

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 1111*
Committee Substitute Favorable 5/17/07
Senate Select Committee on Government and Election Reform Committee Report
Adopted 7/31/07
Fourth Edition Engrossed 7/31/07

Short Title: Clarify State Government Ethics Act.

(Public)

Sponsors:

Referred to:

March 28, 2007

A BILL TO BE ENTITLED

1
2 AN ACT TO MAKE CLARIFYING CHANGES TO THE STATE GOVERNMENT
3 ETHICS ACT, THE LEGISLATIVE ETHICS ACT, AND THE LOBBYING
4 LAWS.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 120-102(5) reads as rewritten:

7 "(5) Prepare a list of ethical principles and guidelines to be used by
8 legislators and legislative employees to identify potential conflicts of
9 interest and prohibited behavior, prepare advisory memoranda to
10 legislators and legislative employees on specific ethical concerns, and
11 ~~to~~-suggest rules of conduct that shall be adhered to by legislators and
12 legislative employees."

13 **SECTION 2.** G.S. 120-103.1(a) reads as rewritten:

14 "**§ 120-103.1. Investigations by the Committee.**

15 (a) Institution of Proceedings. – On its own motion, or upon receipt of a referral
16 of a complaint from the State Ethics Commission under Chapter 138A of the General
17 Statutes, the Committee shall conduct an investigation into any of the following:

- 18 (1) The application or alleged violation of Chapter 138A of the General
19 Statutes and ~~Part 1~~ of this Article.
20 (2) ~~The application or alleged violation of rules adopted in accordance~~
21 ~~with G.S. 120-102.~~
22 (3) The alleged violation of the criminal law by a legislator while acting in
23 the legislator's official capacity as a participant in the lawmaking
24 process."

25 **SECTION 2.5.** G.S. 120-103.1(h) reads as rewritten:

1 "(h) Notice. – If at the end of its preliminary inquiry, the Committee determines
2 that probable cause exists to proceed with further investigation into the conduct of a
3 legislator, the Committee shall provide written notice to the individual who filed the
4 complaint and the legislator as to the fact of the investigation and the charges against
5 the legislator. The legislator shall be given an opportunity to file a written response with
6 the Committee."

7 **SECTION 3.** G.S. 120-103.1(i)(3) reads as rewritten:

8 "(3) At any hearing held by the Committee:

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

10 b. The hearing shall be ~~held in closed session unless the public~~
11 ~~servant requests that the hearing be held in open session open to~~
12 the public, except for matters that could otherwise be
13 considered in closed session under G.S. 143-318.11, matters
14 involving minors, or matters involving a personnel record. In
15 any event, the deliberations by the Commission on a complaint
16 may be held in closed session.

17 c. The legislator being investigated shall have the right to present
18 evidence, call and examine witnesses, cross-examine witnesses,
19 introduce exhibits, and be represented by counsel."

20 **SECTION 4.** G.S. 120-103.1(l) reads as rewritten:

21 "(l) Confidentiality. – Except as provided under subsection (k) of this section, the
22 complaint, response, records, and findings of the Committee connected to an inquiry
23 under this section shall be confidential and not matters of public record, except as
24 otherwise provided in this section or when the legislator under inquiry requests in
25 writing that the complaint, response, ~~records,~~ and findings be made ~~public prior to the~~
26 ~~time the Committee recommends sanctions.~~ public. Once a hearing under this section
27 commences the complaint, response, Committee's report to the house, and all other
28 documents offered at the hearing in conjunction with the complaint, not otherwise
29 privileged or confidential under law, shall be public records. ~~At~~ If no hearing is held, at
30 such time as the Committee recommends sanctions to the house of which the legislator
31 is a member, the complaint, response, and Committee's report to the house shall be
32 made public."

33 **SECTION 5.** G.S. 120-104(f) reads as rewritten:

34 "(f) The Committee shall submit its formal advisory opinions to the State Ethics
35 Commission, and the State Ethics Commission shall publish the Committee's opinions
36 under G.S. 138A-13(d). The Committee shall edit for publication purposes as necessary
37 to protect the identities of the individuals requesting opinions prior to submission to the
38 State Ethics Commission. The Committee may distribute the edited formal advisory
39 opinion to members of the General Assembly prior to publication by the State Ethics
40 Commission."

41 **SECTION 6.** G.S. 120-104 is amended by adding a new subsection to read:

42 "(h) Requests for advisory opinions may be withdrawn by the requestor at any
43 time prior to the issuance of an advisory opinion."

44 **SECTION 7.** G.S. 120C-100(a)(6) reads as rewritten:

1 "(6) Legislative employee. – Employees and officers of the General
2 Assembly, consultants and counsel to committees of either house of
3 the General Assembly or of legislative commissions, who are paid by
4 State funds, but not including legislators, members of the Council of
5 State, nonsupervisory employees of the Administrative Division's
6 Facility Maintenance and Food Services staff, or pages."

7 **SECTION 8.(a)** G.S. 120C-100(a)(10)a. is repealed.

8 **SECTION 8.(b)** G.S. 120C-100(a)(10)d. reads as rewritten:

9 "d. Is employed by a person and a significant part of that
10 employee's duties include lobbying. In no case shall an
11 employee be considered a lobbyist if less than five percent (5%)
12 of that employee's actual duties in any 30-day period include
13 engaging in lobbying as defined in subdivision (9)a. of this
14 ~~section~~section or if less than five percent (5%) of that
15 employee's actual duties in any 30-day period include engaging
16 in lobbying as defined in subdivision (9)b. of this section.

17 The term "lobbyist" shall not include individuals who are
18 specifically exempted from this Chapter by G.S. 120C-700 or
19 registered as liaison personnel under Article 5 of this Chapter."

