

NORTH CAROLINA GENERAL ASSEMBLY  
1973 SESSION

CHAPTER 1272  
SENATE BILL 978

AN ACT TO REGULATE CONTRIBUTIONS AND EXPENDITURES IN POLITICAL  
CAMPAIGNS.

The General Assembly of North Carolina enacts:

**Section 1.** Chapter 163 of the General Statutes of North Carolina is hereby amended by inserting therein a new Article 22 A as follows:

"Article 22A.

"Regulating Contributions and Expenditures in Political Campaigns.

"§ 163-278.1. **Definitions.** — When used in this Article:

- (1) The term 'Board' means the State Board of Elections.
- (2) The term 'broadcasting station' means any commercial radio or television station or community antenna radio or television station.
- (3) The term 'business entity' means any partnership, joint venture, joint-stock company, company, firm, or any commercial or industrial establishment or enterprise.
- (4) The term 'candidate' means any individual who has filed a notice of candidacy for public office listed in G.S. 163-278.1(17) with the proper board of elections.
- (5) The term 'communications media' or 'media' means broadcasting stations, carrier current stations, newspapers, magazines, periodicals, outdoor advertising facilities, billboards, newspaper inserts, and any person or individual whose business is polling public opinion, analyzing or predicting voter behavior or voter preferences.
- (6) The terms 'contribute' or 'contribution' mean any advance, conveyance, deposit, distribution, transfer of funds, loan, payment, gift, pledge or subscription of money or anything of value whatsoever, from any person or individual, whether or not made in an election year, and any contract, agreement, promise or other obligation, whether or not legally enforceable, to make a contribution, in support of or in opposition to any candidate, political committee, or political party. These terms include, without limitation, such contributions as labor or personal services, postage, publication of campaign literature or materials, in-kind transfers, loans or use of any supplies, office machinery, vehicles, aircraft, office space, or similar or related services, goods, or personal or real property. These terms also include, without limitation, the proceeds of sale of services, campaign literature and materials, wearing apparel, tickets or admission prices to campaign events such as rallies or dinners, and the proceeds of sale of any campaign-related services or goods notwithstanding the foregoing meanings of 'contribution', the word shall not be construed to include services provided without compensation by individuals volunteering a portion or all of their time on behalf of a candidate or political committee.

- (7) The term 'corporation' means any corporation doing business in this State under either domestic or foreign charter, and includes a corporate subsidiary and any business entity in which a corporation participates or is a stockholder, a partner or a joint venturer.
- (8) The term 'election' means any general or special election, a first or second primary, a run-off election, or an election to fill a vacancy. The term 'election' shall not include any local or statewide referendum or bond election unless the act calling for such local or statewide referendum or bond election specifically states that such statewide bond election or referendum shall be covered by the terms and provisions of this Article.
- (9) The terms 'expend' or 'expenditure' mean any purchase, advance, conveyance, deposit, distribution, transfer of funds, loan, payment, gift, pledge or subscription of money or anything of value whatsoever, from any person or individual, whether or not made in an election year, and any contract, agreement, promise or other obligation, whether or not legally enforceable, to make an expenditure, in support of or in opposition to any candidate, political committee, or political party.
- (10) The term 'individual' means a single individual or more than one individual.
- (11) The term 'insurance company' means any person whose business is making or underwriting contracts of insurance, and includes mutual insurance companies, stock insurance companies, and fraternal beneficiary associations.
- (12) The term 'labor union' means any union, organization, combination or association of employees or workmen formed for the purposes of securing by united action favorable wages, improved labor conditions, better hours of labor or work-related benefits, or for handling, processing or righting grievances by employees against their employers, or for representing employees collectively or individually in dealings with their employers. The term includes any unions to which Article 10, G.S. Chapter 95 applies.
- (13) The term 'person' means any business entity, corporation, insurance company, labor union, or professional association.
- (14) The term 'political committee' means a combination of two or more individuals, or any person, committee, association, or organization, the primary or incidental purpose of which is to support or oppose any candidate or political party or to influence or attempt to influence the result of an election or which accepts contributions or makes expenditures for the purpose of influencing or attempting to influence the nomination or election of any candidate at any election. The term includes, without limitation, any political party's State, county or district executive committee.
- (15) The term 'political party' means any political party organized or operating in this State, whether or not that party is recognized under the provisions of G.S. 163-96.
- (16) The term 'professional association' means any trade association, group, organization, association, or collection of persons or individuals formed for the purposes of advancing, representing, improving, furthering or preserving the interests of persons or individuals having a common vocation, profession, calling, occupation, employment, or training.
- (17) The term 'public office' means any of the following offices filled by the voters: Governor, Lieutenant Governor, Secretary of State, State Auditor, State Treasurer, State Superintendent of Public Instruction, State Attorney General, State Commissioner of Agriculture, State Commissioner of Labor,

