

GENERAL ASSEMBLY OF NORTH CAROLINA
1997 SESSION

SESSION LAW 1997-515
SENATE BILL 1

AN ACT TO CHANGE THE FILING SCHEDULE OF CAMPAIGN REPORTS; TO REQUIRE THE LISTING OF A CONTRIBUTOR'S PRINCIPAL OCCUPATION AND TO PROVIDE FOR A "BEST EFFORTS" RULE; TO REQUIRE THAT COORDINATED PARTY EXPENDITURES BE REPORTED; TO EXPAND REPORTING IN LOCAL ELECTIONS AND REFERENDA AND TO SET A THREE THOUSAND DOLLAR THRESHOLD FOR REPORTING GENERALLY; TO REQUIRE ELECTRONIC FILING OF CERTAIN CAMPAIGN REPORTS AND INTERNET ACCESS; TO PROVIDE FOR CIVIL PENALTIES FOR LATE FILING OF CAMPAIGN REPORTS; TO CLOSE THE SECOND PRIMARY LOOPHOLE FOR CONTRIBUTION LIMITS; TO REWRITE AND EXPAND THE LIMITS ON FUND-RAISING DURING LEGISLATIVE SESSIONS; TO CHANGE THE METHOD FOR DISTRIBUTING MONEY FROM THE POLITICAL PARTIES FINANCING FUND; TO REQUIRE THE DISCLOSURE OF SPENDING FOR MATERIAL THAT NAMES CANDIDATES; TO DISCLOSE THE FLOW OF MONEY THROUGH NORTH CAROLINA AND NATIONAL POLITICAL ORGANIZATIONS; TO PROHIBIT A DECLARED COUNCIL OF STATE CANDIDATE FROM USING STATE FUNDS FOR ADS AND ANNOUNCEMENTS CONTAINING THE CANDIDATE'S NAME, PICTURE, OR VOICE DURING THE CALENDAR YEAR PRECEDING AN ELECTION; AND TO REQUIRE 12-POINT DISCLAIMERS IN OPPOSITION PRINT ADS.

The General Assembly of North Carolina enacts:

-- QUARTERLY AND SEMIANNUAL REPORTING.

Section 1. (a) G.S. 163-278.9(a) reads as rewritten:

"(a) ~~The~~ Except as provided in G.S. 163-278.10A, the treasurer of each candidate and of each political committee shall file under verification with the Board the following reports:

- (1) Organizational Report. -- The appointment of the treasurer as required by G.S. 163-278.7(a), the statement of organization required by G.S. 163-278.7(b), and a report of all contributions and expenditures not previously reported shall be filed with the Board no later than the tenth day following the day the candidate files ~~his~~ notice of candidacy or the tenth day following the organization of the political committee,

whichever occurs first. Any candidate whose campaign is being conducted by a political committee which is handling all contributions and expenditures for his campaign shall file a statement with the Board stating such fact at the time required herein for the organizational report. Thereafter, the candidate's political committee shall be responsible for filing all reports required by law.

- (2) Preprimary Report. -- The treasurer shall file a report with the Board no later than the tenth day preceding the primary election. A candidate who is not on the ballot in the primary and who has filed a first quarter report pursuant to subdivision (5a) of this subsection shall not be required to file a separate preprimary report under this subdivision.
- (3) ~~Postprimary Report(s).~~— ~~The treasurer shall file a report with the Board no later than the 30th day after the primary election if the candidate was eliminated in the primary. If there is a second primary, the treasurer shall file a report with the Board no later than the 30th day after the second primary election if the candidate was eliminated in the second primary.~~
- (4) ~~Preelection Report.~~— ~~The treasurer shall file a report with the Board not later than the tenth day preceding the general election.~~
- (5) ~~Repealed by Session Laws 1985, c. 164, s. 1.~~
- (5a) Quarterly Reports. -- During even-numbered years during which there is an election for that candidate or in which the campaign committee is supporting a candidate, the treasurer shall file a report by mailing or otherwise delivering it to the Board no later than seven working days after the end of each calendar quarter covering the prior calendar quarter, except that the report for the third quarter shall also cover the period in October through the seventeenth day before the election, the third quarter report shall be due seven days after that date, and the fourth quarter report shall not include that period if a third quarter report was required to be filed.
- (6) ~~Annual—Semiannual Reports.~~ -- If contributions are received or expenditures made during a calendar year, for which no reports are otherwise required by this Article, any and all such contributions and expenditures shall be reported by the last Friday in January—July, covering the period through the last day of June, and shall be reported by the last Friday in January, covering the period through the last day of December. of the following year."

