

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: House Bill 964 PCS

SHORT TITLE: To Revise and Strengthen the System of Legislative Ethics

SPONSOR(S): Proposed Committee Substitute

FISCAL IMPACT

Yes () No (X) No Estimate Available ()

FY 1997-98 FY 1998-99 FY 1999-00 FY 2000-01 FY 2001-02

REVENUES

EXPENDITURES

See Assumptions and Methodology

POSITIONS:

See Assumptions and Methodology

**PRINCIPAL DEPARTMENT(S) &
PROGRAM(S) AFFECTED:**

North Carolina General Assembly

EFFECTIVE DATE:

G.S. 120-86B, 120-86C, and 120-86D found in Section 1 of the bill: **November 3, 1998**

G.S. 120-86E found in Section 1 of the bill: **upon convening of the 1999 General Assembly.**

All other provisions of the bill: October 1, 1997

BILL SUMMARY: Clarifies and strengthens several components of legislative ethics system; creates general standards of conduct for Members; specifies when legislator must disqualify himself/herself where a legislative action would cause a member of legislator's household to gain or lose monetarily; clarifies filing procedure of "economic interest statement (EIS); if legislator's spouse is a lobbyist s/he must register legislator's name with her/his lobbyist registration; Requires legislator's EIS to contain notification by appointing executive branch official of the employment of legislators' immediate family member serving as legislative liaison in the executive agency; legislators could not contract or subcontract with state agencies "...except for contracts let after public notice and competitive bidding....or contracts available on similar terms to members of a legislator's business, occupation, or profession...."; legislators or immediate household members, or businesses in which immediate household members hold 5% or more in stock in the business, could sell or lease real property to the State; restricts immediate family members from serving in legislative branch positions, except as

secretaries or clerks to that legislator; for compensation, Members would be restricted from serving as expert witnesses before a state agency; could not receive compensation for engaging in negotiations with a state agency; could, however, continue to represent a person before a state agency, under certain conditions outlined in GS 120-86D(g)(1); under applicable rules of each chamber, legislators would have to excuse themselves from any legislative action which would result in either monetary gain or loss for either the legislator or his/her immediate household.; may act, however in connection with legislator's salaries, benefits and allowances, etc.

Act further contains a rewrite of Article 14, Chapter 120, Statement of Economic Interest, and amends GS 120-94 to require Legislative Librarian to attach copies of lobbyist registration statements and certifications by appointing officials to legislators EIS's who have immediate family members as registered lobbyists.

Adds new section to Part 3 of Article 14, Chapter 120 as follows: "The Legislative Services Commission may allocate available funds to the Legislative Ethic Committee as the need arises. The legislative Ethics Committee may hire temporary or permanent employees to aid it in its work..."

ASSUMPTIONS AND METHODOLOGY:

1. Funds available to the Legislative Ethics Committee are dependent upon action of the Legislative Services Commission and funds in General Assembly reserves.
2. No additional fiscal impact would be expected until Ethic Committee requests additional funds, in excess of those available through the Services Commission.
3. Services Commission is not mandated to allocate funds to the Ethics Committee.

TECHNICAL CONSIDERATIONS: none
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DATE: April 29, 1997



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