



NORTH CAROLINA LOBBYING DISCLOSURE

These resources are current as of 6/28/2019. We do our best to periodically update these resources and welcome any comments or questions regarding new developments in the law.

Please email us at advocacy@afj.org.

This guide summarizes key aspects of laws and regulations governing lobbying on the state level. It is not intended to provide legal advice or to serve as a substitute for legal advice

In some jurisdictions, city and/or county regulations may also apply to certain political activities. Check with the appropriate local jurisdiction before undertaking any activity.

North Carolina lobbying laws are primarily found in Chapter 120C (163A) of the North Carolina General Statutes. North Carolina lobbying and ethics laws underwent significant revisions during the 2006 and 2007 legislative sessions. These revisions included the adoption of a comprehensive State Government Ethics Act, Chapter 138A of the North Carolina General Statutes, and a complete re-writing of the lobbying registration and reporting provisions. The lobbying and ethics laws were further amended during the 2010-2013 legislative sessions. In 2017, the lobbying and ethics laws were combined with election laws in Chapter 163A. In late 2018, the lobbying and ethics laws were returned to chapters 120C and 138A pursuant to House Bill 1029, Session Law 2018-146 with some further revisions. However, as of the date of the most recent revision of this manuscript, Chapters 120C and 138A are not publicly available. Chapter 163A remains publicly available.

The primary revision found in House Bill 1029 eliminated the category of "solicitor" from North Carolina lobbying regulations.

DEFINITIONS

What is direct lobbying?

Lobbying is defined as a) "Influencing or attempting to influence legislative or executive action, or both, through direct communication or activities with a designated individual or that person's immediate family" and/or b) "Developing goodwill through communications or activities, including the building of relationships, with a designated individual or that person's immediate family with the intention of influencing current or future legislative or executive action, or both." *N.C.G.S. § 120C-100(a)(9); N.C.G.S. § 163A-250(a)(17).*

What activities are excluded?

"The term "lobby" and "lobbying" do not include communications or activities as part of a business, civic, religious, fraternal, personal, or commercial relationship which is not connected to legislative or executive action, or both." *N.C.G.S. § 120C-100(a)(9); N.C.G.S. § 163A-250(a)(17).*

- Please note there is no exemption for non-profits that permit them to undertake activities that are otherwise forbidden by statute.

What is grassroots lobbying?

All references to "Grassroots lobbying" or "Solicitation of others" have been repealed pursuant to *HB 1029, SL 2018-146.*

Who is considered a lobbyist?

- A lobbyist is defined as "an individual who engages in lobbying for payment and meets any of the following criteria:
 - o Represents another person or governmental unit, but is not directly employed by that person or governmental unit.
 - o Contracts for payment for lobbying.
 - o Is employed by a person and a significant part of that employee's duties include lobbying."*N.C.G.S. § 120C-100(a)(10); N.C.G.S. § 163A-250(a)(19)*
- However, "[i]n no case shall an employee be considered a lobbyist if in no 30-day period less than five percent (5%) of that employee's actual duties include engaging in lobbying as defined in subdivision (9)a. (influencing legislative/executive action) of this section or if in no 30-day period less than five percent (5%) of that employee's actual duties include engaging in lobbying as defined in subdivision (9)b. (developing goodwill) of this section." *N.C.G.S. § 120C-100(a)(10); N.C.G.S. § 163A-250(a)(19).*
- A "liaison personnel" is not considered a lobbyist. A liaison personnel is defined as "[a]ny State employee, counsel employed under G.S. 147-17, or officer whose principal duties, in

practice or as set forth in that individual's job description, include lobbying legislators or legislative employees." *N.C.G.S. § 120C-100(a)(8); N.C.G.S. § 163A-250(a)(15).*

- "Payment" is defined as "[a]ny money, thing of value, or economic benefit conveyed to the lobbyist for lobbying, other than reimbursement of actual travel, administrative expenses, or subsistence." *N.C.G.S. § 120C-100(a)(11k); N.C.G.S. § 163A-250(a)(32).*

Who is considered a lobbyist principal?

