

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

**SESSION LAW 2005-456
SENATE BILL 612**

AN ACT TO AMEND THE LOBBYING LAWS BY INCREASING THE INFORMATION REQUIRED TO BE REPORTED ON LOBBYING ACTIVITIES WITHOUT LIMITING EXPENDITURES; BY REQUIRING MONTHLY REPORTING OF LEGISLATIVE LOBBYING DURING SESSIONS OF THE GENERAL ASSEMBLY AND QUARTERLY THEREAFTER; BY ESTABLISHING A WAITING PERIOD BEFORE CERTAIN STATE OFFICERS MAY LOBBY; BY BARRING LOBBYISTS FROM CERTAIN APPOINTMENTS AND OTHER ACTIVITIES; BY REQUIRING REGISTRATION AND QUARTERLY REPORTING OF LOBBYING ACTIVITIES OF EXECUTIVE BRANCH OFFICERS; AND BY CREATING A NO GIFTS REGISTRY.

The General Assembly of North Carolina enacts:

SECTION 1. Article 9A of Chapter 120 of the General Statutes reads as rewritten:

"Article 9A.

"Legislative Branch Lobbying.

"§ 120-47.1. Definitions.

~~For the purposes of this Article, the following terms shall have the meanings ascribed to them in this section unless the context clearly indicates a different meaning:~~The following definitions shall apply in this Article:

- (1) The term "covered person" means a legislator, the Governor, or the Lieutenant Governor.
- ~~(1)~~(1a) The terms "contribution," "compensation" and term "expenditure" mean—means any advance, contribution, conveyance, deposit, distribution, payment, gift, retainer, fee, salary, honorarium, reimbursement, loan, pledge or anything thing of value greater than ten dollars (\$10.00), and any or contract a contract, agreement, promise or other obligation whether or not legally enforceable, but those terms do not include prizes, awards, or compensation not exceeding one hundred dollars (\$100.00) in a calendar year that directly or indirectly is made to, at the request of, for the benefit of, or on the behalf of a covered person, legislative employee, or that person's immediate family member.
- (1b) The term "executive lobbyist" means a lobbyist registered pursuant to Article 4C of Chapter 147 of the General Statutes.
- (2), (3) Repealed by Session Laws 1991, c. 740, s. 1.1.

- (3a) The term "immediate family member" means spouse, descendant, or ascendant.
- (4) The term "legislative action" means the preparation, research, drafting, introduction, consideration, modification, amendment, approval, passage, enactment, tabling, postponement, defeat, or rejection of a bill, resolution, amendment, motion, report, nomination, appointment, or other ~~matter~~ matter, whether or not the matter is identified by an official title, general title, or other specific reference, by the legislature or by a member or employee of the legislature acting or purporting to act in an official capacity. It also includes the consideration of any bill by the Governor for the Governor's approval or veto under Article II, Section 22(1) of the Constitution or for the Governor to allow the bill to become law under Article II, Section 22(7) of the Constitution.
- (4a) The term "legislative employee" means employees and officers of the General Assembly.
- (4b) The term "legislative liaison personnel" means any State ~~officer or employee~~ officer whose principal ~~duties~~ duties, in practice or as set forth in that person's job description ~~description, involve~~ include lobbying the General Assembly.
- (4c) The term "legislative lobbyist" means any lobbyist for or against legislative action.
- (4d) The term "legislator" means a member of the General Assembly or a person elected or appointed a member of the General Assembly prior to taking office.
- (5) The term "lobbying" ~~means~~ means any of the following:
- a. Influencing or attempting to influence legislative action through direct ~~oral or written~~ communication or activities with a ~~member of the General Assembly; or~~ covered person, legislative employee, or that person's immediate family member.
 - b. Solicitation of others by legislative lobbyists or lobbyists' principals to influence legislative action.
 - c. Developing goodwill through communications or activities, including the building of relationships, with a covered person, legislative employee, or that person's immediate family with the intention of influencing current or future legislative action, but does not include communications or activities with a covered person, legislative employee, or that person's immediate family member in a business, civic, religious, fraternal, or commercial relationship which is not connected to legislative action.
- (6) The term "lobbyist" means an individual ~~who~~ who meets any of the following criteria:
- a. Is employed and receives compensation, or who contracts for economic consideration, for the purpose of ~~lobbying;~~ lobbying.

- b. Represents another person and receives compensation for the purpose of lobbying.
- c. Is legislative liaison personnel.

The term "lobbyist" shall not include those individuals who are specifically exempted from this Article by G.S. 120-47.8. For the purpose of determining whether an individual is a lobbyist under this subdivision, reimbursement of actual travel and subsistence expenses shall not be considered compensation; provided, however, that reimbursement in the ordinary course of business of these expenses shall be considered compensation if a significant part of the individual's duties involve lobbying before the General Assembly.

- (7) The terms "lobbyist's principal" and "principal" mean the entity in person on whose behalf the legislative lobbyist influences or attempts to influence legislative action. In the case where a lobbyist is compensated by a law firm, consulting firm, or other entity retained by a person for legislative lobbying, the principal is the person whose interests the lobbyist represents in lobbying.
- (7a) The term "news medium" means mainstream media providers whose sole purpose is to report events and that does not involve research or advocacy.
- (8) The term "person" means any individual, firm, partnership, committee, association, corporation, business entity, or any other organization or group of ~~persons~~ persons which has an independent legal existence.
- (9) The General Assembly is in "regular session" from the date set by law or resolution that the General Assembly convenes until the General Assembly either:
 - a. Adjourns sine die; or
 - b. Recesses or adjourns for more than 10 days.

"§ 120-47.2. Registration procedure.

(a) A legislative lobbyist shall file a registration statement with the Secretary of State in a manner prescribed by the Secretary before engaging in any lobbying. It shall be unlawful for a person to lobby without registering unless exempted by this Article. A lobbyist shall file a separate registration statement is required for each lobbyist's principal. principal the lobbyist represents. The registration shall indicate whether it is registration as a legislative lobbyist, executive lobbyist, or both, and a separate registration fee shall be paid for each separate type of registration.