State Commissioner of Insurance, State Senator, State Representative, and all other State elective offices, Justice of the Supreme Court, Judge of the Court of Appeals, Judge of the Superior or District Courts, and Solicitor (District Attorney).

- (18) The term 'treasurer' means an individual appointed by a candidate or political committee as provided in G.S. 163-278.2.
- (19) The term 'political purpose' means any purpose in aid of seeking to influence an election or a political party or candidate.

**"§ 163-278.2. Appointment of political treasurers.** — (a) Each candidate and political committee shall appoint a treasurer and, under verification, report the name and address of the treasurer to the Board. A candidate may appoint himself or any other individual, including any relative except his spouse, as his treasurer, and, upon failure to file report designating a treasurer, the candidate shall be concluded to have appointed himself as treasurer and shall be required to personally fulfill the duties and responsibilities imposed upon the appointed treasurer and subject to the penalties and sanctions hereinafter provided.

(b) Each appointed treasurer shall file with the Board at the time required by G.S. 163-278.4(a)(1) a statement of organization that includes:

- (1) the name, address and purpose of the candidate or political committee;
- (2) the names, addresses, and relationships of affiliated or connected candidates, political committees, political parties, or similar organizations;
- (3) the territorial area, scope, or jurisdiction of the candidate or political committee;
- (4) the name, address, and position with the candidate or political committee of the custodian of books and accounts;
- (5) the name and party affiliation of the candidate(s) whom the committee is supporting or opposing, and the office(s) involved;
- (6) the name of the political committee or political party being supported or opposed if the committee is supporting the ticket of a particular political committee or political party;
- (7) a listing of all banks, safety deposit boxes, or other depositories used, including the names and numbers of all accounts maintained and the numbers of all such safety deposit boxes used;
- (8) the name or names and address or addresses of any assistant treasurers appointed by the treasurer. Such assistant treasurers shall be authorized to act in the name of the treasurer, who shall be fully responsible for any act or acts committed by an assistant treasurer, and the treasurer shall be fully liable for any violation of this act committed by any assistant treasurer; and
- (9) any other information which might be requested by the Board that deals with the campaign organization of the candidate.

(c) Any change in information previously submitted in a statement of organization shall be reported to the Board within a 10-day period following the change.

(d) A candidate or political committee may remove his or its treasurer. In case of the death, resignation or removal of his or its treasurer before compliance with all obligations of a treasurer under this Article, such candidate or political committee shall appoint a successor within 10 days of the vacancy of such office, and certify the name and address of the successor in the manner provided in the case of an original appointment.

**"§ 163-278.3. Detailed accounts to be kept by political treasurers.** — (a) The treasurer of each candidate and political committee shall keep detailed accounts, current within not more than seven days after the date of receiving a contribution or making an expenditure, of all contributions received and all expenditures made by or on behalf of the candidate or political committee.

(b) Accounts kept by the treasurer of a candidate or political committee or the accounts of a treasurer or political committee at any bank or other depository listed under G.S. 163-278.2(b)(7), may be inspected, before or after the election to which the accounts refer, by a member, designee, agent, attorney or employee of the Board who is making an investigation pursuant to G.S. 163-278.15.

(c) A treasurer may not accept a contribution of more than one hundred dollars (\$100.00) from a nonresident of this State unless the contribution is accompanied by a written statement setting forth the name and address of each contributor.

