

Article 4.

Reporting.

§ 120C-400. Reporting of reportable expenditures.

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

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

(b) This section shall not apply to any reportable expenditure of cash, a cash equivalent, or a fixed asset made directly to a State agency that maintains an accounting of the reportable expenditure that is a public record. (2005-456, s. 1; 2006-201, s. 18; 2007-348, s. 14; 2008-213, ss. 23, 90; 2010-169, s. 17(h); 2017-6, s. 3; 2018-146, s. 3.1(a), (b).)

§ 120C-401. Reporting generally.

(a) Reports shall be filed whether or not reportable expenditures are made and shall be due 15 business days after the end of the reporting period.

(b) For reportable expenditures, each report shall set forth all of the following:

- (1) The fair market value or face value if shown.
- (2) The date of the reportable expenditure.
- (3) A description of the reportable expenditure.
- (4) The name and address of the payee or beneficiary.
- (5) The name of any designated individual or that designated individual's immediate family member connected with the reportable expenditure.

(c) For purposes of subdivision (b)(5) of this section, when more than 15 designated individuals benefit from or request a reportable expenditure, no names of individuals need be reported provided that 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 list is a matter of public record in accordance with G.S. 132-1 or including a description of the group that clearly distinguishes its purpose or composition from the general membership of the General Assembly. The approximate number of immediate family members of designated individuals who benefited from the reportable expenditure shall be listed separately.

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

(e) Reportable expenditures shall be reported using the following categories:

- (1) Transportation and lodging.
- (2) Entertainment.
- (3) Food and beverages.
- (4) Meetings and events.
- (5) Gifts.
- (6) Other reportable expenditures.

(f) Each report required by this Article shall be in the form prescribed by the Secretary of State and filed electronically.

(g) When any report as required by this Article is not filed, the Secretary of State shall send a certified letter, return receipt requested, advising the lobbyist, lobbyist principal, or other person required to report of the delinquency and the penalties provided by law. A late filing fee of fifty dollars (\$50.00) per day, commencing on the tenth business day after the date the certified letter is received, applies to a report that is not timely filed. The cumulative late filing fee may not exceed five hundred dollars (\$500.00). Within 20 days of the receipt of the letter, the report shall be delivered or posted by United States mail to the Secretary of State together with the late filing fee. Filing of the required report and payment of the additional fee within the time extended shall constitute compliance with this section.

(h) Failure to file a required report in one of the manners prescribed in this section shall void any and all registrations of the lobbyist or lobbyist principal. No lobbyist or lobbyist principal may register or reregister until full compliance with this section has occurred.

(i) Appeal of a decision by the Secretary of State under this section shall be in accordance with Article 3 of Chapter 150B of the General Statutes.

(j) The Secretary of State may adopt rules to facilitate complete and timely disclosure of required reporting, including additional categories of information, and to protect the addresses of payees under protective order issued pursuant to Chapter 50B of the General Statutes or participating in the Address Confidentiality Program pursuant to Chapter 15C of the General Statutes. The Secretary of State shall not impose any penalties or late filing fees upon a lobbyist or lobbyist principal for subsequent failures to comply with the requirements of this section if the Secretary of State failed to provide the required notification under subsection (g) of this section.

(k) Any reportable expenditure promptly paid for at fair market value or promptly returned to a lobbyist or lobbyist principal by a designated individual or a member of the designated individual's immediate family within the reporting period shall not be reported under G.S. 120C-402 or G.S. 120C-403, and if reported, the repayment or return of the expenditure at any time shall be reported by the lobbyist and lobbyist principal on the next report due under this Article.

(l) The Secretary of State shall make available a report form that may be filed by a designated individual or a member of the designated individual's immediate family who promptly declines, returns, pays fair market value for, or donates a reportable expenditure in accordance with G.S. 138A-32. The Secretary of State shall index the filing of this form together with the lobbyist or lobbyist principal who gave the reportable expenditure. (1933, c. 11, s. 5; 1973, c. 108, s. 70; 1975, c. 820, s. 1; 1991, c. 740, s. 1.1; 1991 (Reg. Sess., 1992), c. 1030, s. 51.9; 1999-338, s. 1; 2005-456, s. 1; 2006-201, s. 18; 2007-348, s. 15(a); 2008-213, ss. 24, 25, 90; 2009-477, s. 1; 2009-549, s. 7(a); 2013-360, s. 27.1(g); 2017-6, s. 3; 2018-146, ss. 3.1(a), (b), 4.1(c).)

§ 120C-402. Lobbyist's reports.

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

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

- (1) All reportable expenditures made for lobbying.
- (2) Repealed by Session Laws 2018-146, s. 4.1(d), effective December 27, 2018.
- (3) Reportable expenditures reimbursed by the lobbyist principal, or another person or governmental unit on the lobbyist principal's behalf.
- (4) All reportable expenditures for gifts given under G.S. 138A-32(f)(1)-(9), 138A-32(f)(11), 138A-32(f)(12), and all gifts given under G.S. 138A-32(f)(10) with a value of more than ten dollars (\$10.00).