(b) The form of the registration shall be prescribed by the Secretary of State and shall include the registrant's full name, firm, and complete address; address and telephone number; the registrant's place of business; the full name and name, complete address and telephone number of each person by whom the registrant is employed or retained; and a general description of the matters on which the registrant expects to act as a legislative lobbyist. The Secretary of State shall make available as soon as practicable the registrations of the lobbyists and lobbyists' principals in an electronic, searchable format.

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

(d) Within 20 days after the convening of each session of the General Assembly, the Secretary of State shall furnish each member of the General Assembly and the State Legislative Library a list of all persons who have registered as executive or legislative lobbyists and whom they represent. Within 20 days after the beginning of the term of a Governor, the Secretary of State shall furnish the Governor, each other member of the Council of State, the head of each principal department of the Executive Branch, and the State Legislative Library a list of all persons who have registered as executive or legislative lobbyists and whom they represent. A supplemental list of legislative lobbyists shall be furnished periodically each 20 days thereafter as the session progresses. A supplemental list of executive lobbyists shall be furnished periodically each 60 days thereafter. For each special session of the General Assembly, a supplemental list of legislative lobbyists shall be furnished to the State Legislative Library. All lists required by this section may be furnished electronically.

(e) Each registration statement of a legislative lobbyist required under this Article shall be effective from the date of filing until January 1 of the following ~~odd-numbered~~ year. The legislative lobbyist shall file a new registration statement after that date, and the applicable fee shall be due and payable.

"§ 120-47.3. Registration fee.

~~Every lobbyist's principal shall pay to the Secretary of State a fee of two hundred dollars (\$200.00). A fee of one hundred dollars (\$100.00) that is due and payable to the Secretary of State by either the lobbyist or the lobbyist's principal at the time of each registration. A separate registration, together with a separate registration fee two hundred dollars (\$200.00) is required for each lobbyist's principal for which a person acts as a lobbyist. Fees so collected shall be deposited in the General Fund of the State. The Secretary of State shall allow fees required under this section to be paid electronically but may not require the fees to be paid electronically. The Secretary of State shall adopt rules providing for the waiver or reduction of the fees required by this section in cases of hardship.~~

"§ 120-47.4. ~~Written authority~~ Authorization from lobbyist's principal to be filed principal; fee from principal.

(a) Each legislative lobbyist or principal shall file with the Secretary of State within 10 days after ~~his~~ the legislative lobbyist's registration a written authorization signed by the lobbyist's principal authorizing the lobbyist to represent the principal. ~~to act as such, signed by the lobbyist's principal.~~

(b) The form of the authorization shall be prescribed by the Secretary of State and shall include the principal's full name, complete address and telephone number, name and title of the official signing for the principal, and the name of each lobbyist registered to represent the principal. The Secretary of State shall make available as soon

as practicable the authorization of the lobbyists' principals in an electronic, searchable format.

(c) An amended authorization shall be filed with the Secretary of State no later than 10 days after any change in the information supplied on the previous authorization. Each supplementary authorization shall include a complete statement of the information that has changed.

(d) Except as provided for in subsection (e) of this section, a fee of one hundred dollars (\$100.00) is due and payable to the Secretary of State at the time the principal's first authorization statement is filed each calendar year for a legislative lobbyist. The fee for the legislative lobbyist's authorization shall be seventy-five dollars (\$75.00) if an authorization for the principal to be represented by an executive lobbyist is filed at the same time. No additional fee is due for additional authorizations filed for legislative lobbyists.

(e) The fee in subsection (d) of this section shall be reduced to a total of twenty-five dollars (\$25.00) if the principal had annual revenues in its most recent fiscal year of three hundred thousand dollars (\$300,000) or less and is represented by no more than two different lobbyists. This reduced fee covers authorizations filed for the principal's legislative and executive lobbyists."

"§ 120-47.5. Contingency lobbying fees and election influence prohibited.

(a) No person shall act as a legislative lobbyist for compensation that is dependent upon the result or outcome of any legislative action. ~~which is dependent in any manner upon the passage or defeat of any proposed legislation or upon any other contingency connected with any action of the General Assembly, the House, the Senate or any committee thereof.~~

(b) No ~~person~~ legislative lobbyist or legislative lobbyist's principal shall attempt to influence the action of any ~~member of the General Assembly~~ covered person by the promise of financial support of the ~~member's~~ covered person's candidacy, or by threat of financial ~~contribution~~ support in opposition to the ~~member's~~ covered person's candidacy in any future election.

"§ 120-47.5A. Exemptions and inclusions for reporting purposes.

(a) For purposes of G.S. 120-47.6 and G.S. 120-47.7, the following expenditures need not be reported:

- (1) Gifts between an immediate family member or person who is the stepchild, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, or members of the household of the covered person or legislative employee.
- (2) Lawful campaign contributions.
- (3) Commercially available loans made on terms not more favorable than generally available to the public in the normal course of business if not made for the purpose of lobbying.
- (4) Contractual arrangements or business relationships or arrangements made in the normal course of business if not made for the purpose of lobbying.

(5) The cost of attendance or participation provided by the sponsoring entity of lodging, and of food and beverages consumed, at events sponsored by or in conjunction with a civic, charitable, community, or diplomatic event if the activity or event does not last longer than three hours.

(6) Academic scholarships made on terms not more favorable than scholarships generally available to the public.

(b) For purposes of G.S. 120-47.6 and G.S. 120-47.7, all expenditures made for the purpose of lobbying shall be reported, including the following:

(1) Expenditures benefiting or made on behalf of a covered person, a legislative employee, or those persons' immediate family members, in the regular course of that person's nonlegislative employment.

(2) Contractual arrangements or direct business relationships between a legislative lobbyist or legislative lobbyist's principal and a covered person, legislative employee, or that person's immediate family member, in effect during the reporting period or the previous 12 months.

(3) Expenditures reimbursed to a legislative lobbyist in the ordinary course of business by the lobbyist's principal or other employer.

(c) For reporting purposes of G.S. 120-47.6 and G.S. 120-47.7, legislative lobbying with respect to only the legislative actions of the Governor and Lieutenant Governor shall be reported.

"§ 120-47.6. Statements of legislative lobbyist's lobbying expenses—expenditures required.