(d) A treasurer shall not be required to report the name of any resident of this State who makes a total contribution of fifty dollars (\$50.00) or less but he shall instead report the fact that he has received a total contribution of fifty dollars (\$50.00) or less, the amount of the contribution, and the date of receipt. If a treasurer receives contributions of fifty dollars (\$50.00) or less, each at a single event, he may account for and report the total amount received at that event, the date and place of the event, the nature of the event, and the approximate number of people at the event. With respect to the proceeds of sale of services, campaign literature and materials, wearing apparel, tickets or admission prices to campaign events such as rallies or dinners, and the proceeds of sale of any campaign-related services or goods, if the price or value received for any single service or goods exceeds fifty dollars (\$50.00), the treasurer shall account for and report the name of the individual paying for such services or goods, the amount received, and the date of receipt, but if the price or value received for any single service or item of goods does not exceed fifty dollars (\$50.00), the treasurer may report only those services or goods rendered or sold at a value that does not exceed fifty dollars (\$50.00), the nature of the services or goods, the amount received in the aggregate for the services or goods, and the date of the receipt.

(e) All expenditures for media expenses shall be made by check only. All media expenditures in any amount shall be accounted for and reported individually and separately.

(f) All expenditures for non-media expenses (except postage) of more than twenty-five dollars (\$25.00) shall be made by check only. All expenditures for non-media expenses of twenty-five dollars (\$25.00) or less may be made by check or by cash payment. All non-media expenditures of more than twenty-five dollars (\$25.00) shall be accounted for and reported individually and separately, but expenditures of less than twenty-five dollars (\$25.00) may be accounted for and reported in an aggregated amount, but in that case the treasurer shall account for and report that he made expenditures of less than twenty-five dollars (\$25.00) each, the amounts, dates, and the purposes for which made.

**"§ 163-278.4. Statements filed with Board.** — (a) The treasurer of each candidate and of each political committee shall file under verification with the Board:

- (1) Organizational report. The appointment of the treasurer as required by G.S. 163-278.2(a) and the statement of organization as required by G.S. 163-278.2(b) both shall be reported to the Board no later than the tenth day following the day on which the candidate files his notice of candidacy or the tenth day following the organization of the political committee (whichever occurs first).
- (2) Report #1 - The treasurer for each candidate shall file a report of all contributions and expenditures no later than the last day of the month in which the candidate files. The treasurer for each committee shall file a report of all contributions and expenditures no later than the tenth day following the organization of such committee, or January 31 of the year in which the primary and election is conducted, whichever is later. These reports shall include all contributions and expenditures made during the previous calendar year.

- (3) Report #2 - The treasurer shall file a report of all contributions and expenditures, not listed on the previous report, no sooner than the fifteenth day and no later than the tenth day preceding each primary or election. Each report filed under this subsection shall be current to within no more than 17 days before the primary or election to which it refers.
- (4) Report #3 - The treasurer shall file a report of all contributions and expenditures, not listed on the previous report, no later than the tenth day following each primary or election.
- (5) Report #4 - The treasurer shall file a report of all contributions and expenditures no later than September first prior to the general election which shall include all activity during the period from the filing of Report #3 and the date set forth in subsection (b), below.
- (6) Final Report - The treasurer shall file a final report, listing all contributions and expenditures not shown on the previous report, no later than the last day of the month in which the general election is conducted. If the final report fails to disclose a final accounting of all contributions and expenditures, then a supplemental final report shall also be filed no later than the tenth day of December following the general election.

(b) Reports to include inclusive dates. Except as provided in G.S. 163-278.4(a)(3), each report due pursuant to this section shall contain contributions and expenditures received and expended through and including the seventh day prior to the date on which the report is due.

(c) Candidates eliminated in primary; final report. In addition to Report #3, a final report shall be filed by the treasurer of each candidate eliminated in a primary election. Such final report shall be filed no later than 45 days following the date on which the primary was conducted.

**"§ 163-278.5. Procedure for inactive candidate or committee.** — If no contribution is received or expenditure made by or on behalf of a candidate or political committee during a period described in G.S. 163-278.4, the treasurer shall file with the Board, at the time required by G.S. 163-278.4, a statement to that effect and it shall not be required that any inactive candidate or committee so filing a report of inactivity file any additional reports required by G.S. 163-278.4 so long as the candidate or committee remains inactive.

**"§ 163-278.6. Contents of treasurer's statement of receipts and expenditures.** — (a) Statements filed pursuant to provisions of this Article shall set forth the following:

- (1) Contributions - A list of all contributions required to be listed under G.S. 163-278.3 received by or on behalf of a candidate or political committee. The statement shall list the name and complete mailing address of each contributor, the amount contributed, and the date such contribution was received. The total sum of all contributions to date shall be plainly exhibited. Forms for required reports shall be prescribed by the Board.
- (2) Expenditures - A list of all expenditures required under G.S. 163-278.3 made by or on behalf of a candidate or political committee. The statement shall list the name and complete mailing address of each payee, the amount paid, the purpose, and the date such payment was made: The total sum of all expenditures to date shall be plainly exhibited. Forms for required reports shall be prescribed by the Board.

