

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007**

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**SENATE BILL 1874\***

Short Title: Clarify Ethics and Lobbying Laws. (Public)

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Sponsors: Senators Clodfelter; Brunstetter and Garrou.

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Referred to: Select Committee on Government and Election Reform.

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May 22, 2008

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A BILL TO BE ENTITLED

AN ACT TO MAKE CLARIFYING CHANGES TO THE STATE GOVERNMENT  
ETHICS ACT AND THE LOBBYING LAWS AS RECOMMENDED BY THE  
LEGISLATIVE ETHICS COMMITTEE.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 120C-401(b) reads as rewritten:

"(b) Each report shall set forth the fair market value or face value if shown, date, a description of the reportable expenditure, name and address of the payee, or beneficiary, and name of any designated individual, or that ~~person's~~ individual's immediate family member connected with the reportable expenditure. When more than 15 designated individuals benefit from a reportable expenditure, no names of individuals need be reported provided that the report identifies the approximate number of designated individuals benefiting and the basis for their selection, including the name of the legislative body, committee, caucus, or other group whose membership list is a matter of public record in accordance with G.S. 132-1 or including a description of the group that clearly distinguishes its purpose or composition from the general membership of the General Assembly. The approximate number of immediate family members of designated individuals who benefited from the reportable expenditure shall be listed separately."

**SECTION 2.** G.S. 138A-24(a) reads as rewritten:

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

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

...

1 (6) An indication of whether the filing person, the filing person's  
 2 employer, a member of the filing person's immediate family, or the  
 3 immediate family member's employer is licensed or regulated by, or  
 4 has a business relationship with, the board or employing entity with  
 5 which the filing person is or will be associated. This subdivision does  
 6 not apply to a ~~legislator or a judicial officer.~~legislator, a judicial  
 7 officer, or that person's immediate family.

8 ...

9 (10) Any other ~~economic or financial~~ information that the filing person  
 10 believes may assist the Commission in advising the filing person with  
 11 regards to compliance with this Chapter. ~~is necessary either to carry~~  
 12 ~~out the purposes of this Chapter or to fully disclose any conflict of~~  
 13 ~~interest or potential conflict of interest. If the filing person believes a~~  
 14 ~~potential for conflict exists, the filing person has a duty to inquire of~~  
 15 ~~the Commission as to that potential conflict. If a filing person is~~  
 16 ~~uncertain of whether particular information is necessary, then the filing~~  
 17 ~~person shall consult the Commission for guidance.~~

18 ...."

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

20 "(e) The Commission shall prepare a written evaluation of each statement of  
 21 economic interest relative to conflicts of interest and potential conflicts of interest. This  
 22 subsection does not apply to statements of economic interest of legislators and judicial  
 23 officers. The Commission shall submit the evaluation to all of the following:

- 24 (1) The filing person who submitted the statement.
- 25 (2) The head of the agency in which the filing person serves.
- 26 (3) The Governor for gubernatorial appointees and employees in agencies  
 27 under the Governor's authority.
- 28 (4) ~~The Chief Justice for judicial officers and judicial employees.~~
- 29 (5) The appointing or hiring authority for those public servants not under  
 30 the Governor's authority.
- 31 (6) The State Board of Elections for those filing persons who are elected.
- 32 (7) ~~The Committee, together with a copy of the statement of economic~~  
 33 ~~interest, for legislators."~~

34 **SECTION 4.** Section 44 of S.L. 2007-348 reads as rewritten:

35 "**SECTION 44.** Sections 17, 23, 39, 40 and 41 of this act are effective January 1,  
 36 2007. Section 9 of this act is effective July 1, 2007. Sections 8, 11, 15, 20, 22, 25, 34  
 37 and 42 of this act become effective October 1, 2007. Section 18 of this act becomes  
 38 effective December 1, 2007. Section 34 of this act becomes effective January 1, 2008.  
 39 The remainder of this act is effective when this act becomes law."

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