(c) In addition to the reports required by this section, each lobbyist incurring reportable expenditures in any month while the General Assembly is in session with respect to lobbying legislators and legislative employees shall file a monthly reportable expenditure report. The monthly reportable expenditure report shall contain information required by this section with respect to all lobbying of legislators and legislative employees, and is due within 10 business days after the end of the month. The information on the monthly reportable expenditure report shall also be included in each quarterly report required by subsection (a) of this section. (1933, c. 11, s. 5; 1973, c. 108, s. 70; 1975, c. 820, s. 1; 1991, c. 740, s. 1.1; 1991 (Reg. Sess., 1992), c. 1030, s. 51.9; 1999-338, s. 1; 2005-456, s. 1; 2006-201, s. 18; 2007-348, s. 41(b); 2008-213, ss. 27, 90; 2010-169, s. 17(i); 2017-6, s. 3; 2018-146, ss. 3.1(a), (b), 4.1(d).)

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

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

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

- (1) All reportable expenditures made for lobbying.
- (2) Repealed by Session Laws 2018-146, s. 4.1(e), effective December 27, 2018.
- (3) With respect to each lobbyist registered under G.S. 120C-206, reportable expenditures reimbursed or paid to lobbyists for lobbying that are not reported on the lobbyist's report, with an itemized description of those reportable expenditures.
- (4) All reportable expenditures for gifts given under G.S. 138A-32(f)(1)-(9), 138A-32(f)(11), 138A-32(f)(12), and all gifts given under G.S. 138A-32(f)(10) with a value of more than two hundred dollars (\$200.00).
- (5) With respect to each lobbyist registered under G.S. 120C-206, the name of each person or governmental unit not otherwise registered as a lobbyist principal for whom the lobbyist principal directs the lobbyist to lobby, whether for pay or not. If the lobbyist principal is an association or other organization, the lobbyist principal shall not be required to report under this subdivision any individual member of the association or other organization for which the lobbyist is directed to lobby by that lobbyist principal.

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

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

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

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

(e) The cumulative combined total of payments reported under subsection (d) of this section made during the registration period, as applicable:

- (1) If a lobbyist represents the lobbyist principal, but is not directly employed by that lobbyist principal, the portion of the payment that is for lobbying and to whom it was paid.
- (2) If a lobbyist is under contract with the lobbyist principal for lobbying, the portion of the contract that is reasonably allocated for lobbying.
- (3) If a lobbyist is a full-time employee of the principal, or is paid by means of an annual fee or retainer, the principal shall estimate and report the portion of the salary, fee, or retainer salary that is reasonably allocated for lobbying.

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

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

- (1) A lobbyist principal may rely upon a statement by the lobbyist estimating the portion of the salary or other payment that is reasonably allocated for lobbying.
- (2) In addition to reporting any payment to a lobbyist for lobbying under subsection (d) of this section, a lobbyist principal shall report, cumulatively for the year, any payment to a lobbyist for any of the following communications and activities that were used to lobby within the registration period under G.S. 120C-200(d):
 - a. Research.
 - b. Drafting of written communications.
 - c. Monitoring of proposed or pending legislative action or executive action, including time spent preparing communications with the lobbyist principal to relate information on proposed or pending legislative action or executive action.
 - d. Time spent advising and rendering opinions to the lobbyist principal as to the construction and effect of proposed or pending legislative action or executive action.
- (3) A lobbyist principal is required to report any payment to a lobbyist for any of the following:
 - a. Direct lobbying communications or direct lobbying activities with a designated individual or that designated individual's immediate family.
 - b. Communications or activities to develop goodwill, including the building of relationships, with a designated individual or that designated

individual's immediate family member. (1933, c. 11, s. 5; 1973, c. 108, s. 70; 1975, c. 820, s. 1; 1991, c. 740, s. 1.1; 1991 (Reg. Sess., 1992), c. 1030, s. 51.10; 1999-338, s. 2; 2005-456, s. 1; 2006-201, s. 18; 2007-348, s. 41(c); 2008-213, ss. 29(a), 90; 2010-169, s. 17(j); 2011-393, s. 2; 2017-6, s. 3; 2018-146, ss. 3.1(a), (b), 4.1(e).)

§ **120C-404.** Repealed by Session Laws 2018-146, s. 4.1(f), effective December 27, 2018. (2006-201, s. 18; 2010-169, s. 17(k); 2017-6, s. 3; 2018-146, s. 3.1(a), (b); repealed by 2018-146, s. 4.1(f), effective December 27, 2018.)

§ **120C-405. Report availability.**

(a) All reports filed under this Chapter shall be open to public inspection upon filing.

(b) The Secretary of State shall coordinate with the State Board of elections to create a searchable Web-based database of reports filed under this Chapter and reports filed under Subchapter VIII of Chapter 163 of the General Statutes. (2006-201, s. 18; 2017-6, s. 3; 2018-146, s. 3.1(a), (b).)

§ **120C-406.** Reserved for future codification purposes.

§ **120C-407.** Reserved for future codification purposes.

§ **120C-408.** Reserved for future codification purposes.

§ **120C-409.** Reserved for future codification purposes.

§ **120C-410.** Reserved for future codification purposes.

§ **120C-411.** Reserved for future codification purposes.

§ **120C-412.** Reserved for future codification purposes.

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