

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 1  
Judiciary Committee Substitute Adopted 2/5/97

Short Title: Campaign Reform Act of 1997.

(Public)

Sponsors:

Referred to:

February 3, 1997

1 A BILL TO BE ENTITLED  
2 AN ACT TO REFORM THE CAMPAIGN LAWS OF NORTH CAROLINA.  
3 The General Assembly of North Carolina enacts:  
4 -LOWER THE CONTRIBUTION LIMIT AND CLOSE THE LOOPHOLES FOR  
5 PARTY CONTRIBUTIONS, FAMILY CONTRIBUTIONS, AND SECOND  
6 PRIMARIES.

7 Section 1. (a) G.S. 163-278.13 reads as rewritten:

8 "§ 163-278.13. Limitation on contributions.

9 (a) No individual or political committee shall contribute to any candidate or other  
10 political committee any money or make any other contribution in any election in excess  
11 of ~~four~~two thousand dollars (~~\$4,000~~)-(\$2,000) for that election.

12 (b) No candidate or political committee shall accept or solicit any contribution  
13 from any individual or other political committee of any money or any other contribution  
14 in any election in excess of ~~four~~two thousand dollars (~~\$4,000~~)-(\$2,000) for that election.

15 (c) Notwithstanding the provisions of subsections (a) and (b) of this section, it  
16 shall be lawful for a candidate or a candidate's ~~spouse, parents, brothers and sisters~~ spouse to  
17 make a contribution to the candidate or to the candidate's treasurer of any amount of  
18 money or to make any other contribution in any election in excess of ~~four~~two thousand  
19 dollars (~~\$4,000~~)-(\$2,000) for that election.

1 (d) For the purposes of this section, the term 'an election' means any primary,  
2 second primary, or general election in which the candidate or political committee may be  
3 involved, without regard to whether the candidate is opposed or unopposed in the ~~election.~~  
4 election, except that where a candidate is not on the ballot in a second primary, that  
5 second primary is not 'an election' with respect to that candidate.

6 (e) This section shall ~~not~~ apply to ~~any~~ national, State, district or county ~~district,~~  
7 county, precinct, or other executive committee ~~committees~~ of any political party. The  
8 limitation in this section on contributions to or from political party executive committees  
9 shall apply collectively to all executive committees of the same political party nationally  
10 or within the State. For the purposes of this section only, the term 'political party' means only  
11 those political parties officially recognized under G.S. 163-96. Contributions by political  
12 party executive committees under G.S. 163-278.42 are subject to the limitations of this  
13 section.

14 (e1) No referendum committee which received any contribution from a corporation,  
15 labor union, insurance company, business entity, or professional association may make  
16 any contribution to another referendum committee, to a candidate or to a political  
17 committee.

18 (f) Any individual, candidate, political committee, or referendum committee who  
19 violates the provisions of this section is guilty of a Class 2 misdemeanor."

20 (b) This section becomes effective January 1, 1998, and applies to all elections  
21 occurring on or after that date.

#### 22 –ELECTRONIC FILING AND PUBLIC ACCESS ON THE INTERNET.

23 Section 2. (a) G.S. 163-278.9 is amended by adding a new subsection to read:

24 "(j) Treasurers for the following entities shall file the reports required by this  
25 section electronically, according to rules which shall be promulgated by the State Board  
26 of Elections:

- 27 (1) Candidates for statewide office or the General Assembly;  
28 (2) The executive committees of political parties;  
29 (3) Political committees that make contributions to candidates for statewide  
30 office or the General Assembly or make independent expenditures that  
31 affect contests for statewide office or the General Assembly."

32 (b) The State Board of Elections shall provide access to the public of campaign  
33 finance reports over the Internet as soon as technically feasible.

34 (c) This section becomes effective January 1, 1998, and applies to all reports due  
35 on or after that date.