(b) Statements shall reflect anything of value paid for or contributed by any person or individual, both as a contribution and expenditure.

**"§ 163-278.7. Contributions and expenditures by an individual other than a candidate.** — Subject to G.S. 163-278.9(e) and 163-278.8, it shall be permissible for an individual other than a candidate to make contributions or expenditures in support of, or in opposition to, any candidate or political committee other than by contribution to a candidate or political

committee. In the event an individual makes contributions or expenditures, other than by contribution to a candidate or political committee, in excess of one hundred dollars (\$100.00), then, within 10 days after making such a contribution or expenditure, he shall file a statement of such contribution or expenditure with the Board in accordance with the terms and conditions of G.S. 163-278.6.

**"§ 163-278.7A. Limitation on contributions.** — (a) No individual or political committee shall contribute to any candidate or other political committee any money or make any other contribution in any election in excess of three thousand dollars (\$3,000) for that election.

(b) No candidate or political committee shall accept or solicit any contribution from any individual or other political committee of any money or any other contribution in any election in excess of three thousand dollars (\$3,000) for that election.

(c) Notwithstanding the provisions of subsections (a) and (b) of this section, it shall be lawful for a candidate or a candidate's spouse, parents, brothers and sisters to make a contribution to the candidate or to the candidate's treasurer of any amount of money or to make any other contribution in any election in excess of three thousand dollars (\$3,000) for that election.

(d) For the purposes of this section, the term 'an election' means any primary, second primary, or general election in which the candidate or political committee may be involved, without regard to whether the candidate is opposed or unopposed in the election.

(e) This section shall not apply to any State, district or county executive committee of any political party. For the purposes of this section only, the term 'political party' means only those political parties officially recognized under G.S. 163-96.

(f) Any individual, candidate or political committee who violates the provisions of this section is guilty of a misdemeanor and shall be fined not more than one thousand dollars (\$1,000), or imprisoned for not more than one year, or be both fined and imprisoned.

**"§ 163-278.8. No contributions in names of others; no anonymous contributions; contributions in excess of one hundred dollars (\$100.00).** — (a) No candidate, political committee, political party, or treasurer shall knowingly accept any contribution made by any individual or person in the name of another individual or person or made anonymously except as provided in G.S. 163-278.3(d). If a candidate, political committee, political party, or treasurer receives any such contributions, he shall pay the money over to the Board, by check, and all such monies received by the Board shall be deposited in the General Fund of the State of North Carolina.

(b) No individual or person shall give, and no candidate, committee or treasurer shall accept, any monetary contribution in excess of one hundred dollars (\$100.00) unless such contribution be in the form of a check, draft, or money order.

**"§ 163-278.8A. No acceptance of contributions made by corporations, foreign and domestic.** — No candidate, political committee, political party, or treasurer shall accept any contribution made by any corporation, foreign or domestic, regardless of whether such corporation does business in the State of North Carolina.

**"§ 163-278.9. Regulations regarding contributions, expenditures and media advertising.** — (a) Except as provided in G.S. 163-278.7, no contribution may be received or expenditure made by or on behalf of a candidate or political committee:

(1) Until the candidate or political committee appoints a treasurer and certifies the name and address of the treasurer to the Board; and

(2) Unless the contribution is received or the expenditure made by or through the treasurer of the candidate or political committee.

(b) No advertisement of any kind may be made by a candidate or political committee in the case of the media unless it bears the legend

'By authority of \_\_\_\_\_ (name of treasurer),  
Treasurer for \_\_\_\_\_ (name of candidate)

or campaign committee); or

(c) No advertisement of any kind may be made by a candidate or political committee over any broadcasting station unless it includes the statement

'By authority of \_\_\_\_\_ (name of treasurer), Treasurer for \_\_\_\_\_ (name of candidate or campaign committee).'

(d) Notwithstanding the provisions contained in (b) and (c) of this section, a candidate may personally purchase an advertisement from any media or broadcasting station, and in that event it shall bear the legend or contain the statement

'Paid for by \_\_\_\_\_ (name of candidate).'