20 **SECTION 9.(a)** G.S. 120C-101 reads as rewritten:

21 "**§ 120C-101. Rules and forms.**

22 (a) The Commission shall adopt any rules necessary to interpret and carry out the
23 provisions of this Chapter. The Secretary of State shall adopt ~~any rules, orders, forms,~~
24 ~~and definitions as are the forms~~ necessary to carry out the provisions of Articles 2, 4,
25 and 8 of this Chapter. The Secretary of State may appoint a council to advise the
26 ~~Secretary in adopting rules under this section.~~

27 (b) With respect to the forms adopted under subsection (a) of this section, the
28 ~~Secretary of State Commission~~ shall adopt rules to protect from disclosure all
29 confidential information under Chapter 132 of the General Statutes related to economic
30 development initiatives or to industrial or business recruitment activities. The
31 information shall remain confidential until the State, a unit of local government, or the
32 business has announced a commitment by the business to expand or locate a specific
33 project in this State or a final decision not to do so, and the business has communicated
34 that commitment or decision to the State or local government agency involved with the
35 project.

36 (c) In adopting rules under this Chapter, the Commission is exempt from the
37 requirements of Article 2A of Chapter 150B of the General Statutes, except that the
38 Commission shall maintain a mailing list of interested persons as provided in
39 G.S. 150B-21.2(d). At least 30 business days prior to adopting a rule, the Commission
40 shall:

- 41 (1) Publish the proposed rules in the North Carolina Register.
42 (2) Submit the rule and a notice of public hearing to the Codifier of Rules,
43 and the Codifier of Rules shall publish the proposed rule and the notice

1 of public hearing on the Internet to be posted within five business
2 days.

3 (3) Notify persons on the mailing list maintained in accordance with
4 G.S. 150B-21.2(d) and any other interested parties of its intent to adopt
5 a rule and of the public hearing.

6 (4) Accept written comments on the proposed rule for at least 15 business
7 days prior to adoption of the rule.

8 (5) Hold at least one public hearing on the proposed rule no less than five
9 days after the rule and notice have been published.

10 A rule adopted under this ~~section~~ subsection becomes effective the first day of the
11 month following the month the final rule is submitted to the Codifier of Rules for entry
12 into the North Carolina Administrative Code."

13 **SECTION 9.(b)** G.S. 120C-201(b) reads as rewritten:

14 "(b) The ~~Secretary of State~~ Commission shall adopt rules providing for a waiver
15 or reduction of the fees required by this section for lobbyists registering to represent
16 persons who have been granted nonprofit status under 26 U.S.C. § 501(c)(3)."

17 **SECTION 9.(c)** G.S. 120C-207(b) reads as rewritten:

18 "(b) The ~~Secretary of State~~ Commission shall adopt rules providing for a waiver
19 or reduction of the fees required by this section for lobbyist's principals that have been
20 granted nonprofit status under 26 U.S.C. § 501(c)(3)."

21 **SECTION 9.(d)** G.S. 120C-401(h) reads as rewritten:

22 "(h) The ~~Secretary of State~~ Commission may adopt rules to facilitate complete and
23 timely disclosure of required reporting, including additional categories of information,
24 and to protect the addresses of payees under protective order issued pursuant to Chapter
25 50B of the General Statutes or participating in the Address Confidentiality Program
26 pursuant to Chapter 15C of the General Statutes. The Secretary of State shall not impose
27 any penalties or late filing fees upon a lobbyist, lobbyist's principal, or solicitor for
28 subsequent failures to comply with the requirements of this section if the Secretary of
29 State failed to provide the required notification under subsection (e) of this section."

30 **SECTION 10.** G.S. 120C-102 reads as rewritten:

31 "**§ 120C-102. Advisory opinions.**

32 (a) At the request of any person affected by this Chapter, the Commission shall
33 render advisory opinions on specific questions involving the meaning and application of
34 this Chapter and that person's compliance therewith. The request shall be in writing and
35 relate to real or reasonably anticipated fact settings or circumstances. The Commission
36 shall issue advisory opinions having prospective application only. ~~Reliance-Good faith~~
37 reliance upon a requested written advisory opinion on a specific matter shall immunize
38 the designated individual, lobbyist, lobbyist's principal, or other person requesting that
39 written advisory opinion from ~~both~~ all of the following:

40 (1) Investigation by the Commission.

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

42 (3) Investigation by the Secretary of State.

43 (b) Staff to the Commission may issue advisory opinions under procedures
44 adopted by the Commission.

1 (c) The Commission shall publish its advisory opinions at least once a year,
2 edited as necessary to protect the identities of the individuals requesting opinions.

3 (d) Except as provided under subsection (c) of this section, requests for advisory
4 opinions and advisory opinions issued pursuant to this section are confidential and not
5 matters of public record. The Commission shall forward an unedited copy of each
6 advisory opinion under this section to the Secretary of State at the time the advisory
7 opinion is issued to the requestor, and the Secretary of State shall treat that unedited
8 advisory opinion as confidential and not a public record.

9 (e) Requests for advisory opinions may be withdrawn by the requestor at any
10 time prior to the issuance of an advisory opinion."

11 **SECTION 11.** G.S. 120C-215 is amended by adding a new subsection to
12 read:

13 "(d) For purposes of this section, "incur" means the point at which a binding
14 obligation arises."

15 **SECTION 12.(a)** G.S. 120C-303(a) reads as rewritten:

16 "(a) Except as provided in subsection (b) of this section, no lobbyist or lobbyist's
17 principal may ~~directly or indirectly~~ do any of the following:

18 (1) Knowingly give a gift to a designated individual.

19 (2) Knowingly give a gift to a third party with the intent that a designated
20 individual be the ultimate recipient."

