



**North Carolina
Professional Lobbyists Association**

3739 National Drive, Suite 202
Raleigh, NC 27612

September 20, 2023

Good afternoon,

On behalf of North Carolina's lobbying community and in our capacity as the Executive Committee of the North Carolina Professional Lobbyists Association, we write today to express our concerns with the proposal in the draft state budget to increase lobbyist registration fees outlined in NCGS 120C-201.

North Carolina's existing framework for lobbyist registration and principal disclosure is an essential tool for providing transparency to legislators and the public about advocacy efforts underway in the state. Full participation in the system from lobbyist principals and professional lobbyists is critical to maintaining the high ethical standards that the state has set for our profession. We are concerned that the proposed \$500 *per lobbyist, per principal* fee would discourage participation in this important system, reduce transparency and could unintentionally erode the state's high standard for lobbying ethics.

The current \$250 lobbyist and principal registration fee is significantly higher than the fees charged by any neighboring state and the \$500 per principal fee proposed in the legislation would make North Carolina's fees highest in the nation, by far. [See here](#). It would also represent a 500 percent increase from the \$100 fee charged in 2013.

North Carolina is also an outlier already charging the lobbyist registration fee each time the lobbyist registers for a new client, rather than once per year per lobbyist. While most states charge a single fee per lobbyist per year, our state requires the lobbyist to pay the fee again with each client. Some of our members pay a lobbyist registration fee more than 60 times per year – once per client – but if operating in most other states would only pay one fee to register themselves annually. The repetitive nature of the way that North Carolina's lobbyist registration fees are charged combined with our fee being higher than almost any other state's individual fee makes it considerably more expensive to comply with registration requirements in our state.

While we expect many lobbyists, corporations and nonprofits would continue to register and pay the appropriate fees, our primary concern with the proposed increase is that it would act as a deterrent to lobbyist registration. Possible unintended consequences might include:

- Nonprofits with limited resources maybe less inclined to engage in North Carolina's legislative process because the registration fees associated with registering are cost prohibitive. Would the nonprofit be more likely to engage in lobbying activity without registering?
- Some lobbyists might operate in the gray area with clients before registering because of the higher fees. This would obviously reduce transparency about advocacy activity in North Carolina.
- For lobbyists who proactively register each January for clients they provide legal services for or have other affiliations with, but do not have identified lobbying needs that year, would the lobbyist skip the proactive registration because of the high fee? If so, how would legislators know who to contact when they have an issue arise involving that client? Lobbyists get these phone calls all the time and the proactive disclosure of their affiliation with a client facilitates communication between the parties. NC's lobbyist registration records are a powerful and highly utilized tool to determine relationships between principals, lobbyists and legislative issues, but the system is only as reliable as the data it is given. If there are omissions in that data due to this higher fee, the system will not be as effective.
- Would these compliance costs deter corporations from hiring North Carolina lobbyists or engaging in North Carolina's legislative process altogether? Under this proposal, a medium sized lobbying practice with two lobbyists and 26 principals would owe \$39,000 in lobbyist and principal registration fees each year. A single corporation with 5 lobbyists in North Carolina would pay \$3,000 per year in lobbyist and principal registration fees, which would represent a significant line item in corporate compliance budgets and would stand out when next to the fees they pay in other states.

Any of these examples would erode the high standards for lobbyist ethics that our state has established. NCPLA is committed to protecting those standards and encourages you to consider these hypotheticals as you evaluate any changes to the fee. We respectfully request that you reconsider the proposed increases in the budget to the current lobbyist and principal fees.

Sincerely,

John Hardin, President
Whitney Campbell Christensen, Vice President
Alex Miller, Secretary-Treasurer
Maeve Gardner, Immediate Past President
Sarah Bales, Incoming Executive Committee Member