#### 36 –QUARTERLY AND SEMIANNUAL REPORTING.

37 Section 3. (a) G.S. 163-278.9(a) reads as rewritten:

38 "(a) The treasurer of each candidate and of each political committee shall file under  
39 verification with the Board the following reports:

- 40 (1) Organizational Report. – The appointment of the treasurer as required  
41 by G.S. 163-278.7(a), the statement of organization required by G.S.  
42 163-278.7(b), and a report of all contributions and expenditures not  
43 previously reported shall be filed with the Board no later than the tenth

1 day following the day the candidate files his notice of candidacy or the  
2 tenth day following the organization of the political committee,  
3 whichever occurs first. Any candidate whose campaign is being  
4 conducted by a political committee which is handling all contributions  
5 and expenditures for his campaign shall file a statement with the Board  
6 stating such fact at the time required herein for the organizational report.  
7 Thereafter, the candidate's political committee shall be responsible for  
8 filing all reports required by law.

9 (2) ~~Preprimary Report.~~—~~The treasurer shall file a report with the Board no~~  
10 ~~later than the tenth day preceding the primary election.~~

11 (3) ~~Postprimary Report(s).~~—~~The treasurer shall file a report with the Board~~  
12 ~~no later than the 30th day after the primary election if the candidate was~~  
13 ~~eliminated in the primary. If there is a second primary, the treasurer~~  
14 ~~shall file a report with the Board no later than the 30th day after the~~  
15 ~~second primary election if the candidate was eliminated in the second~~  
16 ~~primary.~~

17 (4) ~~Preelection Report.~~—~~The treasurer shall file a report with the Board not~~  
18 ~~later than the tenth day preceding the general election.~~

19 (5) ~~Repealed by Session Laws 1985, c. 164, s. 1.~~

20 (5a) Quarterly Reports. – During even-numbered years during which there is  
21 an election for that candidate or in which the campaign committee is  
22 supporting a candidate, the treasurer shall file a report with the Board  
23 not later than seven days after the end of each calendar quarter, covering  
24 the prior calendar quarter, except that the report for the third quarter  
25 shall also cover the period in October through the seventeenth day  
26 before the election, the third quarter report shall be due seven days after  
27 that date, and the fourth quarter report shall not include that period if a  
28 third quarter report was required to be filed.

29 (6) ~~Annual—Semiannual Reports.~~ – ~~If contributions are received or~~  
30 ~~expenditures made during a calendar year, for which no reports are~~  
31 ~~otherwise required by this Article, any and all such contributions and~~  
32 ~~expenditures shall be reported by the last Friday in January—July,~~  
33 ~~covering the period through the last day of June, and shall be reported~~  
34 ~~by the last Friday in January, covering the period through the last day of~~  
35 ~~December. of the following year."~~

36 (b) The State Board of Elections shall study the feasibility of requiring monthly  
37 reporting by campaign treasurers during even-numbered years, with weekly reports  
38 required during the month before each primary and election. The State Board shall report  
39 in writing to the General Assembly by March 1, 1998.

40 (c) Subsection (a) of this section becomes effective January 1, 1998, and  
41 applies to all financial activity occurring on or after that date. Subsection (b) of this  
42 section is effective when it becomes law.

43 –DONOR'S OCCUPATION.

1 Section 4. (a) G.S. 163-278.11(a)(1) reads as rewritten:

2 "(1) Contributions. – A list of all contributions required to be listed under  
3 G.S. 163-278.8 received by or on behalf of a candidate, political  
4 committee, or referendum committee. The statement shall list the name  
5 and complete mailing address of each contributor, the amount  
6 contributed, the occupation of the donor, and the date such contribution  
7 was received. The total sum of all contributions to date shall be plainly  
8 exhibited. Forms for required reports shall be prescribed by the Board."

9 (b) This section becomes effective February 1, 1998, and applies to all reports  
10 due on or after that date.

11 –REPORTING IN LOCAL ELECTIONS.

12 Section 5. (a) G.S. 163-278.6(1) reads as rewritten:

13 "(1) The term 'board' means the State Board of Elections with respect to all  
14 candidates for State and multi-county district offices and the county or  
15 municipal board of elections with respect to all candidates for single-  
16 county district, county and municipal offices. The term means the State  
17 Board of Elections with respect to all statewide ~~referenda~~ referenda and  
18 the county or municipal board of elections conducting all local  
19 referenda."

20 (b) G.S. 163-278.6(18) reads as rewritten:

21 "(18) The term 'public office' means any office filled by election by the people  
22 on a statewide, county, municipal or district basis, and this Article shall  
23 be applicable to such elective offices whether the election therefor is  
24 partisan or nonpartisan, provided candidates for municipal and county  
25 offices in those municipalities and counties having less than ~~50,000~~  
26 10,000 population, according to the most recent decennial census  
27 figures, shall not be required to file reports required by this Article, but  
28 this Article shall otherwise be applicable to such candidates for  
29 municipal and county offices."