21 **SECTION 12.(b)** G.S. 120C-303 is amended by adding new subsections to
22 read:

23 "(d) Gifts made to a nonpartisan state, regional, national, or international
24 legislative organization of which the General Assembly is a member or a legislator or
25 legislative employee is a member or participant of by virtue of that person's public
26 position, or to an affiliated organization of that state, regional, national, or international
27 organization, shall not constitute a violation of subdivision (a)(2) of this section or of
28 G.S. 138A-32(c)(2).

29 (e) Gifts made to a nonpartisan state, regional, national, or international
30 organization of which a public servant's agency is a member or a public servant is a
31 member or participant of by virtue of that person's public position, or to an affiliated
32 organization of that state, regional, national, or international organization, shall not
33 constitute a violation of subdivision (a)(2) of this section or of G.S. 138A-32(c)(2)."

34 **SECTION 12.(c)** This section becomes effective December 1, 2007, and
35 applies to offenses committed on or after that date.

36 **SECTION 13.(a)** G.S. 120C-304(a)(2) reads as rewritten:

37 "(2) Before the later of the close of ~~the~~ session as set forth in
38 G.S. 120C-100(a)(4)b.1 in which the legislator served or six months
39 after leaving office."

40 **SECTION 13.(b)** This section becomes effective December 1, 2007, and
41 applies to offenses committed on or after that date.

42 **SECTION 14.** G.S. 120C-400 reads as rewritten:

43 "**§ 120C-400. Reporting of reportable expenditures.**

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

3 (1) Reportable expenditures benefiting or made on behalf of a designated
4 individual, or those persons' immediate family members, in the regular
5 course of that individual's employment.

6 (2) Contractual arrangements or direct business relationships between a
7 lobbyist or lobbyist's principal and a designated individual, or that
8 person's immediate family member, in effect during the reporting
9 period or the previous 12 months.

10 (3) Reportable expenditures reimbursed to a lobbyist in the ordinary
11 course of business by the lobbyist's principal or other employer.

12 (b) This section shall not apply to any reportable expenditure made directly to a
13 State agency and that agency maintains an accounting of the reportable expenditure that
14 is a public record."

15 **SECTION 15.(a)** G.S. 120C-401 is amended by adding two new subsections
16 to read:

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

23 (j) The Secretary of State shall make available a report form that may be filed by
24 a designated individual or a member of the designated individual's immediate family
25 who declines, promptly returns, pays fair market value for, or donates a reportable
26 expenditure in accordance with G.S. 138A-32(g). The Secretary of State shall index the
27 filing of this form together with the lobbyist or lobbyist's principal who gave the
28 reportable expenditure."

29 **SECTION 15.(b)** G.S. 138A-32(g) reads as rewritten:

30 "(g) A prohibited gift shall ~~be~~ be, and a permissible gift may be, declined,
31 promptly returned, paid for at fair market value, or donated immediately to charity or
32 the State."

33 **SECTION 16.** G.S. 120C-401 is amended by adding a new subsection to
34 read:

35 "(k) Any lobbyist or lobbyist principal making a gift under G.S. 120C-303(d) or
36 (e) shall file a monthly reportable expenditure report in the month of the reportable
37 expenditure. The information on the monthly reportable expenditure report shall also be
38 included in each quarterly report required by G.S. 120C-402 and G.S. 120C-403."

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

40 **"§ 120C-700. Persons exempted from this Chapter.**

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

- 1 (1) An individual solely engaged in expressing a personal opinion or
2 stating facts or recommendations on legislative action or executive
3 action to a designated individual and not acting as a lobbyist.
- 4 (2) A person appearing before a committee, commission, board, council,
5 or other collective body whose membership includes one or more
6 designated individuals at the invitation or request of the committee or a
7 member thereof and who ~~engages in no~~ does not act in any further
8 activities as a lobbyist with respect to the legislative or executive
9 action for which that person appeared.
- 10 (3) A duly elected or appointed official or employee of the State, the
11 United States, a county, municipality, school district, or other
12 governmental agency, when ~~appearing~~ acting solely in connection with
13 matters pertaining to the office and public duties, except for a person
14 designated as liaison personnel under G.S. 120C-500. For purposes of
15 this subdivision, an individual appointed as a county or city attorney
16 under Part 7 of Article 5 of Chapter 153A of the General Statutes or
17 Part 6 of Article 7 of Chapter 160A of the General Statutes,
18 respectively, shall be considered an employee of the county or city.
- 19 (4) A person performing professional services in drafting bills, or in
20 advising and rendering opinions to clients, or to designated individuals
21 on behalf of clients, as to the construction and effect of proposed or
22 pending legislative or executive action where the professional services
23 are not otherwise connected with the legislative or executive action.
- 24 (5) A person who owns, publishes, or is an employee of any recognized
25 news medium, while engaged in the acquisition and publication of
26 news or news and commentary on behalf of that recognized news
27 medium.
- 28 (6) Designated individuals while acting in their official capacity.
- 29 (7) A person responding to inquiries from a designated individual and who
30 ~~engages in no~~ does not act in any further activities as a lobbyist in
31 connection with that inquiry.
- 32 (8) A person who is a political committee as defined in
33 G.S. 163-278.6(14), that person's employee, or that person's contracted
34 service provider."

35 **SECTION 18.** G.S. 120C-800(c) reads as rewritten:

36 "(c) If a designated individual accepts a scholarship related to that person's public
37 service or position valued over two hundred dollars (\$200.00) from a person, or group
38 of persons, acting together, exempted or not covered by this Chapter, the person, or
39 group of persons, granting the scholarship shall report the date of the scholarship, a
40 description of the event involved, the name and address of the person, or group of
41 persons, granting the scholarship, the name of the designated individual accepting the
42 scholarship, and the estimated fair market value."

