTS UPON COMPLAINTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 138A-12 reads as rewritten:

"§ 138A-12. ~~Inquiries by the Commission.~~ **Inquiries, investigations and hearings.**

(a) Jurisdiction. – The Commission may receive complaints alleging unethical conduct by covered persons and legislative employees and shall conduct inquiries of complaints alleging unethical conduct by covered persons and legislative employees, as set forth in this section.

(a1) Notice of Allegation. – Upon receipt by the Commission of a written allegation of unethical conduct by a covered person or legislative employee, or the initiation by the Commission of an inquiry into unethical conduct under subsection (b) of this section, the Commission shall immediately notify the covered person or legislative employee subject to the allegation or inquiry in writing. This subsection does not apply to justices or judges of the General Court of Justice.

(b) Institution of Proceedings. – On its own motion, in response to a ~~signed~~ signed ~~timely~~ and sworn complaint of any individual against a covered person filed with the Commission, or upon the written request of any public servant or those responsible for the hiring, appointing, or supervising of a public servant, the Commission shall conduct an inquiry into any of the following:

(1) The application or alleged violation of this Chapter.

(2) For legislators, the application or alleged violations of Part 1 of Article 14 of Chapter 120 of the General Statutes.

(3) ~~An alleged violation of the criminal law by a covered person in the performance of that individual's official duties.~~

(4) An alleged violation of G.S. 126-14.

Upon receipt of a referral under G.S. 147-64.6B or a report under G.S. 147-64.6(c)(19), the Commission may conduct an inquiry under this section on its own motion. Allegations of violations of the Code of Judicial Conduct shall be referred to the Judicial Standards Commission without ~~investigation~~ notification under subsection (a1) of this section or inquiry. Allegations of violations of the criminal law, with the exception of G.S. 138A-26 and G.S. 138A-27, shall be referred without inquiry to the Attorney General for investigation and referral to the district attorney for possible prosecution.



(b1) ~~Complaints on Its Own Motion.~~ Commission-Initiated Inquiry. – An ~~investigation inquiry~~ initiated by the Commission on its own motion ~~is not subject to the requirements of subdivision (e)(1) of this section.~~ An inquiry initiated upon written request of any public servant or those responsible for the hiring, appointing, or supervising of a public servant instituted under subsection (b) of this section ~~shall be treated as a complaint for purposes of this section and~~ need not be sworn or verified.

(c) Complaint. –

- (1) A sworn complaint filed under this Chapter shall state the name, address, and telephone number of the individual filing the complaint, the name and job title or appointive position of the covered person or legislative employee against whom the complaint is filed, and a concise statement of the nature of the complaint and specific facts indicating that a violation of this Chapter or Chapter 120 of the General Statutes or G.S. 126-14 or the criminal law in the performance of that individual's official duties has occurred, the date the alleged violation occurred, and either (i) that the contents of the complaint are within the knowledge of the individual verifying the complaint, or (ii) the basis upon which the individual verifying the complaint believes the allegations to be true.
- (2) Except as provided in subsection (d) of this section, a complaint filed under this Chapter must be filed within two years of the date the complainant knew or should have known of the conduct upon which the complaint is based.
- (3) The Commission may decline to ~~accept, refer, refer~~ or conduct an inquiry into any complaint that does not meet all of the requirements set forth in subdivision (1) of this subsection, or the Commission may, in its sole discretion, request additional information to be provided by the complainant within a specified period of time of no less than five business days.
- (4) In addition to subdivision (3) of this subsection, the Commission may decline to ~~accept, refer, refer~~ or conduct an inquiry into a complaint if it determines that any of the following apply:
 - a. The complaint is frivolous or brought in bad faith.
 - b. The covered person or legislative employee and conduct complained of have already been the subject of a prior complaint.
 - c. The conduct complained of is primarily a matter more appropriately and adequately addressed and handled by other federal, State, or local agencies or authorities, including law enforcement authorities. If other agencies or authorities are conducting an investigation of the same actions or conduct involved in a complaint filed under this section, the Commission may stay its complaint inquiry pending final resolution of the other investigation.
- (5) ~~The Commission shall send a copy of the complaint to the covered person or legislative employee who is the subject of the complaint and the employing entity, within 10 business days of the filing. Within 10 business days of the acceptance of a complaint, the Commission shall send a copy of the complaint to the covered person or legislative employee. For the purposes of this subsection, a complaint is deemed accepted if it is timely, signed, sworn if required, and against a covered person.~~

(d) ~~Conduct of Inquiry of Complaints~~ Inquires by the Commission. – The Commission shall conduct an inquiry into all complaints properly before the Commission in a timely manner. The Commission shall initiate an inquiry into a complaint within 10 business days of the ~~filing~~ acceptance of the complaint. The Commission is authorized to initiate inquiries upon request of any member of the Commission if there is reason to believe that a covered person or

1 legislative employee has or may have violated this Chapter. Commission-initiated ~~complaint~~
2 inquiries under this section shall be initiated within two years of the date the Commission knew
3 of the conduct upon which the ~~complaint inquiry~~ is based, except when the conduct is material
4 to the continuing conduct of the duties in office. In determining whether there is reason to
5 believe that a violation has or may have occurred, a member of the Commission may take
6 general notice of available information even if not formally provided to the Commission in the
7 form of a complaint. The Commission may utilize the services of a hired investigator when
8 conducting inquiries.

9 (e) Covered Person and Legislative Employees Cooperation With Inquiry. – Covered
10 persons and legislative employees shall promptly and fully cooperate with the Commission in
11 any Commission-related inquiry. Failure to cooperate fully with the Commission in any inquiry
12 shall be grounds for sanctions as set forth in G.S. 138A-45.

13 (f) Dismissal of Complaint After ~~Preliminary~~ Inquiry. – The Commission shall
14 conclude the ~~preliminary~~ inquiry within ~~20–30~~ business ~~days~~ days of the acceptance of a
15 complaint. The Commission shall dismiss the complaint, if at the end of its ~~preliminary~~ inquiry
16 the Commission determines that any of the following apply:

- 17 (1) The individual who is the subject of the complaint is not a covered person or
18 legislative employee subject to the Commission's jurisdiction and authority
19 under this Chapter.
- 20 (2) The complaint does not allege facts sufficient to constitute a violation within
21 the jurisdiction of the Commission under subsection (b) of this section.
- 22 (3) The complaint is determined to be frivolous or brought in bad faith.

23 (g) ~~Commission Inquiries. – Probable Cause Investigations. –~~

- 24 (1) If at the end of its ~~preliminary~~ inquiry, the Commission determines to
25 proceed with ~~further inquiry~~ an investigation into the conduct of a covered
26 person or legislative employee, the Commission shall provide written notice
27 to the ~~individual who filed the complaint and the~~ covered person or
28 legislative ~~employee as to~~ employee, the employing entity, and appointing
29 authority of the fact of the inquiry investigation and the charges/allegations
30 against the covered person or legislative employee. The covered person or
31 legislative employee shall be given an opportunity to file a written response
32 with the Commission.

33 (h) ~~Action on Inquiries. –~~

- 34 (2) The Commission shall conduct ~~inquiries~~ an investigation into ~~complaints~~ a
35 complaint to the extent necessary to either dismiss the complaint for lack of
36 probable cause ~~of a violation under this section, or or upon a finding of~~
37 probable cause:

38 (1) a. For public servants, ~~decide to~~ proceed with a hearing under
39 subsection (i) of this section.

40 (2) b. For legislators, except the Lieutenant Governor, refer the
41 ~~complaint~~ matter to the Committee.

42 (3) c. For judicial officers, refer the ~~complaint~~ matter to the Judicial
43 Standards Commission for complaints against justices and judges, to
44 the senior resident superior court judge of the district or county for
45 complaints against district ~~attorneys, or to the chief district court~~
46 ~~judge for the district or county for complaints against attorneys or~~
47 clerks of court.

48 (4) d. For legislative employees, refer the ~~complaint~~ matter to the
49 employing entity.

50 (h1) Settlement of Inquiries Against Public Servants. – The public servant who is the
51 subject of the inquiry or the public servant's legal counsel, and the staff of the Commission,

1 may meet by mutual consent at any time before the hearing to discuss the possibility of
2 settlement or the stipulation of facts, issues of law, or other pertinent matters. Any proposed
3 settlement is subject to the approval of the Commission. Upon the Commission's approval of a
4 settlement, the matter shall be closed, subject to reopening by the Commission upon any breach
5 of the settlement agreement. The Commission shall provide written notice of the fact of the
6 settlement to the individual who filed the complaint, the public servant who was the subject of
7 the inquiry, and the public servant's employing entity and appointing authority.

8 (i) Hearing. –

- 9 (1) The Commission shall give full and fair consideration to all accepted
10 complaints received against a public servant. If the Commission determines
11 that the complaint cannot be resolved without a hearing, or if the public
12 servant requests a hearing, a hearing shall be held.
- 13 (2) The Commission shall send a notice of the hearing to the complainant, and
14 the public servant. The notice shall contain the ~~time~~ date, time, and place for
15 a hearing on the matter, which shall begin no less than 30 days and no more
16 than 90 days after the date of the notice.
- 17 (3) ~~The~~ At least 30 days prior to the date of the hearing, the Commission shall
18 make available to the public servant or that public servant's private legal
19 counsel all documents or other evidence which are intended to be presented
20 at the hearing to the Commission or which a reasonable person would
21 believe might exculpate the accused public servant ~~at least 30 days prior to~~
22 ~~the date of the hearing held in connection with the investigation of a~~
23 ~~complaint.~~ servant. Any documents or other evidence discovered within less
24 than 30 days of the hearing shall be furnished as soon as possible after
25 discovery but prior to the hearing.
- 26 (4) At any hearing held by the Commission:
- 27 a. Oral evidence shall be taken only on oath or affirmation.
- 28 b. The hearing shall be open to the public, except for matters involving
29 minors, personnel records, or matters that could otherwise be
30 considered in closed session under G.S. 143-318.11. In any event, the
31 deliberations by the Commission on a complaint may be held in
32 closed session.
- 33 c. The public servant being investigated shall have the right to present
34 evidence, call and examine witnesses, cross-examine witnesses,
35 introduce exhibits, and be represented by counsel.

36 (j) ~~Settlement of Inquiries. – The public servant who is the subject of the complaint and~~
37 ~~the staff of the Commission may meet by mutual consent before the hearing to discuss the~~
38 ~~possibility of settlement of the inquiry or the stipulation of any issues, facts, or matters of law.~~
39 ~~Any proposed settlement of the inquiry is subject to the approval of the Commission.~~

40 (k) ~~Disposition of Inquiries. –~~ Post-Hearing Dispositions. – After the hearing, the
41 Commission shall dispose of the matter in one or more of the following ways:

- 42 (1) If the Commission finds substantial evidence of an alleged violation of a
43 criminal statute, the Commission shall refer the matter to the Attorney
44 General for investigation and referral to the district attorney for possible
45 prosecution.
- 46 (2) If the Commission finds that the alleged violation is not established by clear
47 and convincing evidence, the Commission shall dismiss the complaint.
- 48 (3) If the Commission finds that the alleged violation of this Chapter is
49 established by clear and convincing evidence, the Commission shall do one
50 or more of the following:

- a. Issue a private admonishment to the public servant and notify the employing entity, if applicable. Such notification shall be treated as part of the personnel record of the public servant.
- b. Refer the matter for appropriate action to the Governor and the employing entity that appointed or employed the public servant or of which the public servant is a member.
- c. Refer the matter for appropriate action to the Chief Justice for judicial employees.
- d. Refer the matter to the Principal Clerks of the House of Representatives and Senate of the General Assembly for constitutional officers of the State.
- e. Refer the matter for appropriate action to the principal clerk of the house of the General Assembly that elected the public servant for members of the Board of Governors and the State Board of Community Colleges.