30 (c) G.S. 163-278.6(18a) reads as rewritten:

31 "(18a) The term 'referendum' means any question, issue, or act referred to a  
32 vote of the people of the entire State by the General ~~Assembly~~  
33 Assembly, a unit of local government, or by the people under any  
34 applicable local act and includes constitutional amendments and State  
35 bond issues. The term 'referendum' ~~does not include~~ includes any type of  
36 municipal, county, or special district referendum."

37 (d) G.S. 163-278.40(2) reads as rewritten:

38 "(2) The term 'city' means any incorporated city, town, or village with a  
39 population of ~~50,000~~ 10,000 or over, according to the most recent  
40 decennial federal census."

41 (e) This section becomes effective January 1, 1998, and applies to elections  
42 beginning in 1998.

43 –FUND-RAISING IN SESSION.

1 Section 6. (a) G.S. 163-278.13A reads as rewritten:

2 **"§ 163-278.13A. No fund-raising from lobbyists for legislators or Council of State**  
3 **members while General Assembly is in regular session.**

4 (a) While the General Assembly is in regular session, none of the following  
5 entities may solicit or accept a contribution from, or at the behest or recommendation of,  
6 an individual registered as a lobbyist pursuant to Article 9A of Chapter 120 of the  
7 General Statutes; Statutes or a political committee that employs or contracts with or  
8 whose parent entity employs or contracts with a lobbyist pursuant to Article 9A of  
9 Chapter 120 of the General Statutes:

10 (1) A member of the Council of State; or

11 (2) A member of the General Assembly; or

12 (3) A political committee the principal purpose of which is to assist a  
13 member or members of the Council of State or General Assembly.

14 (b) While the General Assembly is in regular session, no individual registered as a  
15 lobbyist under Article 9A of Chapter 120 of the General Statutes and no political  
16 committee that employs or contracts with or whose parent entity employs or contracts  
17 with a lobbyist pursuant to Article 9A of Chapter 120 of the General Statutes may make a  
18 contribution to any of the entities listed in subdivisions (1) through (3) of subsection (a)  
19 of this section.

20 (c) This section does not apply to:

21 (1) Any contribution made to or by a State, county or congressional district  
22 executive committee of a political party; or

23 ~~(2) Any contribution made to or solicited for a political committee that~~  
24 ~~operates on a Statewide basis in conjunction with the executive~~  
25 ~~committee of a political party for the purpose of assisting that party's~~  
26 ~~candidates for Council of State or General Assembly; or~~

27 (3) Any contribution made by a member of the Council of State or General  
28 Assembly to a political committee the principal purpose of which is to  
29 assist himself; or

30 (4) Any contribution made to or any solicitation for a nonprofit  
31 organization under 26 U.S.C. § 501(c); or

32 (5) Any contribution accepted with the intent that it be used to defray legal  
33 or other expenses incurred in connection with the contesting of election  
34 results; or

35 (6) Any contribution to any of the entities listed in subdivisions (1) through  
36 (3) of subsection (a) of this section if the member of the Council of  
37 State or General Assembly has filed an official notice of candidacy with  
38 the appropriate board of elections for any elective office, provided the  
39 contribution is for the elective office for which the member has filed.

40 (d) A violation of this section is a Class 2 misdemeanor, but no individual or  
41 person shall be prosecuted under this section for accepting or making a contribution  
42 unless the State Board of Elections has notified the individual or person of the apparent  
43 violation in writing by certified mail, has given the individual or person an opportunity to

1 return or to request the return of the contribution, and, within 10 days of the receipt of the  
2 notification, the individual or person has failed to return or to request the return of the  
3 contribution.

4 (e) For purposes of this section, the General Assembly is in regular session from  
5 the date set by law or resolution that the General Assembly convenes until the General  
6 Assembly either:

7 (1) Adjourns sine die; or

8 (2) Recesses or adjourns for more than 10 days."

9 (b) This section becomes effective January 1, 1999.

10 Section 7. This act is effective when it becomes law.