43 **SECTION 19.** G.S. 133-32(d) reads as rewritten:

1 "(d) This section is not intended to prevent a gift a public servant would be
2 permitted to accept under G.S. 138A-32, or the gift and receipt of honorariums for
3 participating in meetings, advertising items or souvenirs of nominal value, or meals
4 furnished at banquets. This section is not intended to prevent any contractor,
5 subcontractor, or supplier from making donations to professional organizations to
6 defray meeting expenses where governmental employees are members of such
7 professional organizations, nor is it intended to prevent governmental employees who
8 are members of professional organizations from participation in all scheduled meeting
9 functions available to all members of the professional organization attending the
10 meeting. This section is also not intended to prohibit customary gifts or favors between
11 employees or officers and their friends and relatives or the friends and relatives of their
12 spouses, minor children, or members of their household where it is clear that it is that
13 relationship rather than the business of the individual concerned which is the motivating
14 factor for the gift or favor. However, all such gifts knowingly made or received are
15 required to be reported by the donee to the agency head if the gifts are made by a
16 contractor, subcontractor, or supplier doing business directly or indirectly with the
17 governmental agency employing the recipient of such a gift."

18 **SECTION 20.** G.S. 138A-3(1) reads as rewritten:

19 "(1) Blind trust. – A trust established by or for the benefit of a covered
20 person or a member of the covered person's immediate family for the
21 purpose of divestiture of all control and knowledge of assets. A trust
22 qualifies as a blind trust under this subdivision if the covered person or
23 a member of the covered person's immediate family has no knowledge
24 of the holdings and sources of income of the trust, the trustee of the
25 trust is independent of and not associated with or employed by the
26 covered person or a member of the covered person's immediate family
27 and is not a relative of the covered person or a member of the covered
28 person's immediate family, and the trustee has sole discretion as to the
29 management of the trust assets.

30 ~~(1)~~(1c) Board. – Any State board, commission, council, committee, task force,
31 authority, or similar public body, however denominated, created by
32 statute or executive order, as determined and designated by the
33 Commission, except for those public bodies that have only advisory
34 authority."

35 **SECTION 21.** G.S. 138A-3(3) reads as rewritten:

36 "(3) Business with which associated. – A business in which the person or
37 any member of the person's immediate family does any of the
38 following:

- 39 a. Is an employee.
40 b. Holds a position as a director, officer, partner, proprietor, or
41 member or manager of a limited liability company, irrespective
42 of the amount of compensation received or the amount of the
43 interest owned.

1 c. Owns a legal, equitable, or beneficial interest of ten thousand
2 dollars (\$10,000) or more in the business or five percent (5%)
3 of the business, whichever is less, other than as a trustee on a
4 deed of trust.

5 d. Is a lobbyist registered under Chapter 120C of the General
6 Statutes.

7 For purposes of this subdivision, the term 'business' shall not
8 include a widely held investment fund, including a mutual fund,
9 regulated investment company, or pension or deferred compensation
10 plan, if all of the following apply:

11 a. The person or a member of the person's immediate family
12 neither exercises nor has the ability to exercise control over the
13 financial interests held by the fund.

14 b. The fund is publicly traded, or the fund's assets are widely
15 diversified."

16 **SECTION 22.** G.S. 138A-3(15) reads as rewritten:

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

21 a. Anything for which fair market value, or face value if shown, is
22 paid by the covered person or legislative employee.

23 b. Commercially available loans made on terms not more
24 favorable than generally available to the general public in the
25 normal course of business if not made for the purpose of
26 lobbying.

27 c. Contractual arrangements or commercial relationships or
28 arrangements made in the normal course of business if not
29 made for the purpose of lobbying.

30 d. Academic or athletic scholarships based on the same criteria as
31 applied to the public.

32 e. Campaign contributions properly received and reported as
33 required under Article 22A of Chapter 163 of the General
34 Statutes.

35 f. Expressions of condolence related to a death of an individual,
36 sent within a reasonable time of the death, if the expression is
37 one of the following:

38 1. A sympathy card, letter, or note.

39 2. Flowers.

40 3. Food or beverages for immediate consumption.

41 4. Donations to a religious organization, charity, the State
42 or a political subdivision of the State, not to exceed a
43 total of two hundred dollars (\$200.00) per death per
44 donor."

1 **SECTION 23.** G.S. 138A-3 is amended by adding a new subdivision to
 2 read:

3 "(26c) Permanent designee. – An individual designated by a public servant to
 4 serve and vote in the absence of the public servant on a regular basis
 5 on a board on which the public servant serves."

6 **SECTION 24.** G.S. 138A-3(27) reads as rewritten:

7 "(27) Person. – Any individual, firm, partnership, committee, association,
 8 corporation, business, or any other organization or group of persons
 9 acting together. The term "person" does not include the State, a
 10 political subdivision of the State, a board, or any other entity or
 11 organization created by the State or a political subdivision of the
 12 State."

13 **SECTION 25.** G.S. 138A-3(29) reads as rewritten:

14 "(29) Public event. – Any of the following:

15 a. ~~For legislators and legislative employees:~~

16 ~~1.~~ An organized gathering of persons open to the general
 17 public to which all legislators or legislative employees
 18 are invited to attend.

19 ~~b.2.~~ An organized gathering of a person to which a legislator or
 20 legislative employee is invited along with the entire
 21 membership of the House of Representatives, Senate, a
 22 committee, a standing subcommittee, a county legislative
 23 delegation, a municipal legislative delegation, a joint
 24 committee, a joint commission, or a recognized legislative
 25 caucus with regular meetings other than meetings with one or
 26 more lobbyists, and one of the following apply:

27 ~~1.F.~~ At least 10 individuals associated with the person
 28 actually attend, other than the legislator or legislative
 29 employee, or the immediate family of the legislator or
 30 legislative employee.

31 ~~2.H.~~ All shareholders, employees, board members, officers,
 32 members, or subscribers of the person located in North
 33 Carolina are notified and invited to attend.

34 ~~3.HH.~~ The person is a governmental body and the gathering is
 35 subject to the open meetings law.