(l) Notice of Dismissal. – Upon the dismissal of a complaint under this section, the Commission shall provide written notice of the dismissal to the individual who filed the complaint and the covered person or legislative employee against whom the complaint was filed. ~~The~~ For dismissals pursuant to subdivision (2) of subsection (g) or subdivision (2) of subsection (k) of this section, the Commission shall forward copies of complaints and notices of dismissal of complaints against public servants to the employing entity and appointing authority, against legislators to the Committee, against legislative employees to the employing entity for legislative employees, and against judicial officers to the Judicial Standards Commission for complaints against justices and judges, and the senior resident superior court judge of the district or county for complaints against district ~~attorneys, attorneys or the chief district court judge of the district or county for complaints against clerks of court.~~ The Commission shall also forward a copy of the notice of dismissal to the employing entity of the covered person against whom a complaint was filed if the employing entity received a copy of the complaint under subdivision (5) of subsection (c) of this section. Except as provided in subsection (n) of this section, the complaint and notice of dismissal are confidential and not public records.

(m) Reports and Records. – The Commission shall render the results of its ~~inquiry~~ investigation in writing. When a matter is referred under ~~subdivision (h)(2) and (3), sub-subdivisions (g)(2)b. and (g)(2)c., or subsection (k) of this section,~~ the Commission's report shall consist of the complaint, response, and detailed results of its ~~inquiry~~ investigation in support of the Commission's finding of a violation under this Chapter.

(n) Confidentiality. –

- (1) Complaints and responses filed with the ~~Commission and reports~~ Commission, settlement agreements, referrals, recommendations, reports, and other investigative documents and records of the Commission connected to an ~~inquiry~~ investigation under this section, including information provided pursuant to G.S. 147-64.6B or G.S. 147-64.6(c)(19), shall be confidential and not matters of public ~~record, record and may be released only by order of~~ a court of competent jurisdiction except as otherwise provided in this section or when the covered person or legislative employee under inquiry requests in writing that the complaint, response, and findings be made public. Once a hearing under this section commences, the complaint, response, and all other documents offered at the hearing in conjunction with the complaint, not otherwise privileged or confidential under law, shall be public records. ~~If no hearing is held at such time as the Commission reports to the employing entity a recommendation of sanctions, the complaint and response shall be~~

~~made public.~~ If confidential material or information is released in violation of this section by any person, State agency, or governmental unit other than the Commission, then the Commission may release confidential material or information pertaining to the same matter.

~~(n)~~(2) Staff to the Commission may share with staff to the Committee information connected to an inquiry into the conduct of a legislator under this section. The Commission shall provide to the Committee copies of all reports, investigative documents, information, and other documents used by the Commission when it refers a complaint to the Committee under ~~subdivision (2)~~ sub-subdivision (2)b. of subsection ~~(h)~~(g) of this section. Upon written request by staff to the Committee, the Commission shall provide copies of all reports, investigative documents, information, and other documents used by the Commission when it dismisses a complaint against a legislator under subsection (l) of this section. The information and documents provided to the Committee and staff to the Committee and the written request provided to the Commission are confidential and are not public records as defined in G.S. 132-1.

(3) When referring a matter to another State or local agency or authority, staff to the Commission may share related information and documents with the agency or authority receiving the referral. The information and documents provided shall remain confidential, are not public records, and may only be released according to the terms of this Chapter.

(o) ~~Recommendations of Sanctions.~~ After Sanctions after Hearing. – When referring a matter under subsection (k) of this section, ~~if requested by the entity to which the matter was referred,~~ the Commission may recommend sanctions or issue rulings as it deems necessary or appropriate to protect the public interest and ensure compliance with this Chapter. In recommending appropriate sanctions, the Commission may consider the following factors:

- (1) The public servant's prior experience in an agency or on a board and prior opportunities to learn the ethical standards for a public servant as set forth in Article 4 of this Chapter, including those dealing with conflicts of interest.
- (2) The number of ethics violations.
- (3) The severity of the ethics violations.
- (4) Whether the ethics violations involve the public servant's financial interest.
- (5) Whether the ethics violations were inadvertent or intentional.
- (6) Whether the public servant knew or should have known that the improper conduct was a violation of this Chapter.
- (7) Whether the public servant has previously been advised or warned by the Commission.
- (8) Whether the conduct or situation giving rise to the ethics violation was pointed out to the public servant in the Commission's Statement of Economic Interest evaluation letter issued under G.S. 138A-24(e).
- (9) The public servant's motivation or reason for the improper conduct or action, including whether the action was for personal financial gain versus protection of the public interest.

In making recommendations under this subsection, if the Commission ~~determines, after proper review and investigation,~~ determines that sanctions are appropriate, the Commission may recommend any action it deems necessary to properly address and rectify any violation of this Chapter by a public servant, including removal of the public servant from the public servant's State position. Nothing in this subsection is intended, and shall not be construed, to give the Commission any independent civil, criminal, or administrative investigative or enforcement authority over covered persons, or other State employees or appointees.

(p) Authority of Employing Entity. – Any action or failure to act by the Commission under this Chapter, except G.S. 138A-13, shall not limit any authority of any of the applicable employing entities to discipline the covered person or legislative employee.

(q) Continuing Jurisdiction. – The Commission shall have continuing jurisdiction to ~~investigate possible criminal violations of this Chapter~~ refer evidence of a possible criminal violation of this Chapter to the Attorney General for investigation and referral to the district attorney for possible prosecution for a period of one year following the date an individual, who was formerly a public servant or legislative employee, ceases to be a public servant or legislative employee for any investigation that commenced prior to the date the public servant or legislative employee ceases to be a public servant or legislative employee.

(r) Subpoena Authority. – The Commission may petition the Superior Court of Wake County for the approval to issue subpoenas and subpoenas duces tecum as necessary to conduct investigations of alleged violations of this Chapter. The court shall authorize subpoenas under this subsection when the court determines the subpoenas are necessary for the enforcement of this Chapter. Subpoenas issued under this subsection shall be enforceable by the court through contempt powers. Venue shall be with the Superior Court of Wake County for any person or governmental unit covered by this Chapter, and personal jurisdiction may be asserted under G.S. 1-75.4.

(s) Reports. – The number of complaints referred under this section shall be reported under G.S. 138A-10(a)(12).

(t) Concurrent Jurisdiction. – Nothing in this section shall limit the jurisdiction of the Committee or the Judicial Standards Commission with regards to legislative or judicial misconduct, and jurisdiction under this section shall be concurrent with the jurisdiction of the Committee and the Judicial Standards Commission."

SECTION 2. G.S. 138A-10(a) reads as rewritten:

"§ 138A-10. Powers and duties.

(a) In addition to other powers and duties specified in this Chapter, the Commission shall:

...

(5) Conduct ~~inquiries of~~ inquiries, investigations, and hearings on alleged violations against judicial officers, legislators, and legislative employees in accordance with G.S. 138A-12.

(6) Conduct ~~inquiries into~~ inquiries, investigations, and hearings on alleged violations against public servants in accordance with G.S. 138A-12.

...

(12) Publish annually statistics on complaints filed with or considered by the Commission, including the number of complaints filed, the number of complaints referred under G.S. 138A-12(b), the number of complaints dismissed under G.S. 138A-12(c)(4), the number of complaints dismissed under G.S. 138A-12(f), the number of complaints referred for criminal prosecution under G.S. 138A-12, the number of complaints dismissed under ~~G.S. 138A-12(h)~~, G.S. 138A-12(g)(2) the number of complaints referred for appropriate action under ~~G.S. 138A-12(h)~~ G.S. 138A-12(g)(2) or G.S. 138A-12(k)(3), and the number and age of complaints pending action by the Commission.

...."

SECTION 3. G.S. 138A-13(a2) reads as rewritten:

"(a2) A request for a formal advisory opinion under subsection (a) of this section shall be in writing, electronic or otherwise. The Commission shall issue formal advisory opinions having prospective application only. A public servant or legislative employee who relies upon

1 the advice provided to that public servant or legislative employee on a specific matter
2 addressed by the requested formal advisory opinion shall be immune from all of the following:

3 (1) Investigation by ~~the Commission, except for an inquiry under~~
4 ~~G.S. 138A-12(b)(3).Commission.~~

5 (2) Any adverse action by the employing entity.

6 (3) Investigation by the Secretary of State."

7 **SECTION 4.** G.S. 138A-13(b1) reads as rewritten:

8 "(b1) A request by a legislator for a recommended formal advisory opinion shall be in
9 writing, electronic or otherwise. The Commission shall issue recommended formal advisory
10 opinions having prospective application only. Until action is taken by the Committee under
11 G.S. 120-104, a legislator who relies upon the advice provided to that legislator on a specific
12 matter addressed by the requested recommended formal advisory opinion shall be immune
13 from all of the following:

14 (1) Investigation by the Committee or ~~Commission, except for an inquiry under~~
15 ~~G.S. 138A-12(b)(3).Commission.~~

16 (2) Any adverse action by the house of which the legislator is a member.

17 (3) Investigation by the Secretary of State."

18 **SECTION 5.** This act is effective when it becomes law.

**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

**ETHICS COMMITTEE REPORT
Representative John Faircloth, Co-Chair
Representative Rick Glazier, Co-Chair**

FAVORABLE COM SUB , UNFAVORABLE ORIGINAL BILL AND RE-REFERRED

HB 677

State Ethics Comm. Revisions.

Draft Number: H677-PCS40446-ST-40

Serial Referral: **RULES, CALENDAR, AND
OPERATIONS OF THE HOUSE**

Recommended Referral: None

Long Title Amended: Yes

Floor Manager: Glazier

TOTAL REPORTED: 1



* C M R 3 1 1 - V - 1 *



House Staff

Committee: H Cmte on ETHICS Date: 29 APR 15

Pages

1. Name Phillip Armentrout

County CRAVEN Sponsor John Bell

2. Name Kaitlin Avery

County PITT Sponsor Susan Martin

3. Name _____

County _____ Sponsor _____

4. Name _____

County _____ Sponsor _____

5. Name _____

County _____ Sponsor _____

Sergeant-at-Arms

BARRY MOORE

B. H. Powell

BILLY JONES

CORY BRYAN



VISITOR REGISTRATION SHEET

HOUSE CMTE ON ETHICS

Name of Committee

28 APR 15

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Philip Isley

Buntz

Perry Newson

Ethics Coman

Pam Cashwell

4

다

Kyle Edwards

Ethics Comm'n





House Committee on Ethics

2016 Short Session

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Member List

Attendance Sheet

Minutes of Meetings by Date Tab





HOUSE ETHICS COMMITTEE

MEMBER	ASSISTANT	PHONE	OFFICE	SEAT
Rep. John Faircloth, Chair	Becky Bauerband, Clerk	3-5877	613	28
Rep. Ken Goodman, Chair	Judy Veorse, Clerk	3-5823	542	47
Rep. Becky Carney, Vice Chair	Beth LeGrande	3-5827	1221	12
Rep. Leo Daughtry, Vice Chair	Jan Copeland	3-5605	2207	2
Rep. Jamie Boles	Kerry Guice	3-5903	528	25
Rep. William Brisson	Caroline Stirling	3-5772	405	23
Rep. Rayne Brown	Andrew Bailey	5-0873	633	61
Rep. Tricia Cotham	Carol Erichsen	5-0706	402	33
Rep. Edward Hanes	Rita Harris	3-5829	1006	94
Rep. Darren Jackson	Angela McMillan	3-5974	1013	34
Rep. Pat McElraft	Nancy Fox	3-6275	634	9
Rep. Chuck McGrady	Laura Bone	3-5956	304	28
Rep. Greg Murphy	Theresa Lopez	3-5757	604	111
Rep. Mitchell Setzer	Margaret Herring	3-4948	2204	7
Rep. Evelyn Terry	Franklin Terry	3-5777	1015	92
Rep. Michael Wray	Susan Burleson	3-5662	503	24



House Ethics

[illegible]



Becky Bauerband (Rep. John Faircloth)

From: Becky Bauerband (Rep. John Faircloth)
Sent: Wednesday, May 04, 2016 12:41 PM
To: Becky Bauerband (Rep. John Faircloth)
Subject: <NCGA> House Ethics Committee Meeting Notice for Thursday, May 05, 2016 at 10:00 AM
Attachments: Add Meeting to Calendar_LINC_ics

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION**

You are hereby notified that the **House Committee on Ethics** will meet as follows:

DAY & DATE: Thursday, May 5, 2016
TIME: 10:00 AM
LOCATION: 415 LOB

Respectfully,

Representative John Faircloth, Co-Chair
Representative Ken Goodman, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 12:40 PM on Wednesday, May 04, 2016.

