

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

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HOUSE BILL 1036\*

Short Title: No Revolving Door Employment (PED). (Public)

Sponsors: Representatives Howard, Hurley, Moffitt, and Lucas (Primary Sponsors).  
*For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*

Referred to: State Personnel, if favorable, Judiciary Subcommittee A.

May 15, 2014

1 A BILL TO BE ENTITLED  
2 AN ACT TO REQUIRE A SIX-MONTH WAITING PERIOD FOR CERTAIN STATE  
3 EMPLOYEES AND OFFICERS PRIOR TO ACCEPTING EMPLOYMENT WITH, OR  
4 COMPENSATION FROM, CERTAIN STATE CONTRACTORS, AS RECOMMENDED  
5 BY THE JOINT LEGISLATIVE PROGRAM EVALUATION OVERSIGHT  
6 COMMITTEE.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** Chapter 143 of the General Statutes is amended by adding a new  
9 Article to read:

10 "Article 3I.

11 "Limitations on Certain Private Employment After Serving State.

12 "**§ 143-64.90. Definitions.**

13 Unless the context requires otherwise, the following definitions apply in this Article:

- 14 (1) Immediate family member. – A spouse, child, sibling, parent, grandparent,  
15 or grandchild, or the spouse of an immediate family member. This term  
16 includes stepparents, stepchildren, stepsiblings, and adoptive relationships.  
17 (2) Officer. – A State constitutional officer.  
18 (3) Person. – As defined in G.S. 55-1-40 but does not include (i) the United  
19 States government, (ii) the State, (iii) other states, (iv) units of local  
20 government, or (v) school districts.  
21 (4) State agency. – Includes any agency, institution, board, commission, bureau,  
22 department, division, council, or other organization of State government,  
23 including, but not limited to, the Council of State and any institution of  
24 higher education that is regulated under Chapter 116 of the General Statutes.  
25 (5) State employee. – An individual employed by a State agency and whose  
26 State service was creditable in any North Carolina retirement system.

27 "**§ 143-64.91. Revolving door prohibition for certain State employees.**

28 The following individuals and their immediate family members shall not, either prior to or  
29 within a period of six months immediately after termination of State employment, knowingly  
30 accept employment with, commence employment with, or receive compensation for services  
31 from, a person that contracted with or was regulated by the State:

- 32 (1) A State employee who, in the six months immediately preceding termination  
33 of State employment, participated personally and substantially in the award  
34 or management of a State contract with the person, or its parent or  
35 subsidiary.



- 1           (2) A State employee who, in the six months immediately preceding termination  
2           of State employment, participated personally and substantially in making a  
3           regulatory or licensing decision that directly applied to the person, or its  
4           parent or subsidiary.

5 **"§ 143-64.92. Revolving door prohibition for certain additional individuals.**

6           The following individuals and their immediate family members shall not, either prior to or  
7           within a period of six months immediately after termination of office or State employment,  
8           knowingly accept employment with, commence employment with, or receive compensation for  
9           services from, a person if the person, or its parent or subsidiary, during the six months  
10           immediately preceding termination of State employment or leaving office, was a party to a  
11           State contract involving the individual's former State agency, or was the subject of a regulatory  
12           or licensing decision involving the individual's State agency, regardless of whether the  
13           individual participated personally and substantially in the award of the State contract or in the  
14           making of the regulatory or licensing decision in question:

- 15           (1) Officers.  
16           (2) Members of a commission or board with contract, regulatory, or licensing  
17           authority.  
18           (3) The head of a State agency.  
19           (4) Chief procurement officers, State purchasing officers, and their designees  
20           whose duties are directly related to State procurement.

21 **"§ 143-64.93. Notice of positions subject to this Article.**

22           (a) Each State agency shall adopt a policy delineating which State positions under its  
23           jurisdiction and control, by the nature of their duties, would likely have the authority to  
24           participate personally and substantially in the award or management of State contracts or in  
25           regulatory or licensing decisions.

26           (b) A State agency may designate additional State positions under its jurisdiction and  
27           control, not otherwise subject to the policies required by subsection (a) of this section, as  
28           subject to the notification requirement of subsection (c) of this section due to the position's  
29           potential involvement in the award or management of State contracts or in regulatory or  
30           licensing decisions.

31           (c) State agencies shall give written notice and explanation to an employee serving in a  
32           position to which this Article would be applicable in the following circumstances:

- 33           (1) Upon hiring, promotion, or transfer into the relevant position.  
34           (2) At the time the employee's duties are changed in such a way as to subject  
35           that employee to this Article.  
36           (3) Upon departure from the relevant position.

37           (d) Neither the failure to be designated pursuant to subsection (a) or (b) of this section  
38           nor the failure to receive notification pursuant to subsection (c) of this section is a defense to a  
39           violation of this Article.

40 **"§ 143-64.94. Penalties.**

41           Any person who violates this Article, or solicits or conspires with a person to violate this  
42           Article, shall be guilty of a Class 3 misdemeanor and shall be fined in an amount no less than  
43           one thousand dollars (\$1,000), nor more than five thousand dollars (\$5,000)."

44           **SECTION 2.** Each agency shall make the designations required by G.S. 143-64.93,  
45           enacted by Section 1 of this act, no later than three months after the effective date of this act.

46           **SECTION 3.** This act becomes effective July 1, 2014, but shall not apply to any  
47           individual who otherwise would be covered by Article 3I of Chapter 143 of the General  
48           Statutes, as enacted by Section 1 of this act, but has either accepted or commenced  
49           employment, or received compensation, prior to that date.