- A "lobbyist principal" is defined as "the person or governmental unit on whose behalf the lobbyist lobbies and who makes payment for the lobbying." *N.C.G.S. § 120C-100(a)(11); N.C.G.S. § 163A-250(a)(21).*

However, an organization such as a law firm or consulting firm, that pays a lobbyist for purposes of lobbying activities is not a principal. The principal is instead the person or governmental unit whose interests the lobbyist represents in lobbying. *N.C.G.S. § 120C-100(a)(11); N.C.G.S. § 163A-250(a)(21).*

Please note that in the case of a lobbyist employed or retained by an association or other organization, the lobbyist principal is the association or other organization, not the individual members of the association or other organization. *N.C.G.S. § 120C-100(a)(11); N.C.G.S. § 163A-250(a)(21).*

In the case of related (c)(3) and (c)(4) organizations that follow the AFJ model for employing and paying lobbyists, the North Carolina Secretary of State's lobbying division has advised that both the (c)(3) and (c)(4) organizations must register as lobbyist principals.

Who is considered a designated individual?

- A "designated individual" is defined as "[a] legislator, legislative employee, or public servant." *N.C.G.S. § 120C-100(a)(2); N.C.G.S. § 163A-250(a)(3).*

REGISTRATION

Must lobbyists register?

- Yes, registration is required within one business day of engaging in lobbying activities. *N.C.G.S. § 120C-201(a); N.C.G.S. § 163A-270(a).* There is a \$252 fee due and payable to the North Carolina Secretary of State (hereinafter Secretary of State) for each lobbyist registration. *N.C.G.S. § 120C-202; N.C.G.S. § 163A-271.*
- Additionally, this fee must be filed electronically. *N.C.G.S. § 120C-201; N.C.G.S. § 163A-271.*

Lobbyists must file a separate registration statement for each principal the lobbyist represents with the Secretary of State before engaging in any lobbying. *N.C.G.S. § 120C-201(a); N.C.G.S. § 163A-270(a).* The lobbyist shall disclose the identity of the lobbyist principal connected to the lobbying activity. *N.C.G.S. § 120C-200(e); N.C.G.S. § 163A-27(e).*

Must lobbyist principals register?

- Yes, “[a] written authorization signed by the lobbyist principal authorizing the lobbyist to represent the principal shall be filed with the Secretary of State within 20 business days after the lobbyist's registration. If the written authorization is filed more than 20 business days after the lobbyist's registration and before January 1 of the following year, the lobbyist registration is effective from the date of filing of the lobbyist registration and all reports due under Article 4 of this Chapter shall be filed.” *N.C.G.S. § 120C-206(a); N.C.G.S. § 163A-276(a).*

Must individual staff members register?

- Yes, individual staff members must register if they are deemed “lobbyists.” An individual is deemed a lobbyist if he or she “contracts for payment for lobbying” or “is employed by a person and a significant part of that employee’s duties include lobbying.” In this regard, in no case shall an employee be considered a lobbyist if less than 5% of that employee’s actual duties in any 30 day period included engaging in lobbying. *N.C.G.S. § 120C-100(10); N.C.G.S. § 163A-250(a)(19).*

Must organizations that hire a consultant as a lobbyist register?

- Yes, if the organization pays a consultant to lobby on behalf of the organization, the organization must file a lobbyist principal authorization in accordance with *N.C.G.S. § 120C-100(11) & 120C-206; N.C.G.S. § 163A-250(a)(19) & 163A-276.*

Must organizations that conduct grassroots lobbying register?

- Grassroots lobbying was previously defined as “solicitation of others.” However, this section of the statute has been repealed by *HB 1029, SL 2018-146.*

What does registration entail for lobbyists?

- A lobbyist must register by filing a separate registration statement for each principal the lobbyist represents with the Secretary of State. The form of registration is prescribed by the Secretary of State and filed electronically. The form “shall include the registrant’s full name, firm, complete address, and telephone number; the registrant’s place of business, the full name, complete address, and telephone number of each principal the lobbyist represents; and a general description of the matters on which the registrant expects to act on as a lobbyist.” *N.C.G.S. § 120C-200; N.C.G.S. § 163A-270(b).*
- Lobbyists must pay a fee of \$252 due and payable to the Secretary of State at the time of each lobbyist registration. *N.C.G.S. § 120C-201; N.C.G.S. § 163A-271.* The Secretary of State is empowered to waive or reduce registration fees for lobbyists for principals who have been granted non-profit status under I.R.C. § 501(c)(3).

What does registration entail for lobbyist principals?

- A lobbyist principal must register by the filing of a written authorization with the Secretary of State authorizing the lobbyist to represent the principal within 20 business days after the lobbyist registers. The form of written authorization is prescribed by the Secretary of State and filed electronically. The form "shall include the lobbyist principal's full name, complete address, and telephone number, name and title of any official authorized to sign for the lobbyist principal, and the name of each lobbyist registered to represent that principal." *N.C.G.S. § 120C-206; N.C.G.S. § 163A-276(a) & (b).*
- Lobbyist principals must pay a fee of \$252 due and payable to the Secretary of State at the time the principal's first authorization statement is filed each calendar year for a lobbyist. This fee must be paid electronically. *N.C.G.S. § 120C-207; N.C.G.S. § 163A-277.* The Secretary of State is empowered to waive or reduce registration fees for principals who have been granted non-profit status under I.R.C. § 501(c)(3).