____ Principal Clerk
____ Reading Clerk – House Chamber

Rebecca Bauerband (Committee Assistant)



House Committee on Ethics
Thursday, May 5, 10:00 AM
415 LOB

AGENDA

I. Call to Order

Chairs: Representative John Faircloth, Presiding
Representative Ken Goodman

II. Welcome and Opening Remarks By Chairs

III. Committee Introduction of a Bill

Committee Staff

IV. Committee Discussion

V. Adjournment



House Ethics

[illegible]



House Committee on Ethics
Thursday, May 05, 2016 at 10:00 AM
Room 415 of the Legislative Office Building

MINUTES

The House Committee on Ethics met at 10:00 AM on May 05, 2016 in Room 415 of the Legislative Office Building. Representatives Faircloth, Goodman, Brown, Cotham, Jackson, Setzer, Wray and Stam attended.

Representative John Faircloth, Chair, presided. He called the meeting to order at 10:03 AM. Chairman Faircloth introduced the Sergeant at Arms staff and Pages present for the meeting.

Chairman Faircloth recognized Perry Newson, Executive Director of the North Carolina State Ethics Commission

Chairman Faircloth stated that the purpose of the meeting was to consider whether the committee wants to introduce a bill during the short session as it is a different process than normal. He informed the committee that the State Ethics Commission has proposed some changes to the ethics and lobbying laws. There is not a current bill that they can use for the short session. The proposed bill has a few minor changes. A more extensive PCS will be considered later if the committee agrees to introduce the bill.

A motion was made by Representative Setzer to review the bill draft.

Staff member, Gus Willis, was called on to explain the bill draft. He stated that Section 1 will add an exclusion to the gift ban exception that expands on the definition of "gift" any campaign contributions that are properly received and reported under federal law. Section 2 changes the title of Subsection K to "Post-hearing Dispositions" from "Dispositions of Inquiries". Section 3 goes into Chapter 120C, the lobbying laws, and clarifies registration statement throughout. Section 4 clarifies that the Commissioner of the Secretary of State may utilize the services of a higher investigator. (See Attachment 1)

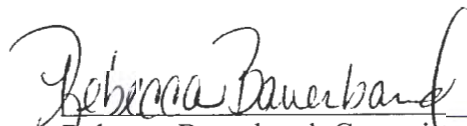
After the presentation, Chairman Faircloth opened the floor for discussion. There were no comments.

Representative Setzer made a favorable motion for the bill introduction. The motion carried. The bill will be prepared for filing.

The meeting adjourned at 10:09AM.



Representative John Faircloth, Chair
Presiding



Rebecca Bauerband, Committee Clerk



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H

D

BILL DRAFT 2015-TY-2 [v.3] (05/04)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
05/04/2016 05:06:09 PM

Short Title: State Ethics Comm. Revisions.

(Public)

Sponsors:

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE VARIOUS REVISIONS TO THE STATE GOVERNMENT ETHICS ACT
3 AND THE LOBBYING LAWS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 138A-3(15) is amended by adding a new sub-subdivision to read:

6 "g. Campaign contributions properly received and reported under federal
7 law."

8 **SECTION 2.** G.S. 138A-12(k) reads as rewritten:

9 "(k) ~~Disposition of Inquiries.~~ Post-Hearing Dispositions. — After the hearing, the
10 Commission shall dispose of the matter in one or more of the following ways:

- 11 (1) If the Commission finds substantial evidence of an alleged violation of a
12 criminal statute, the Commission shall refer the matter to the Attorney General
13 for investigation and referral to the district attorney for possible prosecution.
- 14 (2) If the Commission finds that the alleged violation is not established by clear
15 and convincing evidence, the Commission shall dismiss the complaint.
- 16 (3) If the Commission finds that the alleged violation of this Chapter is established
17 by clear and convincing evidence, the Commission shall do one or more of the
18 following:
 - 19 a. Issue a private admonishment to the public servant and notify the
20 employing entity, if applicable. Such notification shall be treated as part
21 of the personnel record of the public servant.
 - 22 b. Refer the matter for appropriate action to the Governor and the
23 employing entity that appointed or employed the public servant or of
24 which the public servant is a member.
 - 25 c. Refer the matter for appropriate action to the Chief Justice for judicial
26 employees.
 - 27 d. Refer the matter to the Principal Clerks of the House of Representatives
28 and Senate of the General Assembly for constitutional officers of the
29 State.
 - 30 e. Refer the matter for appropriate action to the principal clerk of the house
31 of the General Assembly that elected the public servant for members of
32 the Board of Governors and the State Board of Community Colleges."

33 **SECTION 3.** G.S. 120C-200 reads as rewritten:

34 **"§ 120C-200. Lobbyist registration procedure.**





(a) A lobbyist shall file a separate registration statement for each principal the lobbyist represents with the Secretary of State before engaging in any lobbying. It shall be unlawful for an individual to lobby without registering within one business day of engaging in any lobbying as defined in G.S. 120C-100(9) unless exempted by this Chapter.

(b) The form of the registration statement shall be prescribed by the Secretary of State, be filed electronically, and shall include the registrant's full name, firm, complete address, and telephone number; the registrant's place of business; the full name, complete address, and telephone number of each principal the lobbyist represents; and a general description of the matters on which the registrant expects to act as a lobbyist.

(c) Each lobbyist shall electronically file an amended registration statement form with the Secretary of State no later than 10 business days after any change in the information supplied in the lobbyist's last registration statement under subsection (b) of this section. Each supplementary registration statement shall include a complete statement of the information that has changed.

(d) Unless a resignation is filed under G.S. 120C-210, each registration statement of a lobbyist required under this Chapter shall be effective from the date of filing until January 1 of the following year. The lobbyist shall file a new registration statement after that date, and the applicable fee shall be due and payable.

(e) Each lobbyist shall identify himself or herself as a lobbyist prior to engaging in lobbying communications or activities with a designated individual. The lobbyist shall also disclose the identity of the lobbyist principal connected to that lobbying communication or activity.

(f) In addition to the information required for registration statement under subsection (b) of this section, former employees of a State agency who register as a lobbyist within six months after voluntary separation or separation for cause from employment with a State agency shall also indicate ~~which State agency~~ with which State agency the former employee was employed."

SECTION 4. G.S. 120C-601 reads as rewritten:

"§ 120C-601. Powers and duties of the Commission.

(a) The Commission may investigate complaints of violations of this Chapter and shall refer complaints related solely to Articles 2, 4, or 8 of this Chapter to the Secretary of State. The Commission or the Secretary of State may utilize the services of a hired investigator when conducting investigations.

(b) The Commission may petition the Superior Court of Wake County for the approval to issue subpoenas and subpoenas duces tecum as necessary to conduct investigations of violations of this Chapter. The court shall authorize subpoenas under this subsection when the court determines they are necessary for the enforcement of this Chapter. Subpoenas issued under this subsection shall be enforceable by the court through contempt powers. Venue shall be with the Superior Court of Wake County for any nonresident person, or that person's agent, who makes a reportable expenditure under this Chapter, and personal jurisdiction may be asserted under G.S. 1-75.4.

(c) Complaints of violations of this Chapter and all other records accumulated in conjunction with the investigation of these complaints shall be considered confidential records and may be released only by order of a court of competent jurisdiction. Any information obtained by the Commission from any law enforcement agency, administrative agency, or regulatory organization on a confidential or otherwise restricted basis in the course of an investigation shall be confidential and exempt from G.S. 132-6 to the same extent that it is confidential in the possession of the providing agency or organization.

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

SECTION 5. This act is effective when it becomes law.





Unknown: State Ethics Commission Revisions.

2016-2017 General Assembly

Committee: House Ethics
Introduced by:
Analysis of: Unknown

Date: May 4, 2016
Prepared by: Augustus Willis
Committee Counsel

SUMMARY: *This bill would exempt campaign contributions that were properly received and reported under federal law from the definition of a gift in the State Government Ethics Act and would clarify that the State Ethics Commission or the Secretary of State may hire an investigator when conducting an investigation of complaints of violations of the State lobbying laws. This bill would also make technical changes to the State Government Ethics Act and lobbying laws.*

CURRENT LAW: The State Ethics Commission (SEC) is largely responsible for interpreting the State Government Ethics Act (SGEA) in Chapter 138A of the General Statutes and Lobbying Law in Chapter 120C of the General Statutes. The SEC and Secretary of State share the administration of the Lobbying Law.

BILL ANALYSIS:

Section 1: Under current law, a gift is defined as anything of monetary value, given or received without consideration by a lobbyist, lobbyist principal, or liaison personnel. Gifts are not permitted to be given to covered persons unless a gift ban exception applies. Section 1 would codify the current status of the federal pre-emption of regulation of federal campaign committees by exempting donations to federal campaigns from the gift ban.

Section 2: Would retitle subsection (k) of G.S. 138A-12, which governs inquiries by the SEC.

Section 3: Would make technical and clarifying changes to the statute that governs lobbyist registration procedure.

Section 4: Under current law, the SEC may investigate complaints of violations of the Lobbying Law and must refer certain types of complaints to the Secretary of State. Section 5 would clarify that the SEC or Secretary of State may utilize the services of a hired investigator when conducting investigations under the Lobbying Law.

EFFECTIVE DATE: This bill would be effective when it becomes law.

** This summary was contributed to substantially by Denise Adams.*

Karen Cochran-
Brown
Director



Legislative Analysis
Division
919-733-2578



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H

1

HOUSE BILL 1055

Short Title: State Ethics Comm. Revisions.

(Public)

Sponsors: Committee on Ethics.

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Ethics

May 10, 2016

A BILL TO BE ENTITLED
AN ACT TO MAKE VARIOUS REVISIONS TO THE STATE GOVERNMENT ETHICS ACT
AND THE LOBBYING LAWS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 138A-3(15) is amended by adding a new sub-subdivision to read:

"g. Campaign contributions properly received and reported under federal law."

SECTION 2. G.S. 138A-12(k) reads as rewritten:

"(k) ~~Disposition of Inquiries.~~ Post-Hearing Dispositions. — After the hearing, the Commission shall dispose of the matter in one or more of the following ways:

- (1) If the Commission finds substantial evidence of an alleged violation of a criminal statute, the Commission shall refer the matter to the Attorney General for investigation and referral to the district attorney for possible prosecution.
- (2) If the Commission finds that the alleged violation is not established by clear and convincing evidence, the Commission shall dismiss the complaint.
- (3) If the Commission finds that the alleged violation of this Chapter is established by clear and convincing evidence, the Commission shall do one or more of the following:
 - a. Issue a private admonishment to the public servant and notify the employing entity, if applicable. Such notification shall be treated as part of the personnel record of the public servant.
 - b. Refer the matter for appropriate action to the Governor and the employing entity that appointed or employed the public servant or of which the public servant is a member.
 - c. Refer the matter for appropriate action to the Chief Justice for judicial employees.
 - d. Refer the matter to the Principal Clerks of the House of Representatives and Senate of the General Assembly for constitutional officers of the State.
 - e. Refer the matter for appropriate action to the principal clerk of the house of the General Assembly that elected the public servant for members of the Board of Governors and the State Board of Community Colleges."

