

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011**

**SENATE BILL 620  
RATIFIED BILL**

AN ACT TO CLARIFY THAT A LEGISLATOR'S OR PUBLIC SERVANT'S PUBLIC POSITION MAY BE DISCLOSED IN AN AGENDA OR OTHER DOCUMENT RELATED TO A MEETING, CONFERENCE, OR SIMILAR EVENT AND TO MODIFY THE REPORTING REQUIREMENTS FOR LOBBYIST PRINCIPALS.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 138A-31(b) reads as rewritten:

"(b) A covered person shall not mention or ~~permit~~ authorize another person to mention the covered person's public position in nongovernmental advertising that advances the private interest of the covered person or others. The prohibition in this subsection shall not apply to any of the following:

- (1) ~~political advertising,~~ Political advertising.
- (2) ~~news stories, news articles,~~ News stories and articles.
- (3) ~~the~~ The inclusion of a covered person's public position in a directory or a biographical listing, ~~listing.~~
- (4) The inclusion of a covered person's public position in an agenda or other document related to a meeting, conference, or similar event when the disclosure could reasonably be considered material by an individual attending the meeting, conference, or similar event.
- (5) ~~or the~~ The inclusion of a covered person's public position in a charitable solicitation for a nonprofit business entity qualifying under 26 U.S.C. § 501(c)(3).
- (6) ~~Disclosure~~ The disclosure of a covered person's position to an existing or prospective customer, supplier, or client ~~is not considered advertising for purposes of this subsection~~ when the disclosure could reasonably be considered material by the customer, supplier, or client."

**SECTION 2.** G.S. 120C-403 reads as rewritten:

**"§ 120C-403. Lobbyist principal's reports.**

(a) Each lobbyist principal shall file quarterly reports under oath with the Secretary of State with respect to each lobbyist principal.

(b) The report shall be filed whether or not reportable expenditures are made, shall be due 15 business days after the end of the reporting period, and shall include all of the following for the reporting period:

- (1) All reportable expenditures made for lobbying.
- (2) Solicitation of others when such solicitation involves an aggregate cost of more than three thousand dollars (\$3,000).
- (3) ~~With respect to each lobbyist registered under G.S. 120C-206, payment for services paid to all lobbyists during the quarter. If a lobbyist is a full-time employee of the principal, or is paid by means of an annual fee or retainer, the principal shall estimate and report the portion of the salary, fee, or retainer that is reasonably allocated for the purpose of lobbying. A lobbyist principal may rely upon a statement by the lobbyist estimating the portion of the salary, fee, or retainer that is reasonably allocated for the purpose of lobbying.~~
- (4) With respect to each lobbyist registered under G.S. 120C-206, reportable expenditures reimbursed or paid to lobbyists for lobbying that are not reported on the lobbyist's report, with an itemized description of those reportable expenditures.



- (5) All reportable expenditures for gifts given under G.S. 138A-32(e)(1)-(9), 138A-32(e)(11), 138A-32(e)(12), and all gifts given under G.S. 138A-32(e)(10) with a value of more than two hundred dollars (\$200.00).
- (6) With respect to each lobbyist registered under G.S. 120C-206, the name of each person or governmental unit not otherwise registered as a lobbyist principal for whom the lobbyist principal directs the lobbyist to lobby, whether for pay or not. If the lobbyist principal is an association or other organization, the lobbyist principal shall not be required to report under this subdivision any individual member of the association or other organization for which the lobbyist is directed to lobby by that lobbyist principal.

(c) In addition to the reports required by this section, each lobbyist principal incurring reportable expenditures in any month while the General Assembly is in session with respect to lobbying legislators and legislative employees shall file a monthly reportable expenditure report. The monthly reportable expenditure report shall contain information required by this section with respect to all lobbying of legislators and legislative employees, and is due within 10 business days after the end of the month. The information on the monthly report shall also be included in each quarterly report required by subsection (a) of this section.

(d) In addition to the reports required by this section, each lobbyist principal shall annually, in the last report for the registration period under G.S. 120C-200(d), report the cumulative combined total of all payments made during the registration period for all of the following:

- (1) All payments for lobbying.
- (2) Activities as described in subdivision (e)(2) of this section.

~~(d1) The cumulative combined total of payments reported under subsection (d) for lobbying and other activities described in subdivision (2) of subsection (e) of this section made during the registration period, as applicable:~~

- (1) If a lobbyist represents the lobbyist principal, but is not directly employed by that lobbyist principal, the portion of the payment that is for lobbying and to whom it was paid.
- (2) If a lobbyist is under contract with the lobbyist principal for lobbying, the portion of the contract that is reasonably allocated for lobbying.
- (3) If a lobbyist is a full-time employee of the principal, or is paid by means of an annual fee or retainer, the principal shall estimate and report the portion of the salary, fee, or retainer salary that is reasonably allocated for lobbying.

(d2) Notwithstanding any other provision of this Article, the cumulative combined total of all payments for lobbying and other activities made by the principal to all lobbyists registered for that lobbyist principal shall be reported as one cumulative amount with no further division or allocation by individual lobbyist, activity, or any other categorization.

(e) For purposes of subsection (d) of this section, the following shall apply:

- (1) A lobbyist principal may rely upon a statement by the lobbyist estimating the portion of the salary or other payment that is reasonably allocated for lobbying.
- (2) In addition to reporting any payment to a lobbyist for lobbying under subsection (d) of this section, a lobbyist principal shall report, cumulatively for the year, any payment to a lobbyist for any of the following communications and activities that were used to lobby within the registration period under G.S. 120C-200(d):
  - a. Research.
  - b. Drafting of written communications.
  - c. Monitoring of proposed or pending legislative action or executive action, including time spent preparing communications with the lobbyist principal to relate information on proposed or pending legislative action or executive action.
  - d. Time spent advising and rendering opinions to the lobbyist principal as to the construction and effect of proposed or pending legislative action or executive action.
- (3) A lobbyist principal is required to report any payment to a lobbyist for any of the following:

- a. Direct lobbying communications or direct lobbying activities with a designated individual or that designated individual's immediate family.
- b. Communications or activities to develop goodwill, including the building of relationships, with a designated individual or that designated individual's immediate family member."

**SECTION 3.** This act becomes effective October 1, 2011, and applies to reports filed on or after that date.

In the General Assembly read three times and ratified this the 18<sup>th</sup> day of June, 2011.

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Philip E. Berger  
President Pro Tempore of the Senate

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Thom Tillis  
Speaker of the House of Representatives

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Beverly E. Perdue  
Governor

Approved \_\_\_\_\_m. this \_\_\_\_\_ day of \_\_\_\_\_, 2011