(a) ~~Each legislative lobbyist shall file an expense report with the Secretary of State with respect to each principal within 60 days after the last day of the regular session. This expense report shall include all expenditures made between January 1 and the last day of the regular session. The lobbyist shall file a supplemental report including all expenditures made after the last day of the regular session, but during the calendar year, by February 28 of the following year. monthly expenditure reports under oath with the Secretary of State, in a manner prescribed by the Secretary of State, which may include electronic reports, with respect to each lobbyist's principal, while the General Assembly is in regular session, and quarterly thereafter. The expenditure report shall include all expenditures during the reporting period and shall be due 10 business days after the end of the reporting period. The legislative lobbyist shall file both expense reports whether or not expenditures are made.~~

(b) ~~Each expense—expenditure report shall set forth the date of each expenditure, to whom paid, the name of any legislator who benefitted from each expenditure, and the amount of each expenditure made during the previous reporting period in connection with lobbying, in each of the following categories: (1) transportation, (2) lodging, (3) entertainment, (4) food, (5) any item having a cash equivalent value of more than twenty five dollars (\$25.00) and (6) contributions made, paid, incurred or promised, directly or indirectly. It shall not be necessary to report expenditures of twenty five dollars (\$25.00) or less, nor shall it be necessary to report any expenditures made in~~

~~connection with the attendance of a legislator at any fund raising function or event sponsored by a nonprofit organization qualified under 26 U.S.C. § 501(c). When more than 10 members of the General Assembly benefitted or were invited to benefit from an expenditure, the lobbyist shall not be required to report the name of any legislator, but shall be required to report the number of legislators or, with particularity, the basis for their selection.~~ fair market value, date, a description of the expenditure, name and address of the payee, or beneficiary, and name of any covered person, legislative employee, or that person's immediate family member benefiting from the expenditure. Such expenditures shall be reported using the following categories:

- (1) Transportation and lodging.
- (2) Entertainment, food, and beverages.
- (3) Meetings and events.
- (4) Gifts.
- (5) Other expenditures.

In addition, expenses for the solicitation of others to lobby, whether or not a covered person, legislative employee, or family member is affected, shall be reportable if such expenses are incurred in connection, or in concert, with other expenditures reportable under this subsection.

(c) All reports shall be in the form prescribed by the Secretary of State and shall be open to public inspection. ~~inspection upon filing.~~ When more than 15 covered persons benefit from an expenditure, no names of individuals need be reported provided that the report identifies the approximate number of covered persons benefiting and, with particularity, 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 legislative employees and immediate family members of covered persons and legislative employees who benefited from the expenditure shall be listed separately.

(d) When a legislative lobbyist fails to file a lobbying expense ~~an expenditure report as required herein,~~ in this section, the Secretary of State shall send a certified or registered letter advising the legislative lobbyist of the delinquency and the penalties provided by law. Within 20 days of the receipt of the letter, the legislative lobbyist shall deliver or post by United States mail to the Secretary of State the required report and an additional late filing fee in an amount equal to the late filing fee under G.S. 163-278.34(a)(2).

(e) Filing of the required report and payment of the additional fee within the time extended shall constitute compliance with this section. Failure to file an expense expenditure report in one of the manners prescribed herein in this section shall result in revocation of any and all registrations of a legislative lobbyist under this Article. No legislative lobbyist may register or reregister under this Article until he the legislative lobbyist has fully complied with this section.

(f) 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.

(g) The Secretary of State may adopt rules to facilitate complete and timely disclosure of expenditures, including the format of reports and 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 legislative lobbyist for subsequent failures to comply with the requirements of this section if the Secretary of State failed to provide to the lobbyist with required notifications of the initial violation. This provision shall not apply to a failure by the lobbyist to file an expenditure report in a timely manner.

"§ 120-47.7. Statements of legislative lobbyist's principal lobbying expenses expenditures required.

~~(a) Each legislative lobbyist's principal shall file an expense report with the Secretary of State within 60 days after the last day of the regular session. This expense report shall include all expenditures made between January 1 and the last day of the regular session. The principal shall file a supplemental expense report, including all expenditures made after the last day of the regular session, but during the calendar year, by February 28 of the following year. monthly expenditure reports under oath with the Secretary of State, in a manner prescribed by the Secretary of State, which may include electronic reports, while the General Assembly is in regular session, and quarterly thereafter. The expenditure report shall include all expenditures during the reporting period and shall be due 10 business days after the end of the reporting period. The lobbyist's principal shall file both expense the expenditure reports whether or not expenditures are made during a reporting period.~~

~~(b) Each expense expenditure report shall set forth the name and address of each lobbyist employed, appointed, or retained by the lobbyist's principal, the date of each expenditure made, to whom paid, name of any legislator who benefitted from each expenditure, and amount of each expenditure made during the previous reporting period in connection with lobbying, in each of the following categories: (1) transportation, (2) lodging, (3) entertainment, (4) food, (5) any item having a cash equivalent value of more than twenty five dollars (\$25.00), (6) contributions made, paid, incurred or promised, directly or indirectly, and (7) compensation to lobbyists in connection with their lobbying activities. It shall not be necessary to report expenditures of twenty five dollars (\$25.00) or less, nor shall it be necessary to report any expenditures made in connection with the attendance of a legislator at any fund raising function or event sponsored by a nonprofit organization qualified under 26 U.S.C. § 501(c). When more than 10 members of the General Assembly benefitted or were invited to benefit from an expenditure, the principal shall not be required to report the name of any legislator, but shall be required to report the number of legislators or the basis for their selection. In the category of compensation to lobbyists the principal shall estimate and report the compensation paid or promised directly or indirectly, to all lobbyists based on the estimated time, effort and expense in connection with lobbying activities on behalf of the principal. If a lobbyist is a full time employee of the principal, or is compensated by means of an annual fee or retainer, the principal shall estimate and report the portion of~~

all such lobbyists' salaries or retainers that compensate the lobbyists for lobbying. Fair market value, date, a description of the expenditure, name and address of the payee, or beneficiary, and name of any covered person, legislative employee, or that person's immediate family member affected by the expenditure. Such expenditures shall be reported using the following categories:

- (1) Transportation and lodging.
- (2) Entertainment, food, and beverages.
- (3) Meetings and events.
- (4) Gifts.
- (5) Other expenditures.

In addition, expenses for the solicitation of others to lobby, whether or not a covered person, legislative employee, or family member is affected, shall be reportable if such expenses are incurred in connection, or in concert, with other expenditures reportable under this subsection.