36 ~~b.c.~~ ~~For public servants:~~

37 ~~1.~~ An organized gathering of individuals open to the
 38 general public to which at least 10 public servants are
 39 invited to attend.

40 ~~d.2.~~ An organized gathering of a governmental body, the gathering
 41 of which is subject to the open meetings law, and to which the
 42 entire board of which the public servant is a member or at least
 43 10 public servants are invited to attend.

1 e.3. An organized gathering of a person to which at least 10 public
2 servants are invited to attend and to which at least 10
3 individuals, other than the public servant, or the public servant's
4 immediate family, actually attend, or to which all shareholders,
5 employees, board members, officers, members, or subscribers
6 of the person who are located in a specific North Carolina office
7 or county are notified and invited to attend."

8 **SECTION 26.** G.S. 138A-3(30)i. reads as rewritten:

9 "i. All voting members of boards, including ex officio ~~members~~
10 members, permanent designees of any voting member, and
11 members serving by executive, legislative, or judicial branch
12 appointment."

13 **SECTION 27.** G.S. 138A-3(31) reads as rewritten:

14 "(31) Vested trust. – A trust, annuity, or other funds held by a trustee or
15 other third party for the benefit of the covered person or a member of
16 the covered person's immediate ~~family~~family, except a blind trust. A
17 vested trust shall not include a widely held investment fund, including
18 a mutual fund, regulated investment company, or pension or deferred
19 compensation plan, if:

- 20 a. The covered person or a member of the covered person's
21 immediate family neither exercises nor has the ability to
22 exercise control over the financial interests held by the fund;
23 and
24 b. The fund is publicly traded, or the fund's assets are widely
25 diversified."

26 **SECTION 28.** G.S. 138A-12(f) reads as rewritten:

27 "(f) Dismissal of Complaint After Preliminary Inquiry. – If the Commission
28 determines at the end of its preliminary inquiry that (i) the individual who is the subject
29 of the complaint is not a covered person or legislative employee subject to the
30 Commission's jurisdiction and authority under this Chapter, or (ii) the complaint does
31 not allege facts sufficient to constitute a violation ~~of this Chapter,~~within the jurisdiction
32 of the Commission under subsection (b) if this section, the Commission shall dismiss
33 the complaint."

34 **SECTION 29.** G.S. 138A-12(i)(4) reads as rewritten:

35 "(4) At any hearing held by the Commission:

- 36 a. Oral evidence shall be taken only on oath or affirmation.
37 b. The hearing shall be ~~held in closed session unless the public~~
38 ~~servant requests that the hearing be held in open session.~~open to
39 the public, except for matters involving minors, personnel
40 records, or matters that could otherwise be considered in closed
41 session under G.S. 143-318.11. In any event, the deliberations
42 by the Commission on a complaint may be held in closed
43 session.

- 1 c. The public servant being investigated shall have the right to
2 present evidence, call and examine witnesses, cross-examine
3 witnesses, introduce exhibits, and be represented by counsel."

4 **SECTION 29.5.** G.S. 138A-12(k)(3)e. reads as rewritten:

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

8 ...

- 9 e. Refer the matter for appropriate action to the principal clerk of
10 the house of the General Assembly that elected the public
11 servant for members of the Board of ~~Governors~~. Governors and
12 the State Board of Community Colleges."

13 **SECTION 30.** G.S. 138A-12(n) reads as rewritten:

14 "(n) Confidentiality. – Complaints and responses filed with the Commission and
15 reports and other investigative documents and records of the Commission connected to
16 an inquiry under this section shall be confidential and not matters of public record,
17 except as otherwise provided in this section or when the covered person or legislative
18 employee under inquiry requests in writing that the records and complaint, response,
19 and findings be made public prior to the time the employing entity imposes public
20 sanctions. public. At such time as public sanctions are imposed on a covered
21 person Once a hearing under this section commences, the complaint, response, and
22 Commission's report to the employing entity shall be made public. all other documents
23 offered at the hearing in conjunction with the complaint, not otherwise privileged or
24 confidential under law, shall be public records. If no hearing is held at such time as the
25 Commission reports to the employing entity a recommendation of sanctions, the
26 complaint and response shall be made public."

27 **SECTION 31.** G.S. 138A-12(o) reads as rewritten:

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

- 34 (1) The public servant's prior experience in an agency or on a board and
35 prior opportunities to learn the ethical standards for a public servant as
36 set forth in Article 4 of this Chapter, including those dealing with
37 conflicts of interest.
38 (2) The number of ethics violations.
39 (3) The severity of the ethics violations.
40 (4) Whether the ethics violations involve the public servant's financial
41 ~~interests or arise from an appearance of conflict of interest.~~
42 (5) Whether the ethics violations were inadvertent or intentional.
43 (6) Whether the public servant knew or should have known that the
44 improper conduct was a violation of this Chapter.

- 1 (7) Whether the public servant has previously been advised or warned by
2 the Commission.
- 3 (8) Whether the conduct or situation giving rise to the ethics violation was
4 pointed out to the public servant in the Commission's Statement of
5 Economic Interest evaluation letter issued under G.S. 138A-24(e).
- 6 (9) The public servant's motivation or reason for the improper conduct or
7 action, including whether the action was for personal financial gain
8 versus protection of the public interest.