SECTION 3. G.S. 120C-200 reads as rewritten:

"§ 120C-200. Lobbyist registration procedure.





(a) A lobbyist shall file a separate registration statement for each principal the lobbyist represents with the Secretary of State before engaging in any lobbying. It shall be unlawful for an individual to lobby without registering within one business day of engaging in any lobbying as defined in G.S. 120C-100(9) unless exempted by this Chapter.

(b) The form of the registration statement shall be prescribed by the Secretary of State, be filed electronically, and shall include the registrant's full name, firm, complete address, and telephone number; the registrant's place of business; the full name, complete address, and telephone number of each principal the lobbyist represents; and a general description of the matters on which the registrant expects to act as a lobbyist.

(c) Each lobbyist shall electronically file an amended registration statement form with the Secretary of State no later than 10 business days after any change in the information supplied in the lobbyist's last registration statement under subsection (b) of this section. Each supplementary registration statement shall include a complete statement of the information that has changed.

(d) Unless a resignation is filed under G.S. 120C-210, each registration statement of a lobbyist required under this Chapter shall be effective from the date of filing until January 1 of the following year. The lobbyist shall file a new registration statement after that date, and the applicable fee shall be due and payable.

(e) Each lobbyist shall identify himself or herself as a lobbyist prior to engaging in lobbying communications or activities with a designated individual. The lobbyist shall also disclose the identity of the lobbyist principal connected to that lobbying communication or activity.

(f) In addition to the information required for registration statement under subsection (b) of this section, former employees of a State agency who register as a lobbyist within six months after voluntary separation or separation for cause from employment with a State agency shall also indicate ~~which State agency~~ with which State agency the former employee was employed."

SECTION 4. G.S. 120C-601 reads as rewritten:

"§ 120C-601. Powers and duties of the Commission.

(a) The Commission may investigate complaints of violations of this Chapter and shall refer complaints related solely to Articles 2, 4, or 8 of this Chapter to the Secretary of State. The Commission or the Secretary of State may utilize the services of a hired investigator when conducting investigations.

(b) The Commission may petition the Superior Court of Wake County for the approval to issue subpoenas and subpoenas duces tecum as necessary to conduct investigations of violations of this Chapter. The court shall authorize subpoenas under this subsection when the court determines they are necessary for the enforcement of this Chapter. Subpoenas issued under this subsection shall be enforceable by the court through contempt powers. Venue shall be with the Superior Court of Wake County for any nonresident person, or that person's agent, who makes a reportable expenditure under this Chapter, and personal jurisdiction may be asserted under G.S. 1-75.4.

(c) Complaints of violations of this Chapter and all other records accumulated in conjunction with the investigation of these complaints shall be considered confidential records and may be released only by order of a court of competent jurisdiction. Any information obtained by the Commission from any law enforcement agency, administrative agency, or regulatory organization on a confidential or otherwise restricted basis in the course of an investigation shall be confidential and exempt from G.S. 132-6 to the same extent that it is confidential in the possession of the providing agency or organization.

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

SECTION 5. This act is effective when it becomes law.



**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

**ETHICS COMMITTEE REPORT
Representative John Faircloth, Co-Chair
Representative Ken Goodman, Co-Chair**

FAVORABLE FOR INTRODUCTION

DRH30468-TY-2

A BILL TO BE ENTITLED AN ACT TO MAKE VARIOUS REVISIONS TO
THE STATE GOVERNMENT ETHICS ACT AND THE LOBBYING LAWS.



VISITOR REGISTRATION SHEET

House Ethics Committee

05/05/16

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Kelsey Byerly	Laurie Onorio LLC
Henry M Lancaster	LCA
Spencer	NCA
Brian Miller	NCGA
Sarah O'Rourke	NC Child
Delley Robinson	Perterson Law
Lexi Arthur	NCRMA
Andy Chase	KMA
Fred Bone	Bone & Asso
Pam Cashnell	SIC
Tom West	NCTCU



VISITOR REGISTRATION SHEET

House Ethics Committee

Name of Committee

05/05/16

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Perry Newson

5E2

Kathy Edwards

State Ethics Comm'n

Sue Ann Farrey

NICU

Isabel Vuk-Grcia

NCAR

Peter Bolac

NK State Bar

Michael Houser

THCG



**House Committee on Ethics
Monday, June 6, 2016, 4:00 PM
Room 415 – Legislative Building**

AGENDA

Call to order

Welcome and Opening Remarks

Chairs: Representative John Faircloth
Representative Ken Goodman, Presiding

Introduction of Pages

Committee Introduction of Bills:

BILL NO.	SHORT TITLE	SPONSOR
H1055	State Ethics Comm. Revisions	

Committee Discussion

Other Business

Adjournment



House Ethics

[illegible]



House Committee on Ethics
Monday, June 6, 2016 at 4:00 PM
Room 415 – Legislative Office Building

MINUTES

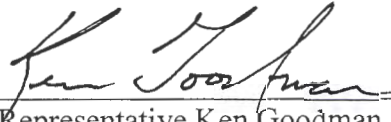
The House Committee on Ethics met at 4:00 PM on June 6, 2016 in Room 415. Representatives Boles, Brown, Carney, Daughtry, Faircloth, Goodman, McElraft, McGrady, Murphy, Setzer, and Wray attended.

Representative Ken Goodman, Chair, presided. He called the meeting to order at 4:00 PM. Chairman Goodman introduced the Sergeant at Arms staff.

Chairman Goodman recognized Representative Faircloth to speak on a Proposed Committee Substitute for House Bill 1055, State Ethics Committee Revisions. Augustus Willis, Legislative Analysis Division, was recognized to further explain the bill. A question and answer period followed the explanation. Mr. Perry Newsome, Director State Ethics Commission, and Ms. Pam Cashwell, Deputy Director State Ethics Commission, were recognized to answer questions of members and to give additional information.

Representative Setzer moved for an Unfavorable Report to the original bill with a Favorable Report to the Proposed Committee Substitute. Representative Goodman called for the vote. All were in favor of the motion, and the motion carried.

The meeting adjourned at 4:38 PM.



Representative Ken Goodman
Presiding



Judy Veorse, Committee Clerk





HOUSE BILL 1055: State Ethics Comm. Revisions.

2016-2017 General Assembly

Committee: House Ethics
Introduced by: House Ethics Committee
Analysis of: PCS to First Edition
H1055-CSTY-10

Date: May 27, 2016
Prepared by: Augustus Willis
Erika Churchill
Brad Krehely
Committee Co-Counsel

SUMMARY: *The PCS to House Bill 1055 would make various changes to the State's ethics and lobbying laws, including the procedures for investigations of ethics violations by the State Ethics Commission (SEC) and Legislative Ethics Committee (LEC).*

CURRENT LAW and BILL ANALYSIS:

Section 1: Under current law, generally anything of monetary value given or received without valuable consideration is considered a gift for purposes of the gift ban, however, gifts between extended family members are exempted from the gift ban. Section 1 would add to the exclusions from the definition of a gift (i) anything of value given and received between extended family members, and (ii) campaign contributions that are properly reported under federal law.

Section 2: Makes technical changes clarifying the powers and duties of the SEC to conduct inquiries, investigations, and hearings.

Section 3: Currently, judicial officers are not required to participate in mandatory ethics education programming provided by the SEC. Section 3 clarifies that judicial officers must adhere to this requirement if they are also serving as a public servant in addition to their role as a judicial officer.

Section 4: Currently, the head of a state agency or head of a board subject to the State ethics laws must provide certain persons under their supervision with a statement of economic interest and notify the SEC of the person's hiring, appointment, or promotion to a position covered by the State Ethics Act "as soon as reasonably practical after" the person's new designation. Section 5 would require the agency head or board chair to take those actions prior to the designation and to notify the SEC in writing of the designation.

Section 5: Under current law, certain public servants who have submitted a statement of economic interest may be hired or appointed provisionally prior to the submission of the SEC's evaluation of the statement and are subject to dismissal or removal by the SEC based on that evaluation. Under current law, those public servants include:

- For the University of North Carolina, the voting members of the Board of Governors, the president, vice presidents, and the chancellors, vice chancellors, and voting members of the boards of trustees of the constituent institutions.
- For the Community College System, the voting members of the State Board of Community Colleges, the President and chief financial officer of the Community College System, the president, chief financial officer, and chief administrative officer of each community college, and voting members of the boards of trustees of each community college.

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578

House PCS 1055

Page 2

Section 5 would provide that all public servants, except Constitutional officers of the State and individuals appointed as Constitutional officers prior to taking office, may be hired or appointed provisionally prior to the Commission's evaluation of the statement of economic interest.

Section 6: Clarifies and expands the disclosure requirements of statements of economic interest to include all public servants, including those who also serve, or are seeking to serve as a legislator or judicial officer and their immediate families. Adds to the list of those items that must be disclosed, stock grants, stock units and restricted stocks, whether vested or unvested, as well as any scholarship related to the filing person's public service or position valued over \$200.

Section 7: Within 30 days after the date that a statement of economic interest is due to be filed, the SEC must notify any filing person who has failed to file a complete application. Currently, a filing person has 30 days from the receipt of that notice to file or complete their statement, and the SEC must report any failure to file to the State Bureau of Investigation (SBI) for investigation and possible referral to the District Attorney for possible prosecution. Section 8 would change the timeframe for filing to 30 days after the date of the notice and require the SBI to forward a copy of its investigation to the Wake County District Attorney.

Section 8: Currently, the SEC must evaluate subsequently filed statements of economic interest every other year, except for public servants listed on certain specified institutions, whose statements must be evaluated annually. A public servant who simultaneously serves on more than one covered board may file a single statement without requiring re-evaluation by the SEC during that biennium. Section 7 would add Metropolitan Planning Organizations, Rural Transportation Planning Organizations, and the NC Board of Transportation to the list of annual evaluations and eliminates the exception on public servants serving on multiple covered boards, thereby requiring them to file a statement for each board.

Section 9: Makes a technical change to clarify that the permitted exceptions in G.S. 138A-38(a) apply to covered persons and legislative employees who otherwise would not be permitted to act under G.S. 138A-31(a).

Section 10: Clarifies that an ethics liaison would be subject to disciplinary action upon violation of the State Ethics Act.

Section 11: Narrows the definition of "executive action" in the lobbying laws to exclude a public servant's inquiry about or responding to a request for proposal made under Chapter 135 (State Retirement System) and Chapter 147 (State Officers). Current law excludes only such inquiries and responses made under Chapter 143 (State Government Agencies).

Section 12-14: Make technical and clarifying changes to the laws on lobbyist registration, including to use the term "registration statement" consistently.

Section 15: Under current law, for reportable expenditures, each report must set forth the name of any designated individual or that designated individual's immediate family member connected with the reportable expenditure. When more than 15 designated individuals benefit from or request a reportable expenditure, no names of individuals need to be reported if the report identifies the approximate number of designated individuals benefiting or requesting and the basis for their selection, including the name of the legislative body, committee, caucus, or other group whose membership is a matter of public record or is otherwise identifiable.

Section 15 would provide that the name of a "board" may be provided on the report, instead of the names of individuals, if there are more than 15 designated individuals who benefit from or request a reportable expenditure. Section 15 makes an additional clarifying change to note that other groups also

House PCS 1055

Page 3

could be listed, instead of individuals, if there is a description of the group that clearly identifies the designated individuals.

Section 16: Clarifies that the SEC or the Secretary of State may utilize the services of a hired investigator when conducting investigations into violations of the State's lobbying laws.

Section 17: Changes the word "person" to "individual" throughout Article 7 (Exemptions) of Chapter 120C (Lobbying).

Section 18: Clarifies that, for purposes of reporting, the term "scholarship" includes all event-related expenses such as food, beverages, registration, travel, and lodging. Makes conforming changes to the lobbying laws in light of the changes to the State Government Ethics Act contained in Section 6 of the PCS.