Must lobbyists wear a distinctive badge?

- No, however each lobbyist must identify "himself or herself as a lobbyist prior to engaging in lobbying communications or activities with a designated individual. The lobbyist shall also disclose the identity of the lobbyist principal connected to that lobbying communication or activity." Although, the use of a distinctive badge is not required, it would tend to assist in the identification of a person as a lobbyist. Such identification would enable a designated individual to recognize the possibility that lobbying communications and/or activities might be occurring. *N.C.G.S. § 120C-200(e); N.C.G.S. § 163A-270(e).*
- What advisory opinions or guidance shed light on these issues?: Please see Lobbying Formal Advisory Opinions by the State Ethics Board at <https://ethics.ncsbe.gov/ao/aoLobbying.aspx>.

REPORTING

What is a reportable expenditure?

- A “reportable expenditure” is defined as “[a]ny of the following that directly or indirectly is made to, at the request of, for the benefit of, or on the behalf of a designated individual or that individual's immediate family member:
 - o Any advance, contribution, conveyance, deposit, distribution, payment, gift, retainer, fee, salary, honorarium, reimbursement, loan, pledge, or thing of value greater than ten dollars (\$10.00) per designated individual per single calendar day.
 - o A contract, agreement, promise, or other obligation whether or not legally enforceable.” *N.C.G.S. § 120C-100(12); N.C.G.S. § 163A-250(a)(34).*
- “Reportable expenditures shall be reported using the following categories:
 - o Transportation and lodging.
 - o Entertainment.
 - o Food and beverages.
 - o Meetings and events.
 - o Gifts.
 - o Other reportable expenditures.”

N.C.G.S. § 120C-401(c); N.C.G.S. § 163A-326(e).

Must lobbyists report?

- Yes, lobbyists must file quarterly reports with the Secretary of State with respect to each lobbyist principal. *N.C.G.S. § 120C-402(a); N.C.G.S. § 163A-327(a).*
- Reports must be filed whether or not reportable expenditures are made within 15 business days after the end of the reporting period. *N.C.G.S. § 120C-401(a); N.C.G.S. § 163A-326(a).*
- Lobbyist reports must include:
 - o “All reportable expenditures made for lobbying.
 - o Reportable expenditures reimbursed by the lobbyist principal, or another person or governmental unit on the lobbyist principal's behalf.
 - o All reportable expenditures for gifts given under *G.S. 138A-32(e)(1)-(9); N.C.G.S. § 163A-212(f)(1)-(9), 138A-32(e)(11); N.C.G.S. § 163A-212(f)(11), 138A-32(e)(12); N.C.G.S. § 163A-212(f)(12),* and all gifts given under *G.S. 138A-32(e)(10); N.C.G.S. § 163A-212(f)(10)* with a value of more than ten dollars (\$10.00).”
N.C.G.S. § 120C-402(b); N.C.G.S. § 163A-327(b).
- In addition to quarterly reports, lobbyists incurring reportable expenditures in any month while the General Assembly is in session must file a monthly reportable expenditure report. The monthly reportable expenditure report is due within 10 business days after the end of the month. The information on the monthly reportable expenditure report shall also be included in each quarterly report. *N.C.G.S. § 120C-402(c); N.C.G.S. § 163A-327(c).*

Must lobbyist principals report?