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

17 **SECTION 32.** G.S. 138A-13 reads as rewritten:

18 "**§ 138A-13. Advisory opinions.**

19 (a) At the request of any public servant or legislative employee, any individual
20 who is responsible for the supervision or appointment of a person who is a public
21 servant or legislative employee, legal counsel for any public servant, any ethics liaison
22 under G.S. 138A-14, or any member of the Commission, the Commission shall render
23 advisory opinions on specific questions involving the meaning and application of this
24 Chapter and the public servant's or legislative employee's compliance therewith. The
25 request shall be in writing, electronic or otherwise, and relate prospectively to real or
26 reasonably anticipated fact settings or circumstances. On its own motion, the
27 Commission may render advisory opinions on specific questions involving the meaning
28 and application of this Chapter. The Commission shall issue advisory opinions having
29 prospective application only. Reliance upon a requested written advisory opinion on a
30 specific matter shall immunize the public servant or legislative employee, on that
31 matter, from ~~both~~all of the following:

- 32 (1) ~~Investigation by the Commission.~~Investigation by the Commission, except for an inquiry
33 under G.S. 138A-12(b)(3).
- 34 (2) Any adverse action by the employing entity.
- 35 (3) Investigation by the Secretary of State.

36 (b) At the request of a legislator, the Commission shall render recommended
37 advisory opinions on specific questions involving the meaning and application of this
38 Chapter and Part 1 of Article 14 of Chapter 120 of the General Statutes, and the
39 legislator's compliance therewith. The request shall be in writing, electronic or
40 otherwise, and relate prospectively to real or reasonably anticipated fact settings or
41 circumstances. The Commission shall issue advisory opinions having prospective
42 application only. Until action is taken by the Committee under G.S. 120-104, reliance
43 upon a requested written advisory opinion on a specific matter shall immunize the
44 legislator, on that matter, from ~~both~~all of the following:

- 1 (1) Investigation by the Committee or ~~Commission~~Commission, except
2 for an inquiry under G.S. 138A-12(b)(3).
3 (2) Any adverse action by the house of which the legislator is a member.
4 (3) Investigation by the Secretary of State.

5 Any advisory opinion issued to a legislator under this subsection shall immediately be
6 delivered to the chairs of the ~~Committee~~Committee, together with a copy of the request.
7 Except for the Lieutenant Governor, the immunity granted under this subsection shall
8 not apply after the time the Committee modifies or overturns the advisory opinion of the
9 Commission in accordance with G.S. 120-104.

10 (c) Staff to the Commission may issue advisory opinions under procedures
11 adopted by the Commission.

12 (d) The Commission shall publish its advisory opinions at least once a year.
13 These advisory opinions shall be edited for publication purposes as necessary to protect
14 the identities of the individuals requesting opinions. When the Commission issues a
15 recommended opinion to a legislator under subsection (b) of this section, the
16 Commission shall publish only the formal advisory opinion of the Committee upon its
17 submission to the Commission.

18 (e) Except as provided under subsection (d) of this section, requests for advisory
19 opinions, and advisory opinions issued under this section, are confidential and not
20 public records. Staff to the Commission may share all information related to requests
21 made under subsection (b) of this section with staff to the Committee, and staff to the
22 Committee shall treat that information as confidential and not a public record.

23 (f) ~~This section shall not apply to judicial officers.~~

24 (g) Requests for advisory opinions may be withdrawn by the requestor at any
25 time prior to the issuance of an advisory opinion."

26 **SECTION 33.** G.S. 138A-22(a) reads as rewritten:

27 "(a) Every covered person subject to this Chapter who is elected, appointed, or
28 employed, including one appointed to fill a vacancy in elective office, except for public
29 servants included under G.S. 138A-3(30)b., e., f., or g. whose annual compensation
30 from the State is less than sixty thousand dollars (\$60,000), shall file a statement of
31 economic interest with the Commission prior to the covered person's initial
32 appointment, election, or employment and no later than ~~March 15th~~ April 15 of every
33 year thereafter, except as otherwise filed under ~~subsections~~subsections (c1) and (d)
34 of this section. A prospective covered person required to file a statement under this
35 Chapter shall not be appointed, employed, or receive a certificate of election, prior to
36 submission by the Commission of the Commission's evaluation of the statement in
37 accordance with this Article. The requirement for an annual filing under this subsection
38 also shall apply to covered persons whose terms have expired but who continue to serve
39 until the person's replacement is appointed. Once a statement of economic interest is
40 properly completed and filed under this Article, the statement of economic interest does
41 not need to be supplemented or refiled prior to the next due date set forth in this
42 subsection."

43 **SECTION 34.** G.S. 138A-22 is amended by adding a new subsection to
44 read:

1 "(c1) A public servant reappointed to a board between January 1 and April 15 shall
2 file a current statement of economic interest prior to the reappointment."

3 **SECTION 35.** G.S. 138A-24 reads as rewritten:

4 **"§ 138A-24. Contents of statement.**

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

9 (1) Except as otherwise provided in this subdivision, the name, ~~home~~
10 ~~address,~~ current mailing address, occupation, employer, and business
11 of the person. Any person holding or seeking elected office for which
12 residence is a qualification for office shall include a home address. A
13 judicial officer may use a ~~business~~ current mailing address instead of
14 the home address on the form required in this subsection. The judicial
15 officer may also use the initials instead of the name of any
16 unemancipated child of the judicial officer who also resides in the
17 household of the judicial officer. If the judicial officer ~~provides a~~
18 ~~business address or~~ provides the initials of an unemancipated child, the
19 judicial officer shall concurrently provide a ~~home address and~~ the
20 name of the unemancipated child to the Commission. The ~~home~~
21 ~~address and~~ the name of an unemancipated child provided by the
22 judicial officer to the Commission shall not be a public record under
23 Chapter 132 of the General Statutes and is privileged and confidential.

