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## GOVERNOR EASLEY SIGNS HISTORIC ETHICS LAW

New Law Effective October 1, 2006

New Financial and Personal Interest Disclosure  
Forms ("Statements of Economic Interest") due  
March 15, 2007

No "Short Forms" Allowed the First Year

For the first time in its history, North Carolina has a comprehensive ethics law covering, to some extent, all three branches of state government. After a Herculean bipartisan effort in both the House and Senate, both chambers overwhelmingly passed House Bill 1843, the "State Government Ethics Act" on July 27, and Governor Easley signed it into law on August 4.

This giant leap forward for ethics regulation would not have been possible without the strong leadership and hard work of Senators Daniel Clodfelter and Tony Rand and Representatives Joe Hackney and Julia Howard in the House, as well as all of their respective committee members and conferees. But any accomplishment of this complexity and magnitude owes its success to individuals and even groups too numerous to list here. From Governor Easley to former governors and educators, to key legislative leaders, to public interest groups, to legislative staff, to the current Board of Ethics and its chairman, to news media across the State, there was a rare confluence of public attention and bipartisan political sensitivity that kept the process moving forward to its successful conclusion. The road was not always smooth, the journey not always pretty, but North Carolina and all of its citizens arrived at the proper destination in the end.

### Major Changes for *All* Current Public Officials

The recently-enacted State Government Ethics Act, Chapter 138A of the General Statutes (House Bill 1843) makes major changes to overall conflict of interest identification, education, and regulation in North Carolina. We will do our best to provide a timely and detailed explanation of the new law and what it means to all current and future officials, but the regulated community (probably you if you are receiving this newsletter) simply *must* take an active part in the process and affirmatively seek to understand your new duties and responsibilities. They are many. All we ask is that you try to meet us halfway.

Two major changes we want to mention now involve mandatory education and your financial and personal interest disclosure obligations. All persons holding covered positions on January 1, 2007, must file a **NEW** Statement of Economic Interest by March 15, 2007. Everyone will need to file a new "Long Form" SEI. You will *not* be able to use a "Short Form" next year, and penalties can be imposed for late or non-filing. We definitely want to avoid that.

Also, all "public servants" (an expanded version of our current universe of "Public Officials") holding positions on January 1, 2007, *must* participate in an ethics education presentation on or before January 1, 2008. Unlike under the current system, ethics education is now mandatory.

Once again, it is absolutely **CRITICAL** that everyone who is or will be covered by the new law pay close attention to future notices and information from the Board of Ethics. So be on the lookout for numerous newsletters and other communications over the next few months as we all come to grips with our new ethical duties and responsibilities.