(e) If an individual other than a candidate purchases an advertisement from any media or broadcasting station for or in support of or in opposition to any candidate, political committee or political party, the individual's advertisement shall include the statement or bear the legend

'Paid for by \_\_\_\_\_ (name of individual).'

**"§ 163-278.10. Statements of media receiving campaign expenditures.** — (a) Each media shall file a report with the Board at the times set forth in G.S. 163-278.4(a)(3), (4), (5), and (6). Each report shall list: 1. The name and address of each candidate, treasurer or individual making or authorizing an expenditure for media purposes; 2. The candidate, political committee or political party on whose behalf the expenditure was made or authorized and the political office(s) with respect to which the candidate, treasurer or individual made the expenditure; and 3. With respect to each candidate, treasurer or individual making or authorizing an expenditure, the amount and date of each expenditure and the total amount of all expenditures from each candidate, treasurer or individual,(b) Each media shall require written authority for each expenditure from each candidate, treasurer or individual making or authorizing an expenditure.

**"§ 163-278.11. Normal commercial charges for political advertising.** — No media and no supplier of materials or services shall charge or require a candidate, treasurer, political party, or individual to pay a charge for advertising, materials, space, or services purchased for or in support of or in opposition to any candidate, political committee, or political party that is higher than the normal charge it requires other customers to pay for comparable advertising, materials, space, or services purchased for other purposes.

**"§ 163-278.12. Violations by corporations, business entities, labor unions, professional associations and insurance companies.** — (a) Except as provided in G.S. 163-278. 12(b), it shall be unlawful for any corporation, business entity, labor union, professional association or insurance company directly or indirectly: (1) to make any contribution or expenditure (except a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business) in aid or in behalf of or in opposition to any candidate or political committee in any election or for any political purpose whatsoever; (2) to pay or use or offer, consent or agree to pay or use any of its money or property for or in aid of or in opposition to any candidate or political committee or for or in aid of any person, organization or association organized or maintained for political purposes, or for or in aid of or in opposition to any candidate or political committee or for any political purpose whatsoever; and (3) to reimburse or indemnify any person or individual for money or property so used or for any contribution or expenditure so made; and it shall be unlawful for any officer, director, stockholder, attorney, agent or member of any corporation, business entity, labor union, professional association or insurance company to aid, abet, advise or consent to any such contribution or expenditure, or for any person or individual to solicit or knowingly receive any such contribution or expenditure. Any officer, director, stockholder, attorney, agent or member of any corporation, business entity, labor union, professional association or insurance company aiding or abetting in any contribution or expenditure made in violation of this section shall be guilty of a misdemeanor as hereinafter set out, and shall in addition be liable to such corporation, business entity, labor union, professional association or insurance company for the

amount of such contribution or expenditure, and the same may be recovered of him upon suit by any stockholder or member thereof.

(b) It shall, however, be lawful for any corporation, business entity, labor union, professional association or insurance company to communicate with its employees, stockholders or members and their families on any subject; to conduct non-partisan registration and get-out-the-vote campaigns aimed at their employees, stockholders, or members and their families; or for officials and employees of any corporation, insurance company or business entity or the officials and members of any labor union or professional association to establish, administer, contribute to, and to receive and solicit contributions to a separate segregated fund to be utilized for political purposes, except as provided in G.S. 163-278.13, and those individuals shall be deemed to become and be a political committee as that term is defined in G.S. 163-278.1(14); provided, however, that it shall be unlawful for any such fund to make a contribution or expenditure by utilizing contributions secured by physical force, job discrimination, financial reprisals or the threat of force, job discrimination or financial reprisals, or by dues, fees, or other monies required as a condition of membership or employment or as a requirement with respect to any terms or conditions of employment, including, without limitation, hiring, firing, transferring, promoting, demoting, or granting seniority or employment related benefits of any kind, or by monies obtained in any commercial transaction whatsoever.

(c) A violation of this section shall be punishable by a fine of not less than one hundred dollars (\$100.00) nor more than five thousand dollars (\$5,000), or imprisonment of not more than one year, or by both fine and imprisonment. In addition, the acceptance of any contribution, expenditure, payment, reimbursement, indemnification, or anything of value under subsection (a) shall be unlawful and the defendant shall be subject to the same punishment as set forth in this subsection.

