



**NORTH CAROLINA CENTER FOR
PUBLIC POLICY RESEARCH INC.**

NEWS RELEASE

Embargoed for release on Monday, August 25, 2008:
May be broadcast Monday A.M. and may appear
in Monday newspapers. Media may request an
electronic version of the rankings booklet or the news
release by emailing samwatts@nccppr.org.

For more information,
call Ran Coble at the
N.C. Center for Public Policy
Research at (919) 832-2839.

**REAL ESTATE TRANSFER TAX AND ETHICS REFORM HELP LOBBYISTS GAIN
INFLUENCE IN NEW RANKINGS OF MOST INFLUENTIAL**

The N.C. Center for Public Policy Research released today its latest rankings of the most influential lobbyists in the state legislature. The real estate transfer tax and ethics reform were hot issues during the legislative session, and 13 of the 55 most influential lobbyists were heavily involved in those issues. The new rankings are based on surveys of all legislators, registered lobbyists based in North Carolina, and the capital news media.

"During the legislative session, the real estate transfer tax and ethics reform were topics for a lot of debate and close votes, and lobbyists on both sides of both issues gained influence," says Ran Coble, the Center's executive director. "Hot topics and heated debates often are the path to increased influence for lobbyists who can keep a cool head during a long hot summer."

Lobbyists Involved in the Real Estate Transfer Tax Debate

The budget bill (House Bill 1473) passed by the 2007 General Assembly included a provision that allowed counties to put either a real estate transfer tax or a sales tax increase on the ballot for voter approval. By July 2007, interest groups on both sides of the issues had spent more than \$750,000 on lobbying and advertising campaigns.

After the legislation was enacted, 20 local governments put the land transfer tax on the ballot for voter approval, and all 20 were defeated. Expenditures on the advertising campaigns opposing the taxes exceeded \$1.7 million. Voters in eight counties approved a one-fourth cent increase in the local sales tax.

The highest-ranked lobbyist involved in the transfer tax debate was John McMillan, who ranked 2nd and is a contract lobbyist who represented the N.C. Association of Realtors and 31 other clients. The Realtors Association opposed the real estate transfer tax. Also representing the Realtors Association were executive vice president Tim Kent and Rick Zechini, both of whom ranked among the most influential lobbyists for the first time (11th and 12th, respectively). Advocating for the local option taxes were lobbyists for the N.C. County Commissioners Association, two of whom also were ranked among the most influential. Paul Meyer and Jim Blackburn of the County Commissioners Association ranked 25th and 31st, respectively.

Ethics Reform Also Influenced Lobbyist Rankings

The scandal that toppled Jim Black from his position as the Speaker of the N.C. House also continues to echo through the halls of the General Assembly. Bob Hall, executive director of Democracy

North Carolina, saw his ranking jump from the 49th most influential lobbyist in 2005-06 to 19th in 2007-08. Democracy North Carolina filed a complaint with the State Board of Elections that initiated an investigation into Jim Black's campaign finances. Hall lobbies for reforms in laws on ethics, lobbying, and campaign finance.

Ethics troubles also caused two lobbyists to drop in the rankings of the most influential. Don Beason, who was ranked the most influential lobbyist in 2005 and had been in the top three since 1995, dropped to 35th in the latest rankings. In July 2007, evidence presented in criminal court proceedings against Speaker Jim Black revealed that Beason loaned Black \$500,000. Beason also was charged with assault by pointing a gun at a motorist in July 2007. By the start of the 2008 legislative session, Beason was no longer registered to represent any clients.

Meredith Norris, a former staff aide to Black, dropped completely out of the rankings of the most influential lobbyists after ranking 23rd in 2005-06. She was banned from lobbying after being found guilty of failing to register as a lobbyist for Scientific Games, a company that operates lotteries.

Newcomers to the Ranks of the Most Influential

Seven lobbyists entered the ranks of the most influential this time. In addition to lobbyists Tim Kent and Rick Zechini of the N.C. Association of Realtors, Billy Ray Hall, president of the N.C. Rural Economic Development Center, was ranked for the first time at 20th. He was joined by newcomers Paul Meyer of the County Commissioners Association (25th); Andy Willis, representing the University of North Carolina system (29th); Ed Turlington, an attorney and contract lobbyist representing the N.C. Cable Telecommunications Association and N.C. Technology Association, among other clients (39th); and former legislator Steve Metcalf, representing the Eastern Band of the Cherokee and Town of Boone, among other clients (47th).

A Record Number of Contract Lobbyists in the Top Echelon

There are a record 28 contract lobbyists among the 55 most influential, including nine of the Top 10. Contract lobbyists often, but not always, are attorneys who represent multiple clients. Because they have multiple clients, they need to maintain a constant presence in the legislature. Center director Coble says the rise of contract lobbyists is evidence that lobbying has become a professional, full-time job.