Section 19(a): Makes changes to the statutes governing investigatory procedures of the SEC, including the following:

- Changes the trigger of the 10 business day timeframe within which the SEC must initiate inquiry and send a copy of a complaint to the person who is the subject of the complaint from the date of the filing of the complaint to the date the SEC accepts the complaint.
- Increases the timeframe within which the SEC must complete an inquiry into a complaint from 20 business days to 30 business days after acceptance of the complaint.
- Once the SEC completes its inquiry and initiates a probable cause investigation, it would no longer be required to provide notice to the individual who filed the complaint if it determines to proceed with an investigation. However the SEC would still be required to notify the person who is the subject of the complaint, and would now have to also notify the person's employing entity or appointing authority of the fact of an investigation and the allegations against the person.
- Specifies that if the public servant who is the subject of the inquiry and the SEC enter into a settlement of the allegations prior to hearing, once the settlement is approved by the SEC, the SEC would be required to provide written notice of the fact of the settlement to the individual who filed the complaint, the public servant who was the subject of the inquiry, and the public servant's employing entity or appointing authority.
- Would require the SEC, upon finding substantial evidence of a violation of criminal law, to refer the matter to the SBI, which must investigate and forward a copy of the investigation to the District Attorney for possible prosecution.
- Allows SEC staff to share related information and documents with State and local authorities when referring a matter to the agency or authority and specifies that such records and documents remain confidential and are not public records.
- In cases where the SEC has referred a matter to another entity, the SEC would be able to recommend sanctions or issue rulings without the request of the entity to which the matter was referred.
- Gives the SEC continued jurisdiction over a public servant or legislative employee for one year following the date that individual ceases being a public servant or legislative employee to refer evidence of alleged criminal violations to the SBI. The SBI would be required to investigate and forward a copy of the investigation to the Wake County District Attorney.

House PCS 1055

Page 4

Section 20(b): Makes changes to the LEC investigatory statutes to include settlement of inquiries and sharing information in order to align the LEC statutes similarly to the SEC statutes.

EFFECTIVE DATE: Section 1 becomes effective December 1, 2016. The remainder of the act becomes effective October 1, 2016.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H

D

HOUSE BILL 1055
PROPOSED COMMITTEE SUBSTITUTE H1055-CSTY-10 [v.10]

06/03/2016 03:44:09 PM

Short Title: State Ethics Comm. Revisions.

(Public)

Sponsors:

Referred to:

May 10, 2016

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE VARIOUS REVISIONS TO THE STATE GOVERNMENT ETHICS ACT
3 AND THE LOBBYING LAWS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.(a)** G.S. 138A-3(15) reads as rewritten:

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

10 ...

11 g. Campaign contributions properly reported under federal law.

12 h. Anything of value given and received between extended family
13 members."

14 **SECTION 1.(b)** G.S. 138A-32(e)(7) reads as rewritten:

15 "(e) Subsections (c), (d), and (d1) of this section shall not apply to any of the following:

16 ...

17 (7) Gifts from ~~the covered person's or legislative employee's extended family~~, or a
18 member of the same household of the covered person or legislative employee."

19 **SECTION 1.(c)** This section becomes effective December 1, 2016, and applies to
20 offenses committed on or after that date.

21 **SECTION 2.** G.S. 138A-10(a) reads as rewritten:

22 **"§ 138A-10. Powers and duties.**

23 (a) In addition to other powers and duties specified in this Chapter, the Commission shall:

24 ...

25 (5) Conduct inquiries ~~of~~ and investigations on alleged violations against judicial
26 officers, legislators, and legislative employees in accordance with
27 G.S. 138A-12.

28 (6) Conduct ~~inquiries~~ inquiries, investigations, and hearings on ~~into~~ alleged
29 violations against public servants in accordance with G.S. 138A-12.

30"

31 **SECTION 3.** G.S. 138A-14(i) reads as rewritten:

32 "(i) This section shall not apply to judicial ~~officers~~ officers, unless otherwise serving as a
33 public servant."

34 **SECTION 4.** G.S. 138A-15(h) reads as rewritten:

35 "(h) ~~As soon as reasonably practicable after~~ Prior to the designation, hiring, or promotion of
36 their chief deputies, assistants, or other public servants under their supervision or control, or upon



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1 learning of the appointment or election of other public servants to a board covered under this
2 Chapter, all agency heads and board chairs shall (i) notify the Commission in writing of such
3 designation, hiring, promotion, appointment, or election and (ii) provide these public servants with
4 copies of this Chapter and all applicable financial disclosure forms, if these materials and forms
5 have not been previously provided to these public servants in connection with their designation,
6 hiring, promotion, appointment, or election. In order to avoid duplication of effort, agency heads
7 and board chairs shall coordinate this effort with the Commission's staff."

8 **SECTION 5.** G.S. 138A-22(c) reads as rewritten:

9 "(c) Notwithstanding subsection (a) of this section, public servants, ~~under~~
10 ~~G.S. 138A-3(30)j. and k., except those as defined in G.S. 138A-3(30)a.,~~ who have submitted a
11 statement of economic interest under subsection (a) of this section, may be hired, appointed, or
12 elected provisionally prior to submission by the Commission of the Commission's evaluation of
13 the statement in accordance with this Article, subject to dismissal or removal based on the
14 Commission's evaluation."

15 **SECTION 6.** G.S. 138A-24(a) reads as rewritten:

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

19 (1) Except as otherwise provided in this subdivision, the name, current mailing
20 address, occupation, employer, and business of the filing person. Any
21 individual holding or seeking elected office for which residence is a
22 qualification for office shall include a home address. A judicial officer may use
23 a current mailing address instead of the home address on the form required in
24 this subsection. The filing person may also use the initials instead of the name
25 of any unemancipated child of the filing person who also resides in the
26 household of the filing person. If the filing person provides the initials of an
27 unemancipated child, the filing person shall concurrently provide the name of
28 the unemancipated child to the Commission. The name of an unemancipated
29 child provided by the filing person to the Commission shall not be a public
30 record under Chapter 132 of the General Statutes and is privileged and
31 confidential.

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

- 37 a. All real estate located in the State owned wholly or in part by the filing
38 person or the filing person's immediate family, including descriptions
39 adequate to determine the location by city and county of each parcel.
40 b. Real estate that is currently leased or rented to or from the State.
41 c. Personal property sold to or bought from the State within the preceding
42 two years.
43 d. Personal property currently leased or rented to or from the State.
44 e. The name of each publicly owned company. For purposes of this
45 sub-subdivision, the term "publicly owned company" shall not include a
46 widely held investment fund, including a mutual fund, regulated
47 investment company, or pension or deferred compensation plan, if all of
48 the following apply:
49 1. The filing person or a member of the filing person's immediate
50 family neither exercises nor has the ability to exercise control
51 over the financial interests held by the fund.

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- 1 m. Taxation law.
2 n. Utilities regulation law.
- 3 (5) Except for a filing person in compliance under subdivision (4) of this
4 subsection, if the filing person is a licensed professional or provides consulting
5 services, either individually or as a member of a professional association, a list
6 of categories of business and the nature of services rendered, for which
7 payment for services were charged or paid during the past year in excess of ten
8 thousand dollars (\$10,000).
- 9 (6) An indication of whether the filing person, the filing person's employer, a
10 member of the filing person's immediate family, or the immediate family
11 member's employer is licensed or regulated by, or has a business relationship
12 with, the board or employing entity with which the filing person is or will be
13 associated. This subdivision ~~does not shall~~ apply to all public servants, including
14 those who also serve, or are seeking to serve as a legislator, a legislator or
15 judicial officer, or and that legislator's or judicial officer's public servant's
16 immediate family.
- 17 (7) A list of societies, organizations, or advocacy groups, pertaining to subject
18 matter areas over which the public servant's agency or board may have
19 jurisdiction, in which the public servant or a member of the public servant's
20 immediate family is a director, officer, or governing board member. This
21 subdivision ~~does not shall~~ apply to all public servants, including those who also
22 serve, or are seeking to serve as a legislator, a legislator or judicial officer, or and
23 that legislator's or judicial officer's public servant's immediate family.
- 24 (8) A list of all things with a total value of over two hundred dollars (\$200.00) per
25 calendar quarter given and received without valuable consideration and under
26 circumstances that a reasonable person would conclude that the thing was given
27 for lobbying, if such things were given by a person not required to report under
28 Chapter 120C of the General Statutes, excluding things given by a member of
29 the filing person's extended family. The list shall include only those things
30 received during the 12 months preceding the reporting period under subsection
31 (d) of this section, and shall include the source of those things. The list required
32 by this subdivision shall not apply to things of monetary value received by the
33 filing person prior to the time the filing person filed or was nominated as a
34 candidate for office, as described in G.S. 138A-22, or was appointed or
35 employed as a covered person.
- 36 (8a) A list of all scholarships related to the filing person's public service or position
37 valued over two hundred dollars (\$200) from a person, or group of persons,
38 acting together, if such scholarship was given by a person or group of persons
39 not required to report under Chapter 120C of the General Statutes.
- 40 (9) A list of any felony convictions of the filing person, excluding any felony
41 convictions for which a pardon of innocence or order of expungement has been
42 granted.
- 43 (10) Any other information that the filing person believes may assist the
44 Commission in advising the filing person with regards to compliance with this
45 Chapter.
- 46 (11) A list of any nonprofit corporation or organization with which associated during
47 the preceding calendar year, including a list of which of those nonprofit
48 corporations or organizations with which associated do business with the State
49 or receive State funds and a brief description of the nature of the business, if
50 known or with which due diligence could reasonably be known.

- 1 (12) A statement of whether the filing person or the filing person's immediate family
2 is or has been a lobbyist or lobbyist principal registered under Chapter 120C of
3 the General Statutes within the preceding 12 months.
- 4 (13) A list of all contributions as defined in G.S. 163-278.6(6) with a cumulative
5 total of more than one thousand dollars (\$1,000) made by the filing person only,
6 during the preceding calendar year, to the candidate or candidate campaign
7 committee of the covered person as defined in G.S. 138A-3(30)a. appointing
8 the filing person to the covered board.
- 9 (14) A statement indicating "Yes" or "No" as to whether the filing person engaged in
10 each of the following activities during the preceding calendar year, with respect
11 to or on the behalf of the candidate or candidate campaign committee of the
12 covered person as defined in G.S. 138A-3(30)a. appointing the filing person: (i)
13 collected contributions from multiple contributors, took possession of such
14 multiple contributions, and transferred or delivered those collected multiple
15 contributions, (ii) hosted a fund-raiser in the filing person's residence or place
16 of business, or (iii) volunteered for campaign-related activity. This subdivision
17 only applies to filing persons in the following categories:
- 18 a. A public servant, or a prospective appointee to, as defined in G.S.
19 138A-3(30)c.
- 20 b. A judicial officer that serves on, or a prospective appointee to, the
21 Supreme Court, the Court of Appeals, the superior court, or the district
22 court.
- 23 c. A covered person serving on, or a prospective appointee to, one of the
24 following panels or boards:
- 25 1. Alcoholic Beverage Control Commission.
26 2. Coastal Resources Commission.
27 3. State Board of Education.
28 4. State Board of Elections.
29 5. Division of Employment Security.
30 6. Environmental Management Commission.
31 7. Industrial Commission.
32 8. State Human Resources Commission.
33 9. Rules Review Commission.
34 10. Board of Transportation.
35 11. Board of Governors of the University of North Carolina.
36 12. Utilities Commission.
37 13. Wildlife Resources Commission.
- 38 (15) The name of each business with which associated that the filing person or a
39 member of the filing person's immediate family is an employee, director,
40 officer, partner, proprietor, or member or manager.
- 41 (16) For any company or business entity listed under subdivision (15) of this
42 subsection and sub-subdivisions f. and g. of subdivision (2) of this subsection,
43 if known, a statement whether that company or business entity has any material
44 business dealings or business contracts with the State, or is regulated by the
45 State, including a brief description of the business activity."

