

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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HOUSE BILL 1746

Short Title: Economic Development - Conflict of Interest. (Public)

Sponsors: Representative Luebke.

Referred to: Rules, Calendar, and Operations of the House.

May 27, 2004

1 A BILL TO BE ENTITLED
2 AN ACT TO PROHIBIT COMPANIES THAT CONSULT WITH THE STATE ON
3 THE DEVELOPMENT OF ECONOMIC DEVELOPMENT INCENTIVE
4 PROGRAMS FROM ADVISING BUSINESSES ON OBTAINING INCENTIVES
5 UNDER THOSE PROGRAMS.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** Part 2 of Article 10 of Chapter 143B of the General Statutes is
8 amended by adding a new section to read:

9 "**§ 143B-437.07. Conflict of interest prohibited.**

10 It is unlawful for a person that advises the State on the creation or substantial
11 modification of an economic development incentive program to, while advising the
12 State or within two years after the end of advising the State, advise for compensation, as
13 a consultant or otherwise, a business or individual that is seeking to utilize that
14 economic development incentive. Violation of this section is a Class 1 misdemeanor. In
15 addition to the penalties imposed under G.S. 15A-1340.23, the court shall also make a
16 finding as to what compensation was received by the defendant, both from the State and
17 from the private business or individual, for services in violation of this section and shall
18 order the defendant to forfeit that compensation. If a person is convicted under this
19 section, the person shall not advise for compensation, as a consultant or otherwise, any
20 business or individual that is seeking to utilize the economic development incentive
21 until two years after the person's conviction under this section. This section does not
22 apply to a State or local official or to a State employee after the official's or employee's
23 service to the State has ended."

24 **SECTION 2.** There is appropriated from the General Fund to the
25 Department of Commerce the sum of five thousand dollars (\$5,000) for the 2004-2005
26 fiscal year to monitor contracts the State has with persons advising the State on the
27 development of economic development incentive programs to ensure compliance with
28 G.S. 143B-347.07, as created by Section 1 of this act.

1 **SECTION 3.** Section 1 of this act becomes effective December 1, 2004, and
2 applies to persons who advise the State on the creation or substantial modification of an
3 economic development incentive program on or after that date. The remainder of this
4 act becomes effective July 1, 2004.