In addition, the compensation paid or agreed to be paid to all legislative lobbyists shall be reported, whether or not a covered person, legislative employee, or family member is affected. If a legislative lobbyist is a full-time employee of the lobbyist's principal, or is compensated by means of an annual fee or retainer, the lobbyist's principal shall estimate and report the portion of the salary, fee, or retainer that compensates for lobbying. The lobbyist's principal's expenditure report shall include an itemized description of all expenditures reimbursed or paid to legislative lobbyists for lobbying that are not reported on the legislative lobbyists' reports.

(c) All reports shall be in the form prescribed by the Secretary of State and open to public inspection. inspection upon filing. When more than 15 covered persons benefit from an expenditure, no names of individuals need be reported provided that the report identifies the approximate number of covered persons benefiting and, with particularity, 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 legislative employees and immediate family members of covered persons and legislative employees who benefited from the expenditure shall be listed separately.

(d) When a lobbyist's principal fails to file a lobbying expensean expenditure report as required herein, in this section, the Secretary of State shall send a certified or registered letter advising the lobbyist's principal of the delinquency and the penalties provided by law. Within 20 days of the receipt of the letter, the lobbyist's principal shall deliver or post by United States mail to the Secretary of State the required report and a late filing fee in an amount equal to the late filing fee under G.S. 163-278.34(a)(2).

(e) Filing of the required report and payment of the late fee within the time extended shall constitute compliance with this section. Failure to file an expenditure report in one of the manners prescribed in this section shall result in revocation of any and all registrations of a lobbyist's principal under this Article. No lobbyist's principal

may register or reregister under this Article until the lobbyist's principal has fully complied with this section.

(f) 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.

(g) The Secretary of State may adopt rules to facilitate complete and timely disclosure of expenditures, including the format of reports and 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 principal for subsequent failures to comply with the requirements of this section if the Secretary of State failed to provide to the principal with required notifications of the initial violation. This provision shall not apply to a failure by the principal to file an expenditure report in a timely manner.

"§ 120-47.7B. Powers and duties of the Secretary of State.

(a) The Secretary of State shall perform systematic reviews of reports required to be filed under G.S. 120-47.6 and G.S. 120-47.7 on a regular basis to assure complete and timely disclosure of expenditures.

(b) The Secretary of State 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 Article. The court shall authorize subpoenas under this subsection when the court determines they are necessary for the enforcement of this Article. Subpoenas issued pursuant to 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 Article, and personal jurisdiction may be asserted under G.S. 1-75.4.

(c) Complaints of violations of this Article and all other records accumulated in conjunction with the investigation of these complaints shall be considered records of criminal investigations under G.S. 132-1.4.

"§ 120-47.7C. Prohibitions.

(a) No member or former member of the General Assembly may be employed as an executive or legislative lobbyist by a lobbyist's principal to lobby as defined in this Article or Article 4C of Chapter 147 of the General Statutes within six months after the end of that member's service in the General Assembly.

(b) No person serving as Governor, as a member of the Council of State, or as a head of a principal State department listed in G.S. 143B-6 may be employed as an executive or legislative lobbyist by a lobbyist's principal to lobby as defined in this Article or Article 4C of Chapter 147 of the General Statutes within six months after separation from employment or leaving office.

(c) No individual registered as a legislative lobbyist shall serve as a campaign treasurer under Chapter 163 of the General Statutes for a campaign for election as a member of the General Assembly.

(d) A legislative or executive lobbyist shall not be eligible for appointment by a State official to any body created under the laws of this State that has regulatory

authority over the activities of a person that the lobbyist currently represents or has represented within 60 days after the expiration of the lobbyist's registration representing that person. Nothing herein shall be construed to prohibit appointment by any unit of local government.

(e) No legislative or executive lobbyist or another acting on the lobbyist's behalf shall permit a covered person, legislative employee, executive branch officer, or that person's immediate family member, to use the cash or credit of the lobbyist for the purpose of lobbying unless the lobbyist is in attendance at the time of the expenditure.

"§ 120-47.8. Persons exempted from provisions of Article.

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

- (1) ~~An individual, not acting as a lobbyist,~~ individual solely engaged in expressing a personal opinion or stating facts or recommendations on legislative matters to his own legislative delegation or other members of the General Assembly. ~~Assembly and not acting as a legislative lobbyist.~~
- (2) A person appearing before a legislative committee at the invitation or request of the committee or a member thereof and who engages in no further activities as a legislative lobbyist in connection with that or any other legislative matter. ~~lobbyist.~~
- (3) a. A duly elected or appointed official or employee of the State, the United States, a county, municipality, school district or other governmental agency, when appearing solely in connection with matters pertaining to ~~his~~ the office and public duties.
b. Notwithstanding the persons exempted in this Article, the Governor, Council of State, and all appointed heads of State departments, agencies and institutions, shall designate all authorized official legislative liaison personnel and shall file and maintain current lists of designated legislative liaison personnel with the Secretary of State ~~and shall likewise file with the Secretary of State a full and accurate accounting of all money expended on lobbying, other than the salaries of regular full-time employees, at the same times lobbyists are required to file expense reports under G.S. 120-47.6.~~ State.
- (4) A person performing professional services in drafting bills or in advising and rendering opinions to clients, or to ~~legislators~~ covered persons on behalf of clients, as to the construction and effect of proposed or pending legislation where the professional services are not ~~otherwise, directly or indirectly,~~ otherwise connected with legislative action.
- (5) A person who owns, publishes or is employed by any news medium while engaged in the acquisition or dissemination of news on behalf of the news medium.

- (6) Repealed by Session Laws 1991, c. 740, s. 1.1.
- (7) ~~Members of the General Assembly.~~Covered persons and legislative employees.
- (8) A person responding to inquiries from a member of the General Assembly or a legislative employee, and who engages in no further activities as a legislative lobbyist in connection with that or any other legislative matter.
- (9) ~~An individual giving facts or recommendations pertaining to legislative matters to his own legislative delegation only.~~An employee who represents the employer's interests in legislative action for no more than three hours in a quarter, provided that neither the employee nor the employer makes any expenditure as defined in G.S. 120-47.1.

"§ 120-47.8A. Expenditures made by persons exempted or not covered by this Article.