46 **SECTION 7. G.S. 138A-25 reads as rewritten:**

47 **"§ 138A-25. Failure to file.**

48 (a) Within 30 days after the date due under G.S. 138A-22, the Commission shall notify
49 filing persons who have failed to file or filing persons whose statement has been deemed
50 incomplete. For a filing person currently serving as a covered person, the Commission shall notify
51 the filing person and the ethics liaison that if the statement of economic interest is not filed or

completed within 30 days of ~~receipt~~ the date of the notice of failure to file or complete, the filing person shall be subject to a fine as provided for in this section.

(b) Any filing person who fails to file or complete a statement of economic interest within 30 days of the ~~receipt date~~ of the notice, required under subsection (a) of this section, shall be subject to a fine of two hundred fifty dollars (\$250.00), to be imposed by the Commission.

(c) Failure by any filing person to file or complete a statement of economic interest within 60 days of the ~~receipt date~~ of the notice, required under subsection (a) of this section, shall be deemed to be a violation of this Chapter and shall be grounds for disciplinary action under G.S. 138A-45.

(d) Within 30 days after the date due under G.S. 138A-22, the Commission shall notify persons who are required to file a Statement of Economic Interest under G.S. 136-200.2(g)(3) or G.S. 136-211(f)(3) of a failure to file the Statement of Economic Interest or the filing of an incomplete Statement of Economic Interest. The Commission shall notify the filing person that if the Statement of Economic Interest is not filed or completed within 30 days of ~~receipt~~ the date of the notice of failure to file or complete, the filing person shall be fined and referred for prosecution after an additional 30 days, as provided for in this section:

(1) Any filing person who fails to file a Statement of Economic Interest under G.S. 136-200.2(g)(3) or G.S. 136-211(f)(3) within 30 days of the ~~receipt date~~ of the notice required under this section shall be fined two hundred fifty dollars (\$250.00) by the Commission for not filing or filing an incomplete Statement of Economic Interest, except in extenuating circumstances as determined by the Commission.

(2) Failure by any filing person to file or complete the Statement of Economic Interest within 60 days of the ~~receipt date~~ of the notice required under this subsection shall be a Class 1 misdemeanor. The Commission shall report such failure to the Director of the State Bureau of Investigation for investigation and referral to the District Attorney for possible prosecution, unless the Commission determines extenuating circumstances exist. Upon receipt of the report from the Commission, the Director of the State Bureau of Investigation shall make appropriate investigation into the matter and forward a copy of the investigation to the Wake County District Attorney for possible prosecution.

(e) Within 30 days after the date due under G.S. 138A-22, the Commission shall notify persons who are required to file an additional disclosure under G.S. 136-200.2(g)(4) or G.S. 136-211(f)(4) of a failure to file the additional disclosure or the filing of an incomplete additional disclosure. The Commission shall notify the filing person that if the additional disclosure is not filed or completed within 30 days of ~~receipt~~ the date of the notice of failure to file or complete, the filing person shall be fined and referred for prosecution after an additional 30 days, as provided for in this section:

(1) Any filing person who fails to file or who files an incomplete additional disclosure within 30 days of the ~~receipt date~~ of the notice required under this section shall be fined two hundred fifty dollars (\$250.00) for not filing or filing an incomplete additional disclosure, except in extenuating circumstances as determined by the Commission.

(2) Failure by any filing person to file or complete the additional disclosure within 60 days of the ~~receipt date~~ of the notice required under this subsection shall be a Class 1 misdemeanor. The Commission shall report such failure to the Director of the State Bureau of Investigation for investigation and referral to the District Attorney for possible prosecution, unless the Commission determines extenuating circumstances exist. Upon receipt of the report from the Commission, the Director of the State Bureau of Investigation shall make

appropriate investigation into the matter and forward a copy of the investigation to the Wake County District Attorney for possible prosecution.

(f) Computation of periods of time provided for in this section shall be calculated as set forth in G.S. 1A-1, Rule 6(e)."

SECTION 8. G.S. 138A-28 reads as rewritten:

"§ 138A-28. Review and evaluation of statements of economic interest.

(a) The Commission shall receive and review all statements of economic interest pursuant to G.S. 138A-10(a)(4) and shall ~~evaluate~~evaluate, under subsection (b) of this section, whether (i) the statements conform to the law and the rules of the Commission, and (ii) the financial interests and other information reported by prospective and actual covered persons and others required to file reveal actual or potential conflicts of interest.

(b) Beginning July 1, 2013, the Commission shall establish a biennial cycle for evaluating subsequently filed statements of economic interest. The Commission shall evaluate each initial filing as provided in subsection (a) of this section.

(c) Notwithstanding subsection (b) of this section, statements filed by the following prospective and actual public servants shall be evaluated on an annual basis:

(1) The University of North Carolina Board of Governors, subject to G.S. 138A-24(f).

(2) The State Board of Community Colleges, subject to G.S. 138A-24(f).

(3) The North Carolina Utilities Commission.

(4) The North Carolina Industrial Commission.

(5) ~~Supplemental statements filed pursuant to~~ Metropolitan Planning Organizations and Rural Transportation Planning Organizations subject to Chapter 136 of the General Statutes.

(5a) The North Carolina Board of Transportation, subject to Article 8 of Chapter 143B of the General Statutes.

(6) Any other board or commission whose members are elected or confirmed by the General Assembly.

(d) Notwithstanding subsections (a) and (b) of this section, statements of economic interest filed by Constitutional officers of the State and individuals elected or appointed as Constitutional officers of the State prior to taking office shall be evaluated every four years upon election or appointment to office.

~~(e) A public servant who simultaneously serves on more than one covered board may file one statement of economic interest and that statement shall serve as disclosure for all the covered boards. If, during the biennial cycle, a public servant leaves one covered board and begins membership on another covered board, the public servant is not required to file another statement of economic interest, and the Commission is not required to evaluate the statement again in light of the subsequent appointment. The public servant must make subsequent filings pursuant to G.S. 138A-22(a) upon the expiration of the biennial cycle.~~

(f) Nothing in this section shall be construed to impair the Commission's duties and authority under ~~G.S. 138A-25 and G.S. 138A-26.~~ G.S. 138A-25."

SECTION 9. G.S. 138A-38(a) reads as rewritten:

"(a) Notwithstanding ~~G.S. 138A-31(a), G.S. 138A-36~~ G.S. 138A-36, and G.S. 138A-37, a covered person may participate in an official action or legislative action under any of the following circumstances except as specifically limited:

...

(6) When a public or legislative body records in its minutes that it cannot obtain a quorum in order to take the official or legislative action because the covered person is disqualified from acting under G.S. 138A-31(a), G.S. 138A-36, G.S. 138A-37, or this section, the covered person may be counted for purposes of a quorum, but shall otherwise abstain from taking any further action.

...."

SECTION 10. G.S. 138A-45 reads as rewritten:

"§ 138A-45. Violation consequences.

(a) Violation of this Chapter by any ethics liaison, covered person or legislative employee is grounds for disciplinary action. Except as specifically provided in this Chapter and for perjury under G.S. 138A-12 and G.S. 138A-24, no criminal penalty shall attach for any violation of this Chapter.

(b) The willful failure of any public servant serving on a board to comply with this Chapter is misfeasance, malfeasance, or nonfeasance. In the event of misfeasance, malfeasance, or nonfeasance, the offending public servant serving on a board is subject to removal from the board of which the public servant is a member. For appointees of the Governor and members of the Council of State, the appointing authority may remove the offending public servant. For appointees of the Speaker of the House of Representatives, the Speaker of the House of Representatives may remove the offending public servant. For appointees of the General Assembly made upon the recommendation of the Speaker of the House of Representatives, the Governor at the recommendation of the Speaker of the House of Representatives may remove the offending public servant. For appointees of the President Pro Tempore of the Senate, the President Pro Tempore of the Senate may remove the offending public servant. For appointees of the General Assembly made upon the recommendation of the President Pro Tempore of the Senate, the Governor at the recommendation of the President Pro Tempore of the Senate may remove the offending public servant. For public servants elected to a board by either the Senate or House of Representatives, the electing house of the General Assembly shall exercise the discretion of whether to remove the offending public servant. For all other appointees, public servants, the Commission shall exercise the discretion of whether to remove the offending public servant.

...."

SECTION 11. G.S. 120C-100(a)(3) reads as rewritten:

"(3) Executive action. – The preparation, research, drafting, development, consideration, modification, amendment, adoption, approval, tabling, postponement, defeat, or rejection of a policy, guideline, request for proposal, procedure, regulation, or rule by a public servant purporting to act in an official capacity. This term does not include any of the following:

- a. Present, prior, or possible proceedings of a contested case hearing under Chapter 150B of the General Statutes, of a judicial nature, or of a quasi-judicial nature.
- b. A public servant's communication with a person, or another person on that person's behalf, with respect to any of the following:
 1. Applying for a permit, license, determination of eligibility, or certification.
 2. Making an inquiry about or asserting a benefit, claim, right, obligation, duty, entitlement, payment, or penalty.
 3. Making an inquiry about or responding to a request for proposal made under ~~Chapter 143~~ Chapters 135, 143, or 147 of the General Statutes.
 4. Ratemaking.

...."

SECTION 12. G.S. 120C-200 reads as rewritten:

"§ 120C-200. Lobbyist registration procedure.

(a) ~~A lobbyist shall file a separate registration statement for each principal the lobbyist represents with the Secretary of State before engaging in any lobbying. It shall be unlawful for an individual to lobby without registering~~ filing a registration statement within one business day of engaging in any lobbying as defined in G.S. 120C-100(9) unless exempted by this Chapter. A

1 lobbyist shall file a separate registration statement for each principal the lobbyist represents with
2 the Secretary of State.

3 (b) The form of the registration statement shall be prescribed by the Secretary of State, be
4 filed electronically, and shall include the registrant's full name, firm, complete address, and
5 telephone number; the registrant's place of business; the full name, complete address, and
6 telephone number of each principal the lobbyist represents; and a general description of the
7 matters on which the registrant expects to act as a lobbyist.

8 (c) Each lobbyist shall electronically file an amended registration statement form with the
9 Secretary of State no later than 10 business days after any change in the information supplied in
10 the lobbyist's last registration statement under subsection (b) of this section. Each supplementary
11 registration statement shall include a complete statement of the information that has changed.

12 ...
13 (f) In addition to the information required for the registration statement under subsection
14 (b) of this section, former employees of a State agency who register as a lobbyist within six
15 months after voluntary separation or separation for cause from employment with a State agency
16 shall also indicate ~~which State agency with which~~ State agency the former employee was
17 employed."

18 **SECTION 13.** G.S. 120C-201(a) reads as rewritten:

19 **"§ 120C-201. Lobbyist's registration fee.**

20 (a) A fee of two hundred fifty dollars (\$250.00) is due and payable to the Secretary of
21 State at the time of filing each lobbyist registration statement. Fees so collected shall
22 be deposited in the General Fund of the State. The fees required under this section shall be paid
23 electronically."

24 **SECTION 14.** G.S. 120C-206(a) reads as rewritten:

25 **"§ 120C-206. Lobbyist principal's authorization.**

26 (a) A written authorization signed by the lobbyist principal authorizing the lobbyist to
27 represent the principal shall be filed with the Secretary of State within 20 business days after the
28 lobbyist's ~~registration registration statement is filed~~. If the written authorization is filed more than
29 20 business days after the lobbyist's registration statement is filed and before January 1 of the
30 following year, the lobbyist registration is effective from the date of filing of the lobbyist
31 registration statement is filed and all reports due under Article 4 of this Chapter shall be filed."