**"§ 163-278.13. Disclosure before soliciting contributions.** — (a) It shall be unlawful for one or more individuals acting in concert, or for any group, committee, club or organization, of any type or nature, of two or more individuals, to solicit, attempt to solicit, or receive contributions for the purpose of supporting a candidate, political committee, or political party without first clearly advising those solicited as follows:

- (1) The name of the candidate(s) for whom the contribution will be used; or
- (2) The name of the political committee or party for which the funds will be used; or
- (3) That a decision will be reached later as to the candidate(s), political committee(s), or political party(ies) to be supported and that the contributions solicited will be expended in a manner and for a purpose to be determined at a future date but no later than 20 days prior to the pending primary or general election.

(b) A violation of this section shall be punishable by a fine not less than one hundred dollars (\$100.00) nor more than five thousand dollars (\$5,000), or imprisonment of not more than one year, or by both fine and imprisonment.

**"§ 163-278.14. Promulgation of policy and administration through Board.** — The Board shall have responsibility, and adequate staff and facilities, for promulgating all necessary regulations and the administration of this Article.

The Board may empower the Executive Secretary-Director with responsibility for the administrative operations required to effect this Article and may delegate or assign to him such other duties from time to time by regulations or orders of the Board. However, the Board shall not delegate the making of regulations to the Executive Secretary -Director or other staff personnel.

**"§ 163-278.15. Duties of Board.** — It shall be the duty and power of the Board:

- (1) To prescribe forms of statements and other information required to be filed by this Article, to furnish such forms to the county boards of elections and individuals, media or others required to file such statements and information, and to prepare, publish and distribute or cause to be distributed to all candidates at the time they file notices of candidacy a manual setting forth the provisions of this Article and a prescribed uniform system for accounts required to file statements by this Article;
- (2) To accept and file any information voluntarily supplied that exceeds the requirements of this Article;
- (3) To develop a filing, coding, and cross- indexing system consonant with the purposes of this Article;
- (4) To make statements and other information filed with it available to the public at a charge not to exceed actual cost of copying;
- (5) To preserve such statements and other information for a period of five years from date of receipt;
- (6) To prepare and publish such reports as it may deem appropriate;
- (7) To make investigations to the extent the Board deems necessary with respect to statements filed under the provisions of this Article and with respect to alleged failures to file any statement required under the provisions of this Article, and, upon complaint under oath by any registered voter, with respect to alleged violations of any part of this Article; and
- (8) After investigation, to report apparent violations by candidates, political committees, individuals or persons to the proper solicitor (district attorney) as provided in G.S. 163-278.20.

**"§ 163-278.16. Duties of Executive Secretary-Director of Board.** — The Executive Secretary-Director of the Board shall inspect or cause to be inspected each statement filed with the Board under this Article within 10 days after the date it is filed. He shall immediately notify any individual, candidate, treasurer, political committee, or media required to file a statement under this Article if: (1) It appears that the individual, candidate, treasurer, political committee or media has failed to file a statement as required by law or that a statement filed does not conform to this Article; or (2) A written complaint is filed under oath with the Board by any registered voter of this State alleging that a statement filed with the Board does not conform to this Article or to the truth or that an individual, candidate, treasurer, political committee or media has failed to file a statement required by this Article.

**"§ 163-278.17. Statements examined within three months.** — Within three months after the date of each election, the Executive Secretary-Director shall examine or cause to be examined each statement filed with the Board under this Article, and, referring to the election, determine whether the statement conforms to law and to the truth. Such examination shall include a comparison of reports and statements submitted by a treasurer and those required from media pursuant to G.S. 163-278.10.

**"§ 163-278.18. Issuance of declaration of nomination or certificate of election.** — No declaration of nomination and no certificate of election shall be granted to any candidate until the candidate or his treasurer has filed the statements referring to the election he is required to file under this Article. Within 24 hours after reaching a decision that a declaration of nomination or certificate of election should not be granted, the Board shall give written notice of that decision, by telegraph or certified mail, to the candidate and the candidate's treasurer. Failure to grant certification shall not affect a successful candidate's title to an office to which he has been otherwise duly elected.