(a) If a covered person or a legislative employee accepts an expenditure made for the purpose of lobbying valued over two hundred dollars (\$200.00) from a person or group of persons acting together, exempted or not otherwise covered by this Article, the person, or group of persons, making the expenditure shall report the date, a description of the expenditure, the name and address of the person, or group of persons, making the expenditure, the name of the covered person or legislative employee accepting the expenditure, and the estimated fair market value of the expenditure.

(b) If the person making the expenditure in subsection (a) of this section is outside North Carolina, and the covered person or legislative employee accepting the expenditure is also outside North Carolina at the time the person accepts the expenditure, then the person accepting the expenditure shall be responsible for filing the report using available information.

(c) If a covered person or a legislative employee accepts a scholarship valued over two hundred dollars (\$200.00) from a person, or group of persons, acting together, exempted or not covered by this Article, the person, or group of persons, granting the scholarship shall report the date of the scholarship, a description of the event involved, the name and address of the person, or group of persons, granting the scholarship, the name of the covered person or legislative employee accepting the scholarship, and the estimated fair market value.

(d) If the person granting the scholarship in subsection (c) of this section is outside North Carolina, the covered person or legislative employee accepting the scholarship shall be responsible for filing the report.

(e) This section shall not apply to any of the following:

- (1) Lawful campaign contributions.
- (2) Any gift from a family member to a covered person or legislative employee.
- (3) Gifts associated primarily with the covered person's, legislative employee's, or that person's immediate family member's nonlegislative employment.

(4) Gifts, other than food, beverages, travel, and lodging, which are received from a person who is a citizen of a country other than the United States or a state other than North Carolina and given during a ceremonial presentation or as a custom.

(5) A thing of value that is paid for by the State.

(f) Reports required by this section shall be filed within 10 business days after the end of the quarter in which the expenditure was made, with the Secretary of State in a manner prescribed by the Secretary of State, which may include electronic reports.

"§ 120-47.9. Punishment for violation.

(a) Whoever willfully violates any provision of this Article shall be guilty of a Class 1 misdemeanor. In addition, no legislative lobbyist who is convicted of a violation of the provisions of this Article shall in any way act as a legislative or executive lobbyist for a period of two years following ~~his~~ conviction.

(b) In addition to the criminal penalties set forth in this section, the Secretary of State may levy civil fines for willful false or incomplete reporting up to five thousand dollars (\$5,000) per violation.

"§ 120-47.10. Enforcement of Article by Attorney General.

The Secretary of State shall report apparent violations of this Article to the Attorney General. The Attorney General shall, upon ~~complaint made to him of violations of this Article,~~ complaint, make an appropriate investigation thereof, and ~~he the Attorney General~~ shall forward a copy of the investigation to the district attorney of the prosecutorial district as defined in G.S. 7A-60 of which Wake County is a part, who shall prosecute any person who violates any provisions of this Article.

"§ 120-47.11. Rules and forms.

(a) The Secretary of State shall ~~make, amend, and rescind~~ adopt any rules, orders, forms, and definitions as are necessary to carry out the provisions of this Article. The Secretary of State may appoint a council to advise the Secretary in adopting rules under this section.

(b) The Secretary of State shall adopt rules to protect from disclosure all confidential information under Chapter 132 related to economic development initiatives or to industrial or business recruitment activities. The information shall remain confidential until the State, a unit of local government or the business has announced a commitment by the business to expand or locate a specific project in this State or a final decision not to do so and the business has communicated that commitment or decision to the State or local government agency involved with the project.

"§ 120-47.12. Limitations on agency legislative ~~liaisons~~ liaison personnel.

(a) No ~~principal~~ State department may use State funds to contract with persons who are not employed by the State to lobby the General Assembly.

(b) No more than two persons in each ~~principal~~ State department and constituent institution of The University of North Carolina may be registered to lobby the General Assembly or designated as legislative ~~liaisons~~ liaison personnel pursuant to this Article.

(c) All persons designated as legislative liaison personnel pursuant to this Article and the State department or constituent institution of The University of North Carolina that employs the legislative liaison personnel shall report all expenditures made for

lobbying purposes in the same manner as required for legislative lobbyists under G.S. 120-47.6 and lobbyists' principals under G.S. 120-47.7. The registration and authorization fees required under G.S. 120-47.3 and G.S. 120-47.4 shall not apply to legislative liaison personnel or the State department or constituent institution that employs the legislative liaison personnel."

SECTION 2. Chapter 147 of the General Statutes is amended by adding a new Article to read:

"Article 4C.

"Executive Branch Lobbying.

"§ 147-54.31. Definitions.

The following definitions shall apply in this Article:

- (1) The term "executive action" means the preparation, research, drafting, introduction, consideration, modification, amendment, approval, passage, adoption, tabling, postponement, defeat, or rejection of a rule, regulation, executive order, resolution, or other quasi-legislative action by the executive branch or by a member or employee of the executive branch acting or purporting to act in an official capacity. This term shall not include any action by an attorney representing a client with respect to the executive action.
- (2) The term "executive branch officers" means the Governor, any member of the Council of State, the heads of those departments listed in G.S. 143B-6, and members of the Board of Governors of The University of North Carolina.
- (3) The term "executive lobbyist" means any lobbyist for or against executive action.
- (4) The term "expenditure" means any advance, contribution, conveyance, deposit, distribution, payment, gift, retainer, fee, salary, honorarium, reimbursement, loan, pledge, or thing of value greater than ten dollars (\$10.00), or a contract, agreement, promise, or other obligation whether or not legally enforceable, that directly or indirectly is made to, at the request of, for the benefit of, or on the behalf of an executive branch officer or that person's immediate family member.
- (5) The term "immediate family member" means spouse, descendant, or ascendant.
- (6) The term "lobbying" means any of the following:
 - a. Influencing or attempting to influence executive action through direct communication or activities with an executive branch officer.
 - b. Solicitation of others by an executive lobbyist or lobbyist's principal to influence executive action through direct communication or activities with an executive branch officer.
 - c. Developing executive goodwill through communications or activities, including the building of relationships, with an executive branch officer or that person's immediate family with

the intention of influencing current or future executive action, but does not include communications or activities with executive branch officers or that person's immediate family member in a business, civic, religious, fraternal, or commercial relationship which is not connected to executive action.