32 **SECTION 15.** G.S. 120C-401 reads as rewritten:

33 **"§ 120C-401. Reporting generally.**

34 ...
35 (b1) For purposes of subdivision (b)(5) of this section, when more than 15 designated
36 individuals benefit from or request a reportable expenditure, no names of individuals need be
37 reported provided that the report identifies the approximate number of designated individuals
38 benefiting or requesting and the basis for their selection, including the name of the board,
39 legislative body, committee, caucus, ~~or~~ other group whose membership list is a matter of public
40 record in accordance with ~~G.S. 132-1~~ G.S. 132-1, a description of the group that clearly
41 distinguishes the designated individuals, or including a description of the group that clearly
42 distinguishes its purpose or composition from the general membership of the General Assembly.
43 The approximate number of immediate family members of designated individuals who benefited
44 from the reportable expenditure shall be listed separately.

45 (b2) For purposes of subdivision (b)(5) of this section, when the reportable expenditure is a
46 gift given with the intent that a designated individual be ~~the~~ an ultimate recipient and the lobbyist
47 or lobbyist principal does not know the name or names of the designated individuals, the lobbyist
48 or lobbyist principal shall report a description of the designated individuals and those designated
49 individuals' immediate family members connected with the reportable expenditure that clearly
50 distinguishes its purpose or composition, and an approximate number, if known.

51"

SECTION 16. G.S. 120C-601(a) reads as rewritten:

"§ 120C-601. Powers and duties of the Commission.

(a) The Commission may investigate complaints of violations of this Chapter and shall refer complaints related solely to Articles 2, 4, or 8 of this Chapter to the Secretary of State. The Commission or the Secretary of State may utilize the services of a hired investigator when conducting investigations."

SECTION 17. G.S. 120C-700 reads as rewritten:

"§ 120C-700. Persons exempted from this Chapter.

Except as otherwise provided in Article 8, the provisions of this Chapter shall not be construed to apply to any of the following:

...

(2) ~~A person~~An individual appearing before a committee, commission, board, council, or other collective body whose membership includes one or more designated individuals at the invitation or request of the committee or a member thereof and who does not act in any further activities as a lobbyist with respect to the legislative or executive action for which that person appeared.

...

(7) ~~A person~~An individual responding to inquiries from a designated individual and who does not act in any further activities as a lobbyist in connection with that inquiry.

...."

SECTION 18. G.S. 120C-800 reads as rewritten:

"§ 120C-800. Reportable expenditures made by persons exempted or not covered by this Chapter.

...

(d) If the person granting the scholarship in subsection (c) of this section is outside North Carolina, the designated individual accepting the scholarship shall be responsible for filing the report or reporting the information in the designated individual's statement of economic interest in accordance with ~~G.S. 138A-24(a)(2)~~G.S. 138A-24(a)(8a).

...

(g) For purposes of this section, the term "scholarship" shall mean a grant-in-aid to attend a conference, meeting, or other similar ~~event~~event, including all event related expenses such as food, beverages, registration, travel, and lodging. For purposes of this section only, the term "person" shall include all persons as defined in G.S. 138A-3(27) and all governmental units as defined in G.S. 138A-3(15d)."

SECTION 19.(a) G.S. 138A-12 reads as rewritten:

"§ 138A-12. ~~Inquiries~~Inquiries, investigations and hearings by the Commission.

...

(b) Institution of Proceedings. – On its own motion, in response to a timely, signed and sworn complaint of any individual against a covered person or legislative employee filed with the Commission, or upon the written request of any public servant or those responsible for the hiring, appointing, or supervising of a public servant, the Commission shall conduct an inquiry into any of the following:

(1) The application or alleged violation of this Chapter.

(2) For legislators, the application or alleged violations of Part 1 of Article 14 of Chapter 120 of the General Statutes.

(3) An alleged violation of the criminal law by a covered person in the performance of that individual's official duties.

(4) An alleged violation of G.S. 126-14.

Upon receipt of a referral under G.S. 147-64.6B or a report under G.S. 147-64.6(c)(19), the Commission may conduct an inquiry under this section on its own motion. Allegations of

violations of the Code of Judicial Conduct shall be referred to the Judicial Standards Commission without investigation.

(b1) ~~Complaints on Its Own Motion.~~Commission Initiated Inquiry. – An ~~investigation inquiry~~ initiated by the Commission on its own motion ~~is not subject to the requirements of subdivision (c)(1) of this section.~~ An inquiry initiated upon written request of any public servant or those responsible for the hiring, appointing, or supervising of a public servant instituted under subsection (b) of this section ~~shall be treated as a complaint for purposes of this section and need not be sworn or verified.~~

(c) Complaint. –

(1) A sworn complaint filed under this Chapter shall state the name, address, and telephone number of the individual filing the complaint, the name and job title or appointive position of the covered person or legislative employee against whom the complaint is filed, and a concise statement of the nature of the complaint and specific facts indicating that a violation of this Chapter or Chapter 120 of the General Statutes or G.S. 126-14 or the criminal law in the performance of that individual's official duties has occurred, the date the alleged violation occurred, and either (i) that the contents of the complaint are within the knowledge of the individual verifying the complaint, or (ii) the basis upon which the individual verifying the complaint believes the allegations to be true.

(2) Except as provided in subsection (d) of this section, a complaint filed under this Chapter must be filed within two years of the date the complainant knew or should have known of the conduct upon which the complaint is based.

(3) The Commission may decline to ~~accept, refer, refer~~ or conduct an inquiry into any complaint that does not meet all of the requirements set forth in subdivision (1) of this subsection, or the Commission may, in its sole discretion, request additional information to be provided by the complainant within a specified period of time of no less than five business days.

(4) In addition to subdivision (3) of this subsection, the Commission may decline to ~~accept, refer, refer~~ or conduct an inquiry into a complaint if it determines that any of the following apply:

a. The complaint is frivolous or brought in bad faith.

b. The covered person or legislative employee and conduct complained of have already been the subject of a prior complaint.

c. The conduct complained of is primarily a matter more appropriately and adequately addressed and handled by other federal, State, or local agencies or authorities, including law enforcement authorities. If other agencies or authorities are conducting an investigation of the same actions or conduct involved in a complaint filed under this section, the Commission may stay its complaint inquiry pending final resolution of the other investigation.

(5) The Commission shall send a copy of the complaint to the covered person or legislative employee who is the subject of the complaint ~~and the employing entity, within 10 business days of the filing, accepting the complaint.~~ For purposes of this section, a complaint is deemed accepted if it is timely, signed, sworn if required, and against a covered person.

(d) ~~Conduct of Inquiry of Complaints~~Inquiries by the Commission. – The Commission shall conduct an inquiry into all complaints properly before the Commission in a timely manner. The Commission shall initiate an inquiry into a complaint within 10 business days of ~~the~~ filing acceptance of the complaint. The Commission is authorized to initiate inquiries upon request of any member of the Commission if there is reason to believe that a covered person or legislative

1 employee has or may have violated this Chapter. Commission-initiated ~~complaint~~ inquiries under
2 this section shall be initiated within two years of the date the Commission knew of the conduct
3 upon which the ~~complaint inquiry~~ is based, except when the conduct is material to the continuing
4 conduct of the duties in office. In determining whether there is reason to believe that a violation
5 has or may have occurred, a member of the Commission may take general notice of available
6 information even if not formally provided to the Commission in the form of a complaint. The
7 Commission may utilize the services of a hired investigator when conducting inquiries.

8 (e) Covered Person and Legislative Employees Cooperation With Inquiry. – Covered
9 persons and legislative employees shall promptly and fully cooperate with the Commission in any
10 Commission-related inquiry. Failure to cooperate fully with the Commission in any inquiry shall
11 be grounds for sanctions as set forth in G.S. 138A-45.

12 (f) Dismissal of Complaint After ~~Preliminary~~ Inquiry. – The Commission shall conclude
13 the ~~preliminary~~ inquiry within ~~20-30~~ business days ~~days of acceptance of the complaint~~. The
14 Commission shall dismiss the complaint, if at the end of its ~~preliminary~~ inquiry the Commission
15 determines that any of the following apply:

- 16 (1) The individual who is the subject of the complaint is not a covered person or
17 legislative employee subject to the Commission's jurisdiction and authority
18 under this Chapter.
- 19 (2) The complaint does not allege facts sufficient to constitute a violation within
20 the jurisdiction of the Commission under subsection (b) of this section.
- 21 (3) The complaint is determined to be frivolous or brought in bad faith.

22 (g) ~~Commission Inquiries~~ Initiation of Probable Cause Investigations. – If at the end of its
23 ~~preliminary~~ inquiry, the Commission determines to proceed with ~~further inquiry~~ an investigation
24 into the conduct of a covered person or legislative employee, the Commission shall provide
25 written notice to ~~the individual who filed the complaint and~~ the covered person or legislative
26 ~~employee~~ employee, the employing entity, and appointing authority of ~~as to~~ the fact of the
27 ~~inquiry~~ investigation and the ~~charges~~ allegations against the covered person or legislative
28 employee. The covered person or legislative employee shall be given an opportunity to file a
29 written response with the Commission.

30 (h) ~~Action on Inquiries~~ Probable Cause Investigations. – The Commission shall conduct
31 ~~inquiries~~ investigations into ~~complaints~~ a complaint to the extent necessary to either dismiss the
32 complaint for lack of probable cause ~~of a violation under this section, or or upon a finding of~~
33 probable cause:

- 34 (1) For public servants, ~~decide to~~ proceed with a hearing under subsection (i) of
35 this section.
- 36 (2) For legislators, except the Lieutenant Governor, refer the ~~complaint~~ matter to
37 the Committee.
- 38 (3) For judicial officers, refer the ~~complaint~~ matter to the Judicial Standards
39 Commission for complaints against justices and judges, or to the senior resident
40 superior court judge of the district or county for complaints against district
41 attorneys, ~~or to the chief district court judge for the district or county for~~
42 ~~complaints against attorneys or clerks of court~~.
- 43 (4) For legislative employees, refer the ~~complaint~~ matter to the employing entity.

44 (h1) Settlement of Inquiries Against Public Servants. – The public servant who is the
45 subject of the inquiry and the staff of the Commission may meet by mutual consent at any time
46 before the hearing to discuss the possibility of settlement or the stipulation of facts, issues of
47 law, or other pertinent matters. Any proposed settlement is subject to the approval of the
48 Commission. Upon the Commission's approval of a settlement, the matter shall be closed, subject
49 to reopening by the Commission upon any breach of the settlement agreement. The
50 Commission shall provide written notice of the fact of the settlement to the individual who filed

1 the complaint, the public servant who was the subject of the inquiry, and the public servant's
2 employing entity and appointing authority.

3 (i) Hearing. –

4 (1) The Commission shall give full and fair consideration to all accepted
5 complaints received against a public servant. If the Commission determines that
6 the complaint cannot be resolved without a hearing, or if the public servant
7 requests a hearing, a hearing shall be held.

8 (2) The Commission shall send a notice of the hearing to the complainant, and the
9 public servant. The notice shall contain the date, time and place for a hearing on
10 the matter, which shall begin no less than 30 days and no more than 90 days
11 after the date of the notice.

12 (3) ~~The~~ At least 30 days prior to the date of the hearing, the Commission shall make
13 available to the public servant or that public servant's private legal counsel all
14 documents or other evidence which are intended to be presented at the hearing
15 to the Commission or which a reasonable person would believe might exculpate
16 the accused public servant ~~at least 30 days prior to the date of the hearing held~~
17 ~~in connection with the investigation of a complaint.~~ servant. Any documents or
18 other evidence discovered within less than 30 days of the hearing shall be
19 furnished as soon as possible after discovery but prior to the hearing.

20 (4) At any hearing held by the Commission:

21 a. Oral evidence shall be taken only on oath or affirmation.

22 b. The hearing shall be open to the public, except for matters involving
23 minors, personnel records, or matters that could otherwise be considered
24 in closed session under G.S. 143-318.11. In any event, the deliberations
25 by the Commission on a complaint may be held in closed session.