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

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

- 1 (3) ~~A list~~ The name of each source (not specific amounts) of income of
2 more than five thousand dollars (\$5,000) received during the previous
3 year by business or industry type, ~~including salary or wages,~~
4 ~~professional fees, honoraria, interest, dividends, capital gains, and~~
5 ~~business income.~~ if that source is not listed under subdivision (2) of
6 this section. Income shall include salary, wages, professional fees,
7 honoraria, interest, dividends, rental income, and business income
8 from any source other than capital gains, federal government
9 retirement, military retirement, or social security income.
- 10 (4) If the filing person is a practicing attorney, an indication of whether
11 the filing person, or the law firm with which the filing person is
12 affiliated, earned legal fees during the past year in excess of ten
13 thousand dollars (\$10,000) from any of the following categories of
14 legal representation:
15 a. Administrative law.
16 b. Admiralty law.
17 c. Corporate law.
18 d. Criminal law.
19 e. Decedents' estates law.
20 f. Environmental law.
21 g. Insurance law.
22 h. Labor law.
23 i. Local government law.
24 j. Negligence or other tort litigation law.
25 k. Real property law.
26 l. Securities law.
27 m. Taxation law.
28 n. Utilities regulation law.
- 29 (5) Except for a filing person in compliance under subdivision (4) of this
30 subsection, if the filing person is a licensed professional or provides
31 consulting services, either individually or as a member of a
32 professional association, a list of categories of business and the nature
33 of services rendered, for which payment for services were charged or
34 paid during the past year in excess of ten thousand dollars (\$10,000).
- 35 (6) An indication of whether the filing person, the filing person's
36 employer, a member of the filing person's immediate family, or the
37 immediate family member's employer is licensed or regulated by, or
38 has a business relationship with, the board or employing entity with
39 which the filing person is or will be associated. This subdivision does
40 not apply to a legislator or a judicial officer.
- 41 (7) ~~A list of the public servant's or the public servant's immediate family's~~
42 ~~memberships or other affiliations with, including offices held in,~~
43 societies, organizations, or advocacy groups, pertaining to subject
44 matter areas over which the public servant's agency or board may have

1 ~~jurisdiction.~~ jurisdiction, in which the public servant or a member of
2 the public servant's immediate family is a director, officer, or
3 governing board member. This subdivision does not apply to a
4 legislator, a judicial officer, or that person's immediate family.

5 (8) A list of all things ~~of monetary~~ with a total value greater than of over
6 two hundred dollars (\$200.00) per calendar quarter given and received
7 without valuable consideration and under circumstances that a
8 reasonable person would conclude that the thing was given for the
9 purpose of lobbying, if such things ~~where~~ were given by a person not
10 required to report under Chapter 120C of the General Statutes, ~~or from~~
11 excluding things given by a member of the person's extended family.
12 The list shall include only those things received during the 12 months
13 preceding the reporting period under subsection (d) of this section, and
14 shall include the source of those things. The list required by this
15 subdivision shall not apply to things of monetary value received by the
16 filing person prior to the time the person filed or was nominated as a
17 candidate for office, as described in G.S. 138A-22, or was appointed or
18 employed as a covered person.

19 (9) A list of any felony convictions of the filing ~~person~~ person, excluding
20 any felony convictions for which a pardon of innocence or order of
21 expungement has been granted.

22 (10) Any other economic or financial information that is necessary either to
23 carry out the purposes of this Chapter or to fully disclose any conflict
24 of interest or potential conflict of interest. If the filing person believes
25 a potential for conflict exists, the filing person has a duty to inquire of
26 the Commission as to that potential conflict. If a filing person is
27 uncertain of whether particular information is necessary, then the filing
28 person shall consult the Commission for guidance.

29 (11) A list of any nonprofit corporation or organization with which
30 associated during the preceding calendar year, including a list of which
31 of those nonprofit corporations or organizations with which associated
32 do business with the State or receive State funds and a brief
33 description of the nature of the business, if known or with which due
34 diligence could reasonably be known.

35 (12) A statement of whether the filing person or the filing person's
36 immediate family is or has been a lobbyist or lobbyist principal
37 registered under Chapter 120C of the General Statutes within the
38 preceding 12 months.

39 (b) The Supreme Court, the Committee, constitutional officers of the State, heads
40 of principal departments, the Board of Governors of The University of North Carolina,
41 the State Board of Community Colleges, other boards, and the appointing authority or
42 employing entity may require a filing person to file supplemental information in
43 conjunction with the filing of that person's statement of economic interest. These
44 supplemental filings requirements shall be filed with the Commission and included on

1 the forms to be filed with the Commission. The Commission shall evaluate the
2 supplemental forms as part of the statement of economic interest. The failure to file
3 supplemental forms shall be subject to the provisions of G.S. 138A-25.

4 (c) Each statement of economic interest shall contain sworn certification by the
5 filing person that the filing person has read the statement and that, to the best of the
6 filing person's knowledge and belief, the statement is true, correct, and complete. The
7 filing person's sworn certification also shall provide that the filing person has not
8 transferred, and will not transfer, any asset, interest, or other property for the purpose of
9 concealing it from disclosure while retaining an equitable interest therein.

10 (d) All information provided in the statement of economic interest shall be
11 current as of the last day of December of the year preceding the date the statement of
12 economic interest was due.

13 (e) The Commission shall prepare a written evaluation of each statement of
14 economic interest relative to conflicts of interest and potential conflicts of interest. The
15 Commission shall submit the evaluation to all of the following:

- 16 (1) The filing person who submitted the statement.
- 17 (2) The head of the agency in which the filing person serves.
- 18 (3) The Governor for gubernatorial appointees and employees in agencies
19 under the Governor's authority.
- 20 (4) The Chief Justice for judicial officers and judicial employees.
- 21 (5) The appointing or hiring authority for those public servants not under
22 the Governor's authority.
- 23 (6) The State Board of Elections for those filing persons who are elected.
- 24 (7) The Committee, together with a copy of the statement of economic
25 interest, for legislators."