(7) The term "lobbyist" means an individual who meets any of the following criteria:

a. Is employed and receives compensation, or who contracts for economic consideration, for the purpose of lobbying.

b. Represents another person and receives compensation for the purpose of lobbying.

The term "lobbyist" shall not include those individuals who are specifically exempted from this Article by G.S. 147-54.40. For the purpose of determining whether an individual is an executive lobbyist under this subdivision, reimbursement of actual travel and subsistence expenses shall not be considered compensation; provided, however, that reimbursement in the ordinary course of business of these expenses shall be considered compensation if a significant part of the individual's duties involves executive lobbying.

(8) The terms "lobbyist's principal" and "principal" mean the person on whose behalf the executive lobbyist lobbies. In the case where a lobbyist is compensated by a law firm, consulting firm, or other entity retained by a person for executive lobbying, the principal is the person whose interests the lobbyist represents in lobbying.

(8a) The term "news medium" means mainstream media providers whose sole purpose is to report events and that does not involve research or advocacy.

(9) The term "person" means any individual, firm, partnership, committee, association, corporation, business entity, or any other organization or group of persons which has an independent legal existence.

"§ 147-54.32. Registration procedure.

(a) An executive lobbyist shall file a registration statement with the Secretary of State in a manner prescribed by the Secretary before engaging in any lobbying. It shall be unlawful for a person to lobby without registering unless exempted by this Article. A lobbyist shall file a separate registration statement for each principal the lobbyist represents. The registration shall indicate whether it is registration as a legislative lobbyist, executive lobbyist, or both, and a separate registration fee shall be paid for each separate type of registration.

(b) The form of the registration shall be prescribed by the Secretary of State and shall include the registrant's full name, firm, and complete address and telephone number; the registrant's place of business; the full name and complete address and telephone number of each person by whom the registrant is employed or retained; and a general description of the matters on which the registrant expects to act as an executive lobbyist. The Secretary of State shall make available as soon as practicable the

registrations of the lobbyists and lobbyists' principals in an electronic, searchable format.

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

(d) Each registration statement of an executive lobbyist required under this Article shall be effective from the date of filing until January 1 of the following year. The executive lobbyist shall file a new registration statement after that date.

"§ 147-54.33. Registration fee.

A fee of one hundred dollars (\$100.00) is due and payable to the Secretary of State by either the lobbyist or the lobbyist's principal at the time of each registration. Fees so collected shall be deposited in the General Fund of the State. The Secretary of State shall allow fees required under this section to be paid electronically, but may not require the fees to be paid electronically. The Secretary of State shall adopt rules providing for the waiver or reduction of the fees required by this section in cases of hardship. The Secretary of State shall also adopt rules providing for the waiver or reduction of the fees required by this section in cases of hardship.

"§ 147-54.34. Authorization from lobbyist's principal; fee from principal.

(a) Each executive lobbyist or principal shall file with the Secretary of State within 10 days after the executive lobbyist's registration a written authorization signed by the lobbyist's principal authorizing the lobbyist to represent the principal.

(b) The form of the authorization shall be prescribed by the Secretary of State and shall include the principal's full name, complete address and telephone number, name and title of the official signing for the principal, and the name of each lobbyist registered to represent the principal. The Secretary of State shall make available as soon as practicable the authorization of the lobbyists' principals in an electronic, searchable format.

(c) An amended authorization shall be filed with the Secretary of State no later than 10 days after any change in the information supplied on the previous authorization. Each supplementary authorization shall include a complete statement of the information that has changed.

(d) Except as provided for in subsection (e) of this section, a fee of one hundred dollars (\$100.00) is due and payable to the Secretary of State at the time the principal's first authorization statement is filed each calendar year for an executive lobbyist. The fee for the executive lobbyist's authorization shall be seventy-five dollars (\$75.00) if an authorization for the principal to be represented by a legislative lobbyist is filed at the same time. No additional fee is due for additional authorizations filed for executive lobbyists.

(e) The fee in subsection (d) of this section shall be reduced to a total of twenty-five dollars (\$25.00) if the principal had annual revenues in its most recent fiscal year of three hundred thousand dollars (\$300,000) or less and is represented by no more

than two different lobbyists. This reduced fee covers authorizations filed for the principal's legislative and executive lobbyists.

"§ 147-54.35. Contingency lobbying fees and election influence prohibited.

(a) No person shall act as an executive lobbyist for compensation that is dependent upon the result or outcome of any executive action.

(b) No executive lobbyist or executive lobbyist's principal shall attempt to influence the action of an executive branch officer by the promise of financial support of the executive branch officer's candidacy or appointment, or by threat of financial support in opposition to the executive branch officer's candidacy in any future election or future reappointment.

"§ 147-54.36. Exemptions and inclusions for reporting purposes.

(a) For purposes of G.S. 147-54.37 and G.S. 147-54.38, the following expenditures need not be reported:

(a) For purposes of G.S. 147-54.37 and G.S. 147-54.38, the following expenditures need not be reported:

- (1) Gifts between an immediate family member or person who is the stepchild, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, or members of the household of the executive branch officer.
- (2) Lawful campaign contributions.
- (3) Commercially available loans made on terms not more favorable than generally available to the public in the normal course of business if not made for the purpose of lobbying.
- (4) Contractual arrangements or business relationships or arrangements made in the normal course of business if not made for the purpose of lobbying.
- (5) The cost of attendance or participation provided by the sponsoring entity of lodging, and of food and beverages consumed, at events sponsored by or in conjunction with a civic, charitable, community, or diplomatic event if the activity or event does not last longer than three hours.
- (6) Academic scholarships made on terms not more favorable than scholarships generally available to the public.

(b) For purposes of G.S. 147-54.37 and G.S. 147-54.38, all expenditures made for the purpose of lobbying need to be reported, including:

- (1) Expenditures benefiting or made on behalf of an executive branch officer or that person's immediate family members, in the regular course of that person's nonexecutive employment.
- (2) Contractual arrangements or direct business relationships between an executive lobbyist or executive lobbyist's principal and an executive branch officer or that person's immediate family member, in effect during the reporting period or the previous 12 months.
- (3) Expenditures reimbursed to an executive lobbyist in the ordinary course of business by the lobbyist's principal or other employer.

(c) For reporting purposes of G.S. 147-54.37 and G.S. 147-54.38, executive lobbying with respect to only the executive actions of the Governor and Lieutenant Governor shall be reported.