- Yes, lobbyist principals must file quarterly reports with the Secretary of State. *N.C.G.S. § 120C-403(a); N.C.G.S. § 163A-328(a).*
- Reports must be filed whether or not reportable expenditures are made within 15 business days after the end of the reporting period. *N.C.G.S. § 120C-401(a); N.C.G.S. § 163A-328(b).*
- Lobbyist principal reports must include:
 - o “All reportable expenditures made for lobbying.
 - o With respect to each lobbyist registered under *N.C.G.S. § 120C-206; N.C.G.S. § 163A-276*, 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.
 - o All reportable expenditures for gifts given under *G.S. 138A-32(e)(1)-(9); N.C.G.S. § 163A-212(f)(1)-(9), 138A-32(e)(11); N.C.G.S. § 163A-212(f)(11), 138A-32(e)(12); N.C.G.S. § 163A-212(f)(12)*, and all gifts given under *N.C.G.S. § 138A-32(e)(10); N.C.G.S. § 163A-212(f)(10* with a value of more than two hundred dollars (\$200.00).
 - o With respect to each lobbyist registered under *N.C.G.S. § 120C-206; N.C.G.S. § 163A-276*, 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.” *N.C.G.S. § 120C-403(b); N.C.G.S. § 163A-328(b)(5).*
- In addition to quarterly reports, lobbyist principals incurring reportable expenditures in any month while the General Assembly is in session must file a monthly reportable expenditure report. The monthly reportable expenditure report is due within 10 business days after the end of the month. The information on the monthly reportable expenditure report shall also be included in each quarterly report. *N.C.G.S. § 120C-403(c); N.C.G.S. § 163A-328(c).*
- In addition to quarterly reports, lobbyist principals must report annually on the last report for the registration period the cumulative combined total of all payments made during the registration period for lobbying and communication and/or activities used to lobby. *N.C.G.S. § 120C-401(d)-(e); N.C.G.S. § 163A-328(d)-(e).*
- For any quarter or year-end during which there were no reportable expenditures made, the lobbyist principal may file the Zero Report-Short Form.

Must solicitors report?

- No, all requirements related to “solicitors” have been repealed by *House Bill 1029, Session Law 2018-146, Part IV. Changes.*

Are communications by an organization to its members exempt from reporting?

- Whereas federal law may require in certain instances reporting of communications with members, North Carolina law expressly provides that an organization may “communicate with its employees, stockholders, or members and their families on any subject” without reporting the expense of the communication. *N.C.G.S. § 163-278.19(b); N.C.G.S. § 163A-1436(d).* Further, “a communication shall not be subject to regulation as a contribution or expenditure...if it...is distributed by an organization...to its members.” *N.C.G.S. § 163-278.14A; N.C.G.S. § 163A-1429(b).*

Are contributors to grassroots lobbying organizations disclosed?

- No, North Carolina lobbying laws do not provide for the disclosure of donors to grassroots lobbying organizations.

PROHIBITIONS/RESTRICTIONS

Activities	Regulated by State?	Statutory Citation
Limits on Contingency Fees	Yes, State Regulated. Contingency fees for lobbying are PROHIBITED.	<i>N.C.G.S. § 120C-300(a)</i> <i>N.C.G.S. § 163A-305(a)</i>
Lobbying by Former Officials	Yes, State Regulated. Legislator/Former Legislator: Not allowed to lobby while in office or before the later of the close of session in which the legislator served or six months after leaving office Public Servant: Not allowed while in office or within six months after leaving office.	<i>N.C.G.S. § 120C-304;</i> <i>N.C.G.S. § 163A-308</i>
Limits on Gifts to Designated Individuals	Yes, State Regulated. Gifts by lobbyist/lobbyist principals are PROHIBITED	<i>N.C.G.S. § 120C-303;</i> <i>N.C.G.S. § 163A-307,</i> <i>But see, N.C.G.S. § 138A-32(e); N.C.G.S. § 163A-212(f) for exceptions</i>
Restrictions on Lobbying activities	No, Not State Regulated. There is not time period during which all lobbying activities are restricted.	
Election Influence	Yes, State Regulated. Attempt to influence designated individuals by promise or threats of financial support are PROHIBITED	<i>N.C.G.S. § 120C-301;</i> <i>N.C.G.S. § 163A-306</i>
Limits on Campaign Contributions during Legislative Session	Yes, State Regulated. “Limited Contributor” is defined as a registered lobbyist, that lobbyist’s agent, that lobbyist’s principal or political committees that employs or contracts with or whose parent entity employs are contracts with a register lobbyist “Limited Contributee” is defined as a member of or candidate for the Council of State, a member of or candidate for the General Assembly. Contribution or offers of contributions by a limited contributor to a limited contribute while the General Assembly is in regular session is PROHIBITED.	<i>N.C.G.S. § 163-278.13B</i> <i>N.C.G.S. § 163A-1426</i>
Limits on Campaign Contributions by Lobbyists	Yes, State Regulated. Contributions by lobbyists to candidates/candidate committees (if the candidate is a legislator/public servant are PROHIBITED)	<i>N.C.G.S. § 163-278.13C</i> <i>N.C.G.S. § 163A-1427</i>