26 **SECTION 36.** G.S. 138A-32(c) reads as rewritten:

27 "(c) No public servant, legislator, or legislative employee shall knowingly accept
28 a ~~gift, directly or indirectly, gift~~ from a lobbyist or lobbyist principal registered under
29 Chapter 120C of the General Statutes, as defined in G.S. 120C-100. ~~No public servant,~~
30 legislator, or legislative employee shall accept a gift from a third party knowing all of
31 the following:

- 32 (1) The third party obtained the gift from a lobbyist or lobbyist principal
33 registered under Chapter 120C of the General Statutes.
- 34 (2) The lobbyist or lobbyist principal registered under Chapter 120C of the
35 General Statutes intended for the ultimate recipient of the gift to be a
36 public servant, legislator, or legislative employee as required by
37 G.S. 120C-303(a)(2)."

38 **SECTION 37.** G.S. 138A-32(d) reads as rewritten:

39 "(d) No public servant shall knowingly accept a ~~gift, directly or indirectly, gift~~
40 from a person whom the public servant knows or has reason to know any of the
41 following:

- 42 (1) Is doing or is seeking to do business of any kind with the public
43 servant's employing entity.

- 1 (2) Is engaged in activities that are regulated or controlled by the public
- 2 servant's employing entity.
- 3 (3) Has financial interests that may be substantially and materially
- 4 affected, in a manner distinguishable from the public generally, by the
- 5 performance or nonperformance of the public servant's official duties."

6 **SECTION 38.** G.S. 138A-32 is amended by adding a new subsection to

7 read:

8 "(d1) No public servant shall accept a gift from a third party knowing all of the

9 following:

- 10 (1) The third party obtained the gift from a person described under
- 11 subdivisions (d)(1), (2), and (3) of this section.
- 12 (2) The person described under subdivisions (d)(1), (2), and (3) of this
- 13 section intended for the gift to benefit the public servant."

14 **SECTION 38.5.** G.S. 138A-32(e) reads as rewritten:

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

16 of the following:

17"

18 **SECTION 39.** G.S. 138A-32(e)(3) reads as rewritten:

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

- c. Any food, beverages, transportation, or entertainment must be provided to all attendees or defined groups of 10 or more ~~attendees~~attendees as part of the meeting or in conjunction with the meeting.
- d. Any entertainment must be incidental to the principal agenda of the ~~educational~~ meeting.
- e. If the legislator, public servant, or legislative employee is participating as a speaker or member of a panel, then that legislator, public servant, or legislative employee must be a bona fide speaker or participant."

SECTION 40. G.S. 138A-32(e)(6) reads as rewritten:

"(6) Anything generally made available or distributed to the general public or all other State employees by lobbyists or lobbyist's ~~principals~~principals, or persons described in subdivisions (d)(1), (2), or (3) of this section."

SECTION 41. G.S. 138A-32(e)(10) reads as rewritten:

"(10) Gifts given or received as part of a business, civic, religious, fraternal, personal, or commercial relationship provided all of the following conditions are met:

- a. The relationship is not related to the person's public service or position and position.
- b. The gift is made under circumstances that a reasonable person would conclude that the gift was not given for the purpose of lobbying."

SECTION 42.(a) G.S. 138A-32(e) is amended by adding a new subdivision

to read:

"(11) Food and beverages for immediate consumption and related transportation provided all of the following conditions are met:

- a. The food, beverage, or transportation is given by a lobbyist principal and not a lobbyist.
- b. The food, beverage, or transportation is provided during a conference, meeting, or similar event and is available to all attendees of the same class as the recipient.
- c. The recipient of the food, beverage, or transportation is a director, officer, governing board member, employee, or independent contractor of one of the following:
 - 1. The lobbyist principal giving the food, beverage, or transportation.
 - 2. A third party that received the funds to purchase the food, beverage, or transportation."

SECTION 42.(b) G.S. 120C-402(b)(4) reads as rewritten:

"(4) All reportable expenditures for gifts given under ~~G.S. 138A-32(e)(1)-(9)~~G.S. 138A-32(e)(1)-(9), 138A-32(e)(11), and

1 all gifts given under ~~G.S. 138A-32(e)(10)~~ G.S. 138A-32(e)(10) with a
2 value of more than ten dollars (\$10.00)."

3 **SECTION 42.(c)** G.S. 120C-403(b)(5) reads as rewritten:

4 "(5) All reportable expenditures for gifts given under
5 ~~G.S. 138A-32(e)(1)-(9)~~ G.S. 138A-32(e)(1)-(9), 138A-32(e)(11), and
6 all gifts given under G.S. 138A-32(e)(10) with a value of more than
7 two hundred dollars (\$200.00)."

8 **SECTION 43.** G.S. 138A-36 is amended by adding a new subsection to
9 read:

10 "(e) This section shall not allow participation in an official action prohibited by
11 G.S. 14-234."

12 **SECTION 44.** G.S. 138A-38(1) reads as rewritten:

13 "(1) The only interest or reasonably foreseeable benefit that accrues to the
14 covered person, the covered person's extended family, nonprofit with
15 which the covered person is associated, or business with which the
16 covered person is associated as a member of a profession, occupation,
17 or general class is no greater than that which could reasonably be
18 foreseen to accrue to all members of that profession, occupation, or
19 general class."

20 **SECTION 45.** G.S. 160A-480.3 is amended by adding a new subsection to
21 read:

22 "(h) Any authority created under this Part shall be treated as a board for purposes
23 of Chapter 138A of the General Statutes."

24 **SECTION 46.** Except as otherwise provided in this act, this act becomes
25 effective October 1, 2007. Any rules adopted by the Secretary of State pursuant to
26 G.S. 120C-101, 120C-201(b), 120C-207(b) or 120C-401(h) that become effective prior
27 to October 1, 2007, are repealed on the effective date of a final rule replacing a rule
28 adopted by the Secretary of State submitted to the Codifier of Rules by the State Ethics
29 Commission pursuant to G.S. 120C-101, as amended by Section 9 of this act. The State
30 Ethics Commission shall notify the Codifier of Rules of existing rules repealed by virtue
31 of the rules of the State Ethics Commission becoming effective.