"§ 147-54.37. Statements of executive lobbyist's lobbying expenditures required.

(a) Each executive lobbyist shall file quarterly expenditure reports under oath with the Secretary of State, in a manner prescribed by the Secretary of State, which may include electronic reports, with respect to each lobbyist's principal within 10 business days after the end of the reporting period. The expenditure report shall include all expenditures during the reporting period. The executive lobbyist shall file an expenditure report whether or not expenditures are made.

(b) Each expenditure report shall set forth the fair market value, date, a description of the expenditure, name and address of the payee, or beneficiary, and name of any executive branch officer, or that person's immediate family member benefiting by the expenditure. Such expenditures shall be reported using the following categories:

- (1) Transportation and lodging.
- (2) Entertainment, food, and beverages.
- (3) Meetings and events.
- (4) Gifts.
- (5) Other expenditures.

In addition, expenses for the solicitation of others to lobby, whether or not an executive branch officer or that person's immediate family member is affected, shall be reportable if such expenses are incurred in connection, or in concert, with other expenditures reportable under this subsection.

(c) All reports shall be in the form prescribed by the Secretary of State and shall be open to public inspection upon filing. When more than 15 executive branch officers benefit from an expenditure, no names of individuals need be reported, provided that the report identifies the approximate number of executive branch officers benefiting and, with particularity, the basis for their selection. The approximate number of immediate family members who benefited from the expenditure shall be listed separately.

(d) When an executive lobbyist fails to file an expenditure report as required in this section, the Secretary of State shall send a certified or registered letter advising the executive lobbyist of the delinquency and the penalties provided by law. Within 20 days of the receipt of the letter, the executive lobbyist shall deliver or post by United States mail to the Secretary of State the required report and an additional late filing fee in an amount equal to the late filing fee under G.S. 163-278.34(a)(2).

(e) Filing of the required report and payment of the additional fee within the time extended shall constitute compliance with this section. Failure to file an expense report in one of the manners prescribed herein shall result in revocation of any and all registrations of an executive lobbyist under this Article. No executive lobbyist may register or reregister under this Article until the executive lobbyist has fully complied with this section.

(f) 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.

(g) The Secretary of State may adopt rules to facilitate complete and timely disclosure of expenditures, including the format of reports and 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 principal for subsequent failures to comply with the requirements of this section if the Secretary of State failed to provide to the principal with required notifications of the initial violation. This provision shall not apply to a failure by the principal to file an expenditure report in a timely manner.

"§ 147-54.38. Statements of lobbyist's principal lobbying expenses required.

(a) Each executive lobbyist's principal shall file quarterly expenditure reports under oath with the Secretary of State, in a manner prescribed by the Secretary of State, which may include electronic reports, within 10 business days after the end of the reporting period. The expenditure report shall include all expenditures during the reporting period. The lobbyist's principal shall file an expenditure report whether or not expenditures are made during a reporting period.

(b) Each expenditure report shall set forth the fair market value, date, a description of the expenditure, name and address of the payee, or beneficiary, and name of any executive branch officers, or that person's immediate family member affected by the expenditure. Such expenditures shall be reported using the following categories:

- (1) Transportation and lodging.
- (2) Entertainment, food, and beverages.
- (3) Meetings and events.
- (4) Gifts.
- (5) Other expenditures.

In addition, expenses for the solicitation of others to lobby, whether or not an executive branch officer or that person's immediate family member is affected, shall be reportable if such expenses are incurred in connection, or in concert, with other expenditures reportable under this subsection.

(c) All reports shall be in the form prescribed by the Secretary of State and open to public inspection upon filing. When more than 15 executive branch officers benefit from an expenditure, no names of individuals need be reported provided that the report identifies the approximate number of executive branch officers benefiting and, with particularity, the basis for their selection. The approximate number of immediate family members who benefited from the expenditure shall be listed separately.

(d) When a lobbyist's principal fails to file an expenditure report as required in this section, the Secretary of State shall send a certified or registered letter advising the lobbyist's principal of the delinquency and the penalties provided by law. Within 20 days of the receipt of the letter, the lobbyist's principal shall deliver or post by United States mail to the Secretary of State the required report and a late filing fee in an amount equal to the late filing fee under G.S. 163-278.34(a)(2).

(e) Filing of the required report and payment of the late fee within the time extended shall constitute compliance with this section. Failure to file an expense report

in one of the manners prescribed herein shall result in revocation of any and all registrations of an executive lobbyist's principal under this Article. No executive lobbyist's principal may register or reregister under this Article until the executive lobbyist's principal has fully complied with this section.

(f) 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.

(g) The Secretary of State may adopt rules to facilitate complete and timely disclosure of expenditures, including the format of reports and 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 principal for subsequent failures to comply with the requirements of this section if the Secretary of State failed to provide to the principal with required notifications of the initial violation. This provision shall not apply to a failure by the principal to file an expenditure report in a timely manner.

"§ 147-54.39. Powers and duties of the Secretary of State.

(a) The Secretary of State shall perform systematic reviews of reports required to be filed under G.S. 147-54.37 and G.S. 147-54.38 on a regular basis to assure complete and timely disclosure of expenditures.

(b) The Secretary of State 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 Article. The court shall authorize subpoenas under this subsection when the court determines they are necessary for the enforcement of this Article. Subpoenas issued pursuant to 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 Article, and personal jurisdiction may be asserted under G.S. 1-75.4.

(c) Complaints of violations of this Article and all other records accumulated in conjunction with the investigation of these complaints shall be considered records of criminal investigations under G.S. 132-1.4.

"§ 147-54.40. Persons exempted from provisions of Article.