**"§ 163-278.19. Appeals from State Board of Elections; early docketing.** — Any candidate for nomination or election who is denied a declaration of nomination or certificate of election, pursuant to G.S. 163-278.18, may, within five days after the action of the Board under that

section, appeal to the Superior Court of Wake County for a final determination of any questions of law or fact which may be involved in the Board's action. The cause shall be entitled 'In the Matter of the Candidacy of \_\_\_\_\_' It shall be placed on the civil docket of that court and shall have precedence over all other civil actions. In the event of an appeal, the Chairman of the Board shall certify the record to the clerk of that court within five days after the appeal is noted.

The record on appeal shall consist of all reports filed by the candidate or his treasurer with the Board pursuant to this Article, and a memorandum of the Board setting forth with particularity the reasons for its action in denying the candidate a declaration of nomination or certificate of election. Written notice of the appeal shall be given to the Board by the candidate or his attorney, and may be effected by mail or personal delivery. On appeal, the cause shall be heard de novo.

**"§ 163-278.20. Penalty for violations; duty to report and prosecute.** — (a) Any individual, candidate, political committee, treasurer, person or media who violates the provisions of G.S. 163-278.2, 163-278.3, -278.4, -278.5, -278.6, - 278.7, -278.8, -278.9, -278.10, or -278.11, is guilty of a misdemeanor and shall be fined not more than one thousand dollars (\$1,000) if an individual, and not more than five thousand dollars (\$5,000) if a person other than an individual, or imprisoned for not more than one year, or be both fined and imprisoned.

(b) Whenever the Board has knowledge of or has reason to believe there has been a violation of any section of this Article, it shall report that fact, together with accompanying details, to the following prosecuting authorities:

- (1) in the case of a candidate for nomination or election to the State Senate or State House of Representatives: report to the solicitor (district attorney) of the solicitorial district in which the candidate for nomination or election resides;
- (2) in the case of a candidate for nomination or election to the office of Governor, Lieutenant Governor, Secretary of State, State Auditor, State Treasurer, State Superintendent of Public Instruction, State Attorney General, State Commissioner of Agriculture, State Commissioner of Labor, State Commissioner of Insurance, and all other State elective offices, Justice of the Supreme Court, Judge of the Court of Appeals, Judge of a Superior Court, Judge of a District Court, and solicitor (district attorney) of the Superior Court: report to the solicitor (district attorney) of the solicitorial district in which Wake County is located;
- (3) in the case of an individual other than a candidate, including, without limitation, violations by members of political committees or treasurers: report to the solicitor (district attorney) of the solicitorial district in which the individual resides; and
- (4) in the case of a person or any group of individuals: report to the solicitor (district attorney) or solicitors (district attorneys) the solicitorial district or districts in which any of the officers, directors, agents, employees or members of the person or group reside.

(c) Upon receipt of such a report from the Board, the appropriate solicitor (district attorney) shall prosecute the individual or persons alleged to have violated a section or sections of this Article.

**"§ 163-278.21. Issuance of injunctions; special prosecutors named.** — (a) The superior courts of this State shall have jurisdiction to issue injunctions or grant any other equitable relief appropriate to enforce the provisions of this Article upon application by any registered voter of the State.

(b) If the Board makes a report to a solicitor (district attorney) under G.S. 163-278.20 and no prosecution is initiated within 45 days after the report is made, any registered voter of the solicitorial district to whose solicitor (district attorney) a report has been made, or any board

of elections in that district, may, by verified affidavit, petition the superior court for that district for the appointment of a special prosecutor to prosecute the individuals or persons who have or who are believed to have violated any section of this Article. Upon receipt of a petition for the appointment of a special prosecutor, the superior court shall issue an order to show cause, directed at the individuals or persons alleged in the petition to be in violation of this Article, why a special prosecutor should not be appointed. If there is no answer to the order, the court shall appoint a special prosecutor. If there is an answer, the court shall hold a hearing on the order, at which both the petitioning and answering parties may be heard, to determine whether a prima facie case of a violation and failure to prosecute exists. If there is such a prima facie case, the court shall so find and shall thereupon appoint a special prosecutor to prosecute the alleged violators. The special prosecutor shall take the oath required of assistant solicitors (district attorneys) by G.S. 7A-63, shall serve as an assistant solicitor (district attorney) pro tern of the appropriate district, and shall prosecute the alleged violators.