26 c. The public servant being investigated shall have the right to present
27 evidence, call and examine witnesses, cross-examine witnesses,
28 introduce exhibits, and be represented by counsel.

29 (j) ~~Settlement of Inquiries. The public servant who is the subject of the complaint and~~
30 ~~the staff of the Commission may meet by mutual consent before the hearing to discuss the~~
31 ~~possibility of settlement of the inquiry or the stipulation of any issues, facts, or matters of law.~~
32 ~~Any proposed settlement of the inquiry is subject to the approval of the Commission.~~

33 (k) ~~Disposition of Inquiries.~~ Post Hearing Dispositions. – After the hearing, the
34 Commission shall dispose of the matter in one or more of the following ways:

35 (1) If the Commission finds substantial evidence of an alleged violation of a
36 criminal statute, the Commission shall refer the matter to the ~~Attorney~~
37 ~~General~~ Director of the State Bureau of Investigation for investigation and
38 referral to the district attorney for possible prosecution. The Director of the
39 State Bureau of Investigation shall make appropriate investigation into the
40 matter and forward a copy of the investigation to the District Attorney for
41 possible prosecution.

42 (2) If the Commission finds that the alleged violation is not established by clear
43 and convincing evidence, the Commission shall dismiss the complaint.

44 (3) If the Commission finds that the alleged violation of this Chapter is established
45 by clear and convincing evidence, the Commission shall do one or more of the
46 following:

47 a. Issue a private admonishment to the public servant and notify the
48 employing entity, if applicable. Such notification shall be treated as part
49 of the personnel record of the public servant.

- b. Refer the matter for appropriate action to the Governor and the employing entity that appointed or employed the public servant or of which the public servant is a member.
- c. Refer the matter for appropriate action to the Chief Justice for judicial employees.
- d. Refer the matter to the Principal Clerks of the House of Representatives and Senate of the General Assembly for constitutional officers of the State.
- e. Refer the matter for appropriate action to the principal clerk of the house of the General Assembly that elected the public servant for members of the Board of Governors and the State Board of Community Colleges.

(l) Notice of Dismissal. – Upon the dismissal of a complaint under this section, the Commission shall provide written notice of the dismissal to the individual who filed the complaint and the covered person or legislative employee against whom the complaint was filed. ~~The For dismissals under subsection (h) or subdivision (k)(2) of this section, the Commission shall forward copies of complaints and notices of dismissal of complaints against public servants to the employing entity and appointing authority, against legislators to the Committee, against legislative employees to the employing entity for legislative employees, and against judicial officers to the Judicial Standards Commission for complaints against justices and judges, and the senior resident superior court judge of the district or county for complaints against district attorneys, or the chief district court judge of the district or county for complaints against attorneys or clerks of court. The Commission shall also forward a copy of the notice of dismissal to the employing entity of the covered person against whom a complaint was filed if the employing entity received a copy of the complaint under subdivision (5) of subsection (c) of this section.~~ Except as provided in subsection (n) of this section, the complaint and notice of dismissal are confidential and not public records.

(m) Reports and Records. – The Commission shall render the results of its inquiry investigation in writing. When a matter is referred under ~~subdivision (h)(2) and (3), or subsection (k)(h) or subdivision (k)(2)~~ of this section, the Commission's report shall consist of the complaint, response, and detailed results of its inquiry investigation in support of the Commission's finding of a violation under this Chapter.

(n) Confidentiality. – Complaints and responses filed with the ~~Commission and reports~~ Commission, settlement agreements, referrals, recommendations, reports, and other investigative documents and records of the Commission connected to an inquiry or investigation under this section, including information provided pursuant to G.S. 147-64.6B or G.S. 147-64.6(c)(19), shall be confidential and not matters of public record, except as otherwise provided in this section or when the covered person or legislative employee under inquiry requests in writing that the complaint, response, and findings be made public. Once a hearing under this section commences, the complaint, response, and all other documents offered at the hearing in conjunction with the complaint, not otherwise privileged or confidential under law, shall be public records. ~~If no hearing is held at such time as the Commission reports to the employing entity a recommendation of sanctions, the complaint and response shall be made public.~~

(n1) Staff to the Commission may share with staff to the Committee information connected to an inquiry into the conduct of a legislator under this section. The Commission shall provide to the Committee copies of all reports, investigative documents, information, and other documents used by the Commission when it refers a complaint to the Committee under subdivision (2) of subsection (h) of this section. Upon written request by staff to the Committee, the Commission shall provide copies of all reports, investigative documents, information, and other documents used by the Commission when it dismisses a complaint against a legislator under subsection (l) of this section. The information and documents provided to the Committee and staff to the Committee and the written request provided to the Commission are confidential and are not public records as defined in G.S. 132-1.

(n2) When referring a matter to another State or local agency or authority, staff to the Commission may share related information and documents with the agency or authority receiving the referral. The information and documents provided shall remain confidential, are not public records, and may only be released according to the terms of this Chapter.

(o) ~~Recommendations of Sanctions.~~Sanctions After Hearing. – After referring a matter under subsection (k) of this section, ~~if requested by the entity to which the matter was referred,~~ the Commission may recommend sanctions or issue rulings as it deems necessary or appropriate to protect the public interest and ensure compliance with this Chapter. In recommending appropriate sanctions, the Commission may consider the following factors:

- (1) The public servant's prior experience in an agency or on a board and prior opportunities to learn the ethical standards for a public servant as set forth in Article 4 of this Chapter, including those dealing with conflicts of interest.
- (2) The number of ethics violations.
- (3) The severity of the ethics violations.
- (4) Whether the ethics violations involve the public servant's financial interest.
- (5) Whether the ethics violations were inadvertent or intentional.
- (6) Whether the public servant knew or should have known that the improper conduct was a violation of this Chapter.
- (7) Whether the public servant has previously been advised or warned by the Commission.
- (8) Whether the conduct or situation giving rise to the ethics violation was pointed out to the public servant in the Commission's Statement of Economic Interest evaluation letter issued under G.S. 138A-24(e).
- (9) The public servant's motivation or reason for the improper conduct or action, including whether the action was for personal financial gain versus protection of the public interest.

In making recommendations under this subsection, if the Commission determines, ~~after proper review and investigation,~~ that sanctions are appropriate, the Commission may recommend any action it deems necessary to properly address and rectify any violation of this Chapter by a public servant, including removal of the public servant from the public servant's State position. Nothing in this subsection is intended, and shall not be construed, to give the Commission any independent civil, criminal, or administrative investigative or enforcement authority over covered persons, or other State employees or appointees.

(p) Authority of Employing Entity. – Any action or failure to act by the Commission under this Chapter, except G.S. 138A-13, shall not limit any authority of any of the applicable employing entities to discipline the covered person or legislative employee.

(q) Continuing Jurisdiction. – For a period of one year following the date an individual who was formerly a public servant or legislative employee ceases to be a public servant or legislative employee, the Commission shall have continuing jurisdiction to investigate—refer evidence of alleged possible criminal violations of this Chapter to the Director of the State Bureau of Investigation for a period of one year following the date an individual, who was formerly a public servant or legislative employee, ceases to be a public servant or legislative employee for any investigation that commenced prior to the date the public servant or legislative employee ceases—ceased to be a public servant or legislative employee. The Director of the State Bureau of Investigation shall make appropriate investigation into the matter and forward a copy of the investigation to the Wake County District Attorney for possible prosecution.

...."

SECTION 19.(b) G.S. 120-103.1 reads as rewritten:

"§ 120-103.1. Investigations by the Committee.

(a) Institution of Proceedings. – On its own motion, upon receipt by the Committee of a signed and sworn allegation of a legislator's unethical conduct ~~by a legislator,~~ or upon receipt of a

1 referral of a complaint from the State Ethics Commission under Chapter 138A of the General
2 Statutes, the Committee shall conduct an investigation into any of the following:

- 3 (1) The application or alleged violation of Chapter 138A of the General Statutes
4 and of this Article.
- 5 (2) Repealed by Session Laws 2007-348, s. 2, effective August 9, 2007.
- 6 (3) The alleged violation of the criminal law by a legislator while acting in the
7 legislator's official capacity as a participant in the lawmaking process.

8 ...

9 (h3) Settlement of Inquiries – The legislator who is the subject of the investigation and
10 members of the Committee may meet by mutual consent at any time before the hearing to discuss
11 the possibility of settlement or the stipulation of facts, issues of law, or other pertinent matters.
12 Any proposed settlement is subject to the approval of the Committee. Upon the Committee's
13 approval of a settlement, the matter shall be closed, subject to reopening by the Committee upon
14 any breach of the settlement agreement. The Committee shall provide written notice of the fact of
15 the settlement to the individual who filed the complaint and the legislator who was the subject of
16 the investigation.

17 ...

18 (j) Disposition of Investigations After Hearing. – Except as permitted under subsections
19 (b) and (g) of this section, after the hearing, the Committee shall dispose of the matter before the
20 Committee under this section, in any of the following ways:

- 21 (1) If the Committee finds that the alleged violation is not established by clear and
22 convincing evidence, the Committee shall dismiss the complaint.
- 23 (2) If the Committee finds that the alleged violation is established by clear and
24 convincing evidence, the Committee shall do one or more of the following:
 - 25 a. Issue a public or private admonishment to the legislator.
 - 26 b. Refer the matter to the ~~Attorney General~~ Director of the State Bureau of
27 Investigation for investigation and referral to the district attorney for
28 possible prosecution or the appropriate house for appropriate action, or
29 both, if the Committee finds substantial evidence of a violation of a
30 criminal statute. Upon referral to the Director of the State Bureau of
31 Investigation, the Director shall make appropriate investigation into the
32 matter and forward a copy of the investigation to the District Attorney
33 for possible prosecution.
 - 34 c. Refer the matter to the appropriate house for appropriate action, which
35 may include censure and expulsion.
- 36 (3) If the Committee issues an admonishment as provided in subdivision (2)a. of
37 this subsection, the legislator affected may, upon written request to the
38 Committee, have the matter referred as provided under subdivision (2)c. of this
39 subsection.

40 ...

41 (l) Confidentiality. – The complaint, response, records, settlement agreements, and
42 findings of the Committee connected to an inquiry under this section shall be confidential and not
43 matters of public record, except as otherwise provided in this section or when the legislator under
44 inquiry requests in writing that the complaint, response, and findings be made public. Once a
45 hearing under subsection (i) of this section commences the complaint, response, Committee's
46 report to the house, and all other documents offered at the hearing in conjunction with the
47 complaint, that are not otherwise privileged or confidential under law, shall be public records. If
48 no hearing is held, at such time as the Committee recommends sanctions to the house of which the
49 legislator is a member, the complaint, response, and Committee's report to the house shall be made
50 public.

1 (11) Sharing of Information for Law Enforcement Purposes – When referring a matter to
2 another State or local agency or authority, the Committee may share related information and
3 documents with the agency or authority receiving the referral. The information and documents
4 provided shall remain confidential, are not public records, and may only be released according to
5 the terms of this Chapter.

6 "

7 **SECTION 20.** Except as otherwise provided, this act is effective October 1, 2016.



VISITOR REGISTRATION SHEET

House Ethics Committee
Name of Committee

06/06/16
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Donna Clark	UNC DG
M White	state Ethics Commission
Carson Carmichael	State Ethics Commission
P. Newse	//
Kathleen Edwards	"
Pam Cashwell	"
Tom West	NLI CH
Joal Brown	NC SOS
Charlie White	NC SOS
Angelique	SOS
Bill Rowe	NC Justice Center



VISITOR REGISTRATION SHEET

House Ethics Committee

Name of Committee

06/06/16

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

MATTHEW QUEENBERRY

HOUSE INTERN

Chris Jones

Governors Office

Wesley Arthur

NCRMA