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

- (1) An individual solely engaged in expressing a personal opinion on an executive action and not acting as an executive lobbyist.
- (2) A person appearing before a committee, commission, board, council, or other collective body whose membership includes one or more executive branch officers at the invitation or request of the collective body or a member thereof and who engages in no further activities as an executive lobbyist in connection with that or any other executive action.
- (3) A duly elected or appointed official or employee of the State, the United States, a county, municipality, school district, or other

- governmental agency, when appearing solely in connection with matters pertaining to the office and its public duties.
- (4) A person performing professional services in advising and rendering opinions to clients, or to executive branch officers on behalf of clients, as to the construction and effect of proposed or pending executive action where the professional services are not otherwise connected with executive action.
 - (5) A person who owns, publishes, or is employed by any news medium while engaged in the acquisition or dissemination of news on behalf of the news medium.
 - (6) A person responding to inquiries from an executive branch officer and who engages in no further activities as an executive lobbyist in connection with that or any other executive action.
 - (7) A person appearing before an executive branch agency or department on behalf of another person, on an individual application for a license or permit, or a disciplinary action on a license or permit.
 - (8) A person appearing before an executive branch officer on behalf of another person with respect to a proposed sale or lease of real property, goods or services to the State, or construction of property by the State.
 - (9) An employee who represents the employer's interests in executive action for no more than nine hours during a six-month reporting period, provided that neither the employee nor the employer make any expenditure as defined in G.S. 147-54.31.
 - (10) A person appearing before an executive branch agency or department or an executive branch officer on behalf of another person or entity in connection with an application for a grant, loan, determination or eligibility, or certification.

"§ 147-54.41. Expenditures made by persons exempted or not covered by this Article.

(a) If an executive branch officer accepts an expenditure made for the purpose of lobbying valued over two hundred dollars (\$200.00) from a person or group of persons acting together, exempted or not otherwise covered by this Article, the person, or group of persons, making the expenditure shall report the date, a description of the expenditure, the name and address of the person, or group of persons, making the expenditure, the name of the executive branch officer accepting the expenditure, and the estimated fair market value of the expenditure.

(b) If the person making the expenditure in subsection (a) of this section is outside North Carolina, and the executive branch officer accepting the expenditure is also outside North Carolina at the time the person accepts the expenditure, then the person accepting the expenditure shall be responsible for filing the report using available information.

(c) If an executive branch officer accepts a scholarship valued over two hundred dollars (\$200.00) from a person, or group of persons, acting together, exempted or not otherwise covered by this Article, the person, or group of persons, granting the

scholarship shall report the date of the scholarship, a description of the event involved, the name and address of the person, or group of persons, granting the scholarship, the name of the executive branch officer accepting the scholarship, and the estimated fair market value.

(d) If the person granting the scholarship in subsection (c) of this section is outside North Carolina, the covered person or legislative employee accepting the scholarship shall be responsible for filing the report.

(e) This section shall not apply to any of the following:

(1) Lawful campaign contributions.

(2) Any gift from a family member to a covered person or legislative employee.

(3) Gifts associated primarily with the executive branch officer's or that person's immediate family member's nonexecutive employment.

(4) Gifts, other than food, beverages, travel, and lodging, received by an executive branch officer which are received from a person who is a citizen of a country other than the United States or a state other than North Carolina and given during a ceremonial presentation or as a custom.

(5) A thing of value that is paid for by the State.

(6) Gifts accepted by an executive branch officer in the name of or on behalf of the State.

(f) Reports required by this section shall be filed within 10 business days after the end of the quarter in which the expenditure was made, with the Secretary of State in a manner prescribed by the Secretary of State, which may include electronic reports.

"§ 147-54.42. Punishment for violation.

(a) Whoever willfully violates any provision of this Article shall be guilty of a Class 1 misdemeanor. In addition, no executive lobbyist who is convicted of a violation of the provisions of this Article shall in any way act as an executive or legislative lobbyist for a period of two years following conviction.

(b) In addition to the criminal penalties set forth in this section, the Secretary of State may levy civil fines for willful false or incomplete reporting up to five thousand dollars (\$5,000) per violation.

"§ 147-54.43. Enforcement of Article by Attorney General.

The Secretary of State shall report apparent violations of this Article to the Attorney General. The Attorney General shall, upon complaint, make an appropriate investigation thereof, and the Attorney General shall forward a copy of the investigation to the district attorney of the prosecutorial district as defined in G.S. 7A-60, of which Wake County is a part, who shall prosecute any person who violates any provisions of this Article.

"§ 147-54.44. Rules and forms.

(a) The Secretary of State shall adopt any rules, orders, forms, and definitions as are necessary to carry out the provisions of this Article. The Secretary of State may appoint a council to advise the Secretary in adopting rules under this section.

(b) The Secretary of State shall adopt rules to protect from disclosure all confidential information under Chapter 132 related to economic development initiatives

or to industrial or business recruitment activities. The information shall remain confidential until the State, a unit of local government or the business has announced a commitment by the business to expand or locate a specific project in this State or a final decision not to do so and the business has communicated that commitment or decision to the State or local government agency involved with the project.

SECTION 3. Article 4 of Chapter 147 of the General Statutes is amended by adding a new section to read:

"§ 147-54.8. No gifts registry.

(a) The Secretary of State shall establish a 'No Gifts' registry for persons subject to Article 9A of Chapter 120 of the General Statutes or Article 4C of this Chapter. The 'No Gifts' registry shall be published and updated with the list of lobbyists and lobbyists' principals required under G.S. 120-47.2.

(b) Except as provided in this subsection, executive lobbyists, legislative lobbyists, and lobbyists' principals shall not give gifts to persons placing their names on the registry. Gifts of informational directories may be given to persons placing their names on the registry.

(c) The Secretary shall have the authority to adopt rules to implement this section in compliance with the following criteria:

(1) The registration is valid from the time the person registers until January 1 of the following year, unless the person requests in writing the removal of that person's name.

(2) The registration shall be in writing.

(d) For purposes of this section, the term "gift" means any payment, entertainment, advance, services, forgiveness of an obligation or debt, or thing of value, unless consideration of equal or greater value has been given therefor."

SECTION 4. The Secretary of State shall implement electronic filing of all lobbyists' and lobbyists' principals' reports required under Article 9A of Chapter 120 of the General Statutes and provide public access via the Internet to all these filings as soon as practicable.

SECTION 5. Sections 4 and 5 of this act become effective July 1, 2005. G.S. 120-47.7C(d), as enacted by Section 1 of this act, shall apply to appointments made on or after January 1, 2007. The remainder of this act becomes effective January 1, 2007.

In the General Assembly read three times and ratified this the 24th day of August, 2005.

s/ Beverly E. Perdue
President of the Senate

s/ James B. Black
Speaker of the House of Representatives

s/ Michael F. Easley
Governor

Approved 1:35 p.m. this 30th day of September, 2005