	Bundling of contributions by lobbyists is PROHIBITED.	
Hospitality Provided to Officials	<p>Yes, State Regulated.</p> <p>Food/beverages for immediate consumption are ALLOWED if in connections with:</p> <ol style="list-style-type: none"> (1) Open meeting of a public body, (2) Gatherings of person/gov. unit with at least 20 individuals in attendance open to the general public (3) Gatherings of person/gov. unit to which entire board of which designated individual is a member are invited, AND <ol style="list-style-type: none"> a. At least 10 individuals associated with the person/gov. unit actually attend (not including immediate family) <p>OR</p> <ol style="list-style-type: none"> b. All members of person/gov. unit located in NC are notified and invited to attend <p>Food /beverages for immediate consumption and related transportation are ALLOWED if ALL are met:</p> <ol style="list-style-type: none"> 1) Given by LOBBYIST PRINCIPAL; 2) Provided during conference/meeting/similar event and available to all attendees of the same class as the recipient: 3) Recipient is director, officer, governing board member, employee, or independent contractor of one of the following: <ol style="list-style-type: none"> a. The lobbyist principal giving the food, beverage, or transportation. b. A third party that received funds to purchase the food, beverages, or transportation. <p>Food/beverage for immediate consumption are ALLOWED if:</p> <ol style="list-style-type: none"> 1) Organized gathering to which a public servant is invited for purposes primarily related to the public servants' public service/position 2) At least 10 individuals (not including family members) 3) All employees, board members, officers, members, or subscribers of the person/gov. unit located in specific NC office/county notified and invited 	<p><i>N.C.G.S. § 138A-32(e);</i> <i>N.C.G.S. § 163A-212(f)</i></p>
Trips Organized by Lobbyist Principal	<p>Yes, State Regulated.</p> <p>Reasonable actual expenditures of designed individual's travel lodging ALLOWED in connection with:</p> <ol style="list-style-type: none"> 1) Attendance at educational meeting for purposes primarily related to the public duties and responsibilities 2) Designated individual's participation as speaker/member of panel at meeting 	<p><i>N.C.G.S. § 138A-32(e)(3); N.C.G.S. § 163A-212(f)(3)</i></p>

	<p>3) Designated individual's attendance/participation of nonpartisan state, regional, national, or international legislative organization (of which General Assembly is a member or b/c public position or member of a board/agency/committee);</p> <p>4) Designated individual's attendance/participation in meeting of nonpartisan state, regional, national, or international legislative organization (of which designated individual's agency is member or the member by virtue of that public position), AND:</p> <ul style="list-style-type: none">a. Made by a LOBBYIST PRINCIPAL (not lobbyist)b. At least 10 individuals (not including family)c. Provide to all attendees a formal agenda, notice at least 10 days advanced. Any entertainment must be incidental to principal agendae. If designated individual is participation as speaker/member of a panel, then must be bona fide speaker /participant	
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ENFORCEMENT AND PENALTIES

What is the punishment for a violation of lobbying law?

- “Whoever willfully violates any provision of Article 2 or Article 3 of this Chapter shall be guilty of a Class 1 misdemeanor, except as provided in those Articles. In addition, no lobbyist who is convicted of a violation of the provisions of this Chapter shall in any way act as a lobbyist for a period of two years from the date of conviction.” *N.C.G.S. § 120C-602(a); N.C.G.S. § 163A-397(a).*
- In addition to criminal penalties, The Secretary of State is able to levy civil fines up to \$5,000 per violation. *N.C.G.S. § 120C-602(b); N.C.G.S. § 163A-397(b).*

How are lobbying laws enforced?

- The State Ethics Commission (hereinafter “Commission”) or the Secretary of State may investigate complaints of violations and report apparent violations to the district attorney of the prosecutorial district as defined in *N.C.G.S. 7A-60* of which Wake County is a part, who shall prosecute any person or governmental unit in violation. *N.C.G.S. § 120C-603(a); N.C.G.S. § 163A-398(a).*
- “Complaints of violations of this Chapter involving the Commission or any member employee of the Commission shall be referred to the Attorney General for investigation. The Attorney General shall, upon receipt of a complaint, make an appropriate investigation thereof, and the Attorney General shall forward a copy of the investigation to the district attorney of the prosecutorial district as defined in *N.C.G.S. § 7A-60* of which Wake County is a part, who shall prosecute any person or governmental unit who violates any provisions of this Chapter.” *N.C.G.S. § 120C-603(b) N.C.G.S. § 163A-398(b).*

CONTACT INFORMATION FOR STATE AND LOCAL AGENCIES

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State Ethics Board

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Lobbying Formal Advisory Opinions:
<http://ethics.ncsbe.gov/ao/aoLobbying.aspx>

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FOR FURTHER ASSISTANCE

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