**"§ 163-278.22. Compelling self-incriminating testimony; individual so testifying excused from prosecution.** — No individual shall be excused from attending or testifying or producing any books, papers, or other documents before any court upon any proceeding or trial of another for the violation of any of the provisions of this Article, upon the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him, but such individual may be subpoenaed and required to testify by and for the State relative to any offense arising under the provisions of this Article; but such individual shall not be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter or thing concerning which he may be compelled to testify or produce evidence, documentary or otherwise, and no compelled testimony so given or produced shall be used against him upon any criminal proceeding, but such individual so compelled to testify with respect to any acts of his own shall be immune from prosecution on account thereof.

**"§ 163-278.23. Candidates for federal offices to file information reports.** — Candidates for nomination in a party primary or for election in a general or special election to the offices of United States Senator, member of the United States House of Representatives, President or Vice President of the United States shall file with the Board all reports they or political committee treasurers or other agents acting for them are required to file under the Federal Election Campaign Act of 1971, P. L. 92-225, as amended (T. 2, U.S.C. sec. 439). Those reports shall be filed with the Board at the times required by that act. The Board shall, with respect to those reports, have the following duties only:

- (1) to receive and maintain in an orderly manner all reports and statements required to be filed with it;
- (2) to preserve such reports and statements for a period of five years from date of receipt, except that reports and statements relating solely to candidates for the offices of United States Senator or President or Vice President of the United States shall be preserved for 10 years from the date of receipt;
- (3) to make the reports and statements filed with it available for public inspection and copying during regular office hours, commencing as soon as practicable but not later than the end of the day during which they were received, and to permit copying of any such report or statement by hand or by duplicating machine, requested by any individual, at the expense of such individual; and
- (4) to compile and maintain a current list of all statements or parts of statements pertaining to each candidate.

**"§ 163-278.24. Statements under oath.** — Any statement required to be filed under this Article shall be signed and certified as true and correct by the individual, media, candidate, treasurer or others required to file it, and shall be verified by the oath or affirmation of the individual, media, candidate, treasurer or others filing the statement, taken before any officer

authorized to administer oaths; provided further that the candidate shall certify as true and correct to the best of his knowledge each report filed by a treasurer appointed by him or by his principal campaign committee.

"§ 163-278.25. **Filings.** — All reports, statements or other documents required by this Article to be filed with the Board shall be filed either by manual delivery or by registered mail, return receipt requested, addressed to the Board. Filing shall be complete on the day the reports, statements or other documents are delivered to the Board.

"§ 163-278.25A. **Limitation on media expenses in certain statewide races.** — No political treasurers shall make or authorize any expenditure that will cause the total amount expended for media as defined in G.S. 163-278.1 to exceed ten cents (10¢) multiplied by the voting age population of North Carolina, estimated for that election by the U. S. Department of Commerce and published in the Federal Register. For the purpose of this subsection the first primary, the second primary, and general election shall be deemed separate elections or election time segments whether or not the candidate has opposition in the respective elections.

This subsection shall apply only to the following officers: Governor, Lieutenant Governor, and Council of State. Any political treasurer who violates this subsection shall be guilty of a misdemeanor and shall be fined not more than five thousand dollars (\$5,000) or imprisoned for not more than one year, or both.

"§ 163-278.26. **Preservation of records.** — All reports, records and accounts required by this Article to be made, kept, filed, or maintained by any individual, media, candidate or treasurer shall be preserved and retained by the individual, media, candidate or treasurer for at least two years counting from the date of the election to which such reports, records and accounts refer." Sec. 2. Partial invalidity. If any provision of this Article, or the application thereof to any individual, person or circumstances is held invalid, the validity of the remainder of this Article and the application of such provisions to other individuals, persons and circumstances shall not be affected thereby.

**Sec. 3.** Article 22 of Chapter 163 of the General Statutes shall not be applicable to any of the offices covered by this act.

**Sec. 4.** A new section is added to General Statutes Chapter 163 to read as follows:

"§ 163-26. **Executive Secretary-Director of State Board of Elections.** — There is hereby created the position of Executive Secretary-Director of the State Board of Elections, who shall perform all duties imposed upon him by statute and such duties as might be assigned to him by the State Board of Election."

**Sec. 5.** This act shall become effective July 1, 1974, and the first report required under this act shall be filed no later than September 1, 1974, prior to the November, 1974, General Election, and shall include all contributions received and all expenditures made commencing with the period 10 days following the 1974 primary elections.

In the General Assembly read three times and ratified, this the 11th day of April, 1974.