

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 1110*
Committee Substitute Favorable 5/17/07

Short Title: State Government Ethics Act Technical Changes.

(Public)

Sponsors:

Referred to:

March 28, 2007

A BILL TO BE ENTITLED

1
2 AN ACT TO MAKE TECHNICAL CHANGES TO THE STATE GOVERNMENT
3 ETHICS ACT AND THE LEGISLATIVE ETHICS ACT BY CHANGING
4 IMMEDIATE HOUSEHOLD TO IMMEDIATE FAMILY IN THE STATUTE
5 DEALING WITH DISCLOSURE OF CONFIDENTIAL INFORMATION,
6 DELETING AND RECODIFYING THE SECTION REQUIRING PRIVATE AND
7 PUBLIC ENTERPRISES TO BE LISTED ON A STATEMENT OF ECONOMIC
8 INTEREST FORM, REMOVING JUDICIAL OFFICERS FROM A GIFT BAN
9 EXCEPTION AND MAKING A TECHNICAL CHANGE TO THE GIFT BAN
10 EXCEPTION DEALING WITH EDUCATIONAL MEETINGS FOR PUBLIC
11 SERVANTS, AND ADDING THE TERM "LEGISLATIVE EMPLOYEE" IN THE
12 SECTION DEALING WITH EMPLOYMENT AND SUPERVISION OF
13 MEMBERS OF A LEGISLATIVE EMPLOYEE'S EXTENDED FAMILY, AS
14 RECOMMENDED BY THE HOUSE COMMITTEE ON ETHICS.

15 The General Assembly of North Carolina enacts:

16 **SECTION 1.** G.S. 120-87(a) reads as rewritten:

17 "**§ 120-87. Disclosure of confidential information.**

18 (a) No legislator shall use or disclose in any way confidential information gained
19 in the course of the legislator's official activities or by reason of the legislator's official
20 position that could result in financial gain for: (i) the legislator; (ii) a business with
21 which the legislator is associated; (iii) a nonprofit corporation or organization with
22 which the legislator is associated; (iv) a member of the legislator's immediate
23 household; family; or (v) any other person."

24 **SECTION 2.(a)** G.S. 138A-24(a)(2)l. is repealed.

25 **SECTION 2.(b)** G.S. 138A-24(a) is amended by adding a new subdivision
26 to read:

27 "**§ 138A-24. Contents of statement.**

28 (a) Any statement of economic interest filed under this Article shall be on a form
29 prescribed by the Commission and sworn to by the filing person. Answers must be

1 provided to all questions. The form shall include the following information about the
2 filing person and the filing person's immediate family:

3 . . .

4 (2a) A list of any public or private enterprise, incorporated or otherwise,
5 that is organized or operating in the State primarily for religious,
6 charitable, scientific, literary, public health and safety, or educational
7 purposes and of which the person or any member of the person's
8 immediate family is a director, officer, governing board member,
9 employee, or independent contractor as of December 31 of the
10 preceding year, including a list of which of those nonprofit
11 corporations or organizations do business with the State or receive
12 State funds, if known, and a brief description of the nature of the
13 business, or which with due diligence could reasonably be known.

14"

15 **SECTION 3.** G.S. 138A-32(e)(3) reads as rewritten:

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

17 . . .

18 (3) Reasonable actual expenditures of the ~~covered person or legislative~~
19 ~~employee-legislator, legislative employee, or public servant~~ for food,
20 beverages, registration, travel, lodging, other incidental items of
21 nominal value, and entertainment, in connection with (i) ~~a covered~~
22 ~~person's or legislative employee's~~ a legislator's, legislative employee's,
23 or public servant's attendance at an educational meeting for purposes
24 primarily related to the public duties and responsibilities of the
25 ~~covered person or legislative employee, legislator, legislative~~
26 ~~employee, or public servant~~ or in order for the covered person or
27 legislative employee-legislator, legislative employee, or public servant
28 to participate as a speaker or member of a panel; (ii) a legislator's or
29 legislative employee's attendance and participation in meetings of a
30 state, regional, national, or international legislative organization of
31 which the General Assembly is a member or that the legislator or
32 legislative employee is a member or participant of by virtue of that
33 person's public position, or as a member of a board, agency, or
34 committee of such organization; or (iii) a public servant's attendance
35 and participation in meetings as a member of a board, agency, or
36 committee of a state, regional, national, or international ~~legislative~~
37 organization of which the public servant's agency is a member or the
38 public servant is a member by virtue of that person's public position,
39 provided the following conditions are met:

- 40 a. The reasonable actual expenditures shall be made by a
41 lobbyist's principal, and not a lobbyist.
- 42 b. Any educational meeting must be attended by at least 10 or
43 more participants, have a formal agenda, and notice of the
44 meeting has been given at least 10 days in advance.

- 1 c. Any food, beverages, or entertainment must be provided to all
2 attendees or defined groups of 10 or more attendees.
3 d. Any entertainment must be incidental to the principal agenda of
4 the educational meeting."

5 **SECTION 4.** G.S. 138A-40 reads as rewritten:

6 "**§ 138A-40. Employment and supervision of members of covered person's**
7 **extended family.**

8 A covered person or legislative employee shall not cause the employment,
9 appointment, promotion, transfer, or advancement of an extended family member of the
10 covered person to a State office, or a position to which the covered person supervises or
11 manages, except for positions at the General Assembly as permitted by the Legislative
12 Services Commission. A public servant or legislative employee shall not supervise,
13 manage, or participate in an action relating to the discipline of a member of the public
14 servant's or legislative employee's extended family, except as specifically authorized by
15 the public servant's or legislative employee's employing entity."

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