The three most influential lobbyists are contract lobbyists. Roger Bone at 1st is a former legislator and the only non-lawyer in the Top 10. John McMillan (2nd) is an attorney who represented the realtors, nursing homes, N.C. Symphony, and Allstate Insurance, among others. John Bode (3rd) is an attorney who represents independent insurance agents, the N.C. Hospital Association, and Progress Energy, among others. Other contract lobbyists in the Top 10 are Zebulon Alley (5th), Sandy Sands (6th), Dave Horne (7th), Jack Cozort (8th), Andy Ellen (9th), and George Teague (10th), who makes his first appearance in the Top 10.

The Revolving Door: Former Elected Officials and Agency Staffers Turn to Lobbying

Five of the 55 most influential lobbyists are former members of the General Assembly – Roger Bone (ranked 1st), Zebulon Alley (5th), Sandy Sands (6th), Chuck Neely (45th), and Steve Metcalf (47th). One top-ranked lobbyist, Rufus Edmisten (23rd), is a former Attorney General and Secretary of State in the executive branch, and two top lobbyists are former appellate judges – Franklin Freeman (4th) and Jack Cozort (8th). Paul Wilms (17th), lobbyist for the N.C. Home Builders Association, formerly headed the N.C. Division of Environmental Management.

The legislature took steps in 2005 to slow the revolving door between the General Assembly and the lobbying corps. In 2007, when a new law on lobbying took effect, North Carolina became one of 30 states that require some form of “cooling off” period between public office and becoming a lobbyist. However, North Carolina’s new law applies only to legislators. And, the new six-month waiting period here is shorter than the required “cooling off” time in all of the other 25 states that currently specify a time between legislative service and lobbying for private clients.

The only lobbyist for a state agency in the executive branch that was ranked in the Top 10 is Franklin Freeman (4th), Gov. Mike Easley’s lobbyist and one of four state agency lobbyists among the 55 most influential. The others are Andy Willis (29th), representing the UNC system; Dan Gerlach, also representing Gov. Easley (32nd); and Kevin Howell (51st), representing N.C. State University.

Why and How the Lobbyist Rankings Are Done

This is the 14th time the N.C. Center for Public Policy Research has released its rankings of lobbyists. “The rankings of the most influential lobbyists help citizens understand which key interests and organizations have clout with legislators in North Carolina,” says the Center’s Coble. “The rankings shed light on what is often an invisible process. They also show changes in the lobbying profession and illustrate which issues were the hottest,” he adds.

The Center’s lobbyist rankings are based on results from a survey conducted during December 2007 and January and February 2008. At that time, all 50 state Senators, 119 Representatives (one had resigned mid-session), 614 registered lobbyists (including the lead state agency legislative liaisons), and 12 state capital news correspondents were asked to list the 10 most influential lobbyists or state agency legislative liaisons during the 2007 session of the North Carolina General Assembly. Survey respondents received a list of all lobbyists and legislative liaisons who were registered with the Secretary of State at the end of the 2007 session.

Seventy-eight of the 119 House members (66%) responded to the Center’s survey, as did 37 of the 50 Senators (74%), 187 of the 614 lobbyists and lead legislative liaisons who regularly work in the legislature and who are based in North Carolina (30%), and six of 12 capital news correspondents (50%). The overall response rate was 39%.

At the end of the 2007 session, 813 lobbyists (up from 638 in 2005) were registered with the Secretary of State, representing 805 different companies or organizations. The Center’s calculations of the number of lobbyists count each lobbyist only once, even if they represent more than one client. The Secretary of State’s records also listed 98 legislative liaisons that represented 66 different state government agencies and licensing boards, but the Center surveys only the lead liaison for each agency or board.

The N.C. Center for Public Policy Research is an independent, nonpartisan, nonprofit research corporation created in 1977 to evaluate state government programs and to study public policy issues facing North Carolina. The Center receives general operating support from the Z. Smith Reynolds Foundation in Winston-Salem, with additional funding from nine other private foundations, 137 corporate contributors, and about 600 individual and organizational members. The Center publishes a journal called *North Carolina Insight*, a citizens’ guide to the legislature, and in-depth research reports such as a recent study of governance of the state’s public universities. The Center also has conducted studies of the future of community colleges in North Carolina, ways to prevent high school dropouts, and

ways to reduce domestic violence. Upcoming studies will examine state water policy, mental health reform, and key issues facing the state's aging population.

The new rankings of the *Most Influential Lobbyists in the N.C. General Assembly* are available from the Center for \$10. A set of three publications – including *Article II: A Guide to the N.C. Legislature* (\$25); rankings of legislators' effectiveness, attendance, and roll call voting participation (\$10); and rankings of the most influential lobbyists (\$10) – is available for \$40. To order, write the Center at P.O. Box 430, Raleigh, NC 27602, call (919) 832-2839, fax (919) 832-2847, or order by email from tbromley@nccppr.org.

* * *

For more information about the rankings of the most influential lobbyists, call Ran Coble, executive director of the N.C. Center for Public Policy Research, at (919) 832-2839.