

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE BILL 139
Committee Substitute Favorable 4/21/11
Committee Substitute #2 Favorable 5/23/11

Short Title: Limit Contributions by State Vendors.

(Public)

Sponsors:

Referred to:

February 21, 2011

1 A BILL TO BE ENTITLED
2 AN ACT TO LIMIT CAMPAIGN CONTRIBUTIONS BY INDIVIDUALS WHO
3 DIRECTLY AND SUBSTANTIALLY BENEFIT FROM CONTRACTS WITH THE
4 STATE TO CANDIDATE CAMPAIGN COMMITTEES OF CERTAIN STATEWIDE
5 CANDIDATES.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** Article 22A of Chapter 163 of the General Statutes is amended by
8 adding a new section to read:

9 **"§ 163-278.13D. Limitation on contributions from State vendors.**

10 (a) No vendor of this State may make a contribution greater than five hundred dollars
11 (\$500.00) per election to a candidate as defined in G.S. 163-278.38Z(2) or candidate campaign
12 committee as defined in G.S. 163-278.38Z(3) for a public servant as defined in
13 G.S. 138A-3(30)a. and G.S. 120C-104 if the public servant has authority over the contract with
14 the vendor.

15 (b) This section shall not apply to a vendor who has filed a notice of candidacy for
16 office under G.S. 163-106, G.S. 163-107.1, or Article 11 of Chapter 163 of the General Statutes
17 or has been nominated under G.S. 163-114 or G.S. 163-98 and is making a contribution to that
18 vendor's candidate campaign committee.

19 (c) For purposes of this section, the term "vendor" shall mean any of the following:

20 (1) An individual with a contract greater than twenty-five thousand dollars
21 (\$25,000) with any office established by Article III of the North Carolina
22 Constitution.

23 (2) An individual employed by a corporation or person with a contract greater
24 than twenty-five thousand dollars (\$25,000) with any office established by
25 Article III of the North Carolina Constitution in any of the following
26 capacities:

27 a. Will derive a direct financial benefit from the contract. Direct
28 financial benefit exists only if the individual (i) has more than a ten
29 percent (10%) beneficial ownership in a party to the contract or (ii)
30 acquires property under the contract.

31 b. Oversees the performance of the contract and has authority to make
32 decisions regarding the contract or to interpret the contract.

33 c. Participates in the development of specifications or terms and in the
34 preparation or award of the contract.



1 (3) An individual who is a member of a board, commission, or other body of a
2 corporation with a contract greater than twenty-five thousand dollars (\$25,000)
3 with any office established by Article III of the North Carolina Constitution that
4 takes action on the contract, whether or not the individual actually participates in
5 that action, unless the individual is prohibited from voting by a policy of the
6 corporation and does not vote on the contract."

7 **SECTION 2.** This act becomes effective January 1, 2012, and applies to
8 contributions made on or after that date.