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

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

--DONOR'S PRINCIPAL OCCUPATION; BEST EFFORTS RULE.

Section 2. (a) G.S. 163-278.11(a)(1) reads as rewritten:

"(1) Contributions. -- A list of all contributions required to be listed under G.S. 163-278.8 received by or on behalf of a candidate, political committee, or referendum committee. The statement shall list the name and complete mailing address of each contributor, the amount contributed, the principal occupation of the contributor, 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. As used in this section, 'principal occupation of the contributor' means the contributor's:

a. Job title or profession; and

b. Employer's name or employer's specific field of business activity.

The State Board of Elections shall prepare a schedule of specific fields of business activity, adapting or modifying as it deems suitable the business activity classifications of the Internal Revenue Code or other relevant classification schedules. In reporting a contributor's specific field of business activity, the treasurer shall use the classification schedule prepared by the State Board."

(b) G.S. 163-278.11 is amended by adding a new subsection to read:

"(c) Best Efforts. -- When a treasurer shows that best efforts have been used to obtain, maintain, and submit the information required by this Article for the candidate or political committee, any report of that candidate or committee shall be considered in compliance with this Article. The State Board of Elections shall promulgate rules that specify what are 'best efforts' for purposes of this Article, adapting as it deems suitable the provisions of 11 C.F.R. § 104.7. The rules shall include the provision that if the treasurer, after complying with the rules, does not know the occupation of the contributor, it shall suffice for the treasurer to report 'unable to obtain'."

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

-- REPORTING OF COORDINATED EXPENDITURES.

Section 3. (a) G.S. 163-278.11(b) reads as rewritten:

"(b) Statements shall reflect anything of value paid for or contributed by any person or individual, both as a contribution and expenditure. A political party executive committee that makes an expenditure that benefits a candidate or group of candidates shall report the expenditure, including the date, amount, and purpose of the expenditure and the name of and office sought by the candidate or candidates on whose behalf the expenditure was made. A candidate who benefits from the expenditure shall report the expenditure or the proportionate share of the expenditure from which the candidate

benefitted as an in-kind contribution if the candidate or the candidate's committee has coordinated with the political party executive committee concerning the expenditure."

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

-- EXPANDED REPORTING IN LOCAL ELECTIONS AND REFERENDA; \$3,000 THRESHOLD FOR ALL REPORTING.

Section 4. (a) G.S. 163-278.6(1) reads as rewritten:

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

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

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

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

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

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

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

(d1) G.S. 163-278.9(d) reads as rewritten:

"(d) Candidates and committees for municipal offices ~~in a city with a population of 50,000 or greater, which are required to submit reports by G.S. 163-278.6(18)~~ are not subject to subsections (a), (b) and (c) of this section. Reports for those candidates and committees are covered by Part 2 of this Article."

(e) G.S. 163-278.10A reads as rewritten:

"§ 163-278.10A. Threshold of ~~\$1,000.00~~ \$3,000 for Financial Reports.

(a) Notwithstanding any other provision of this Chapter, a candidate shall be exempted from the reports of contributions, loans, and expenditures required in G.S. 163-278.9(a), 163-278.40B, 163-278.40C, 163-278.40D, and 163-278.40E if to further his campaign that candidate:

- (1) Does not receive more than ~~one-thousand~~ three thousand dollars ~~(\$1,000.00)~~ (\$3,000) in contributions, and
- (2) Does not receive more than ~~one-thousand~~ three thousand dollars ~~(\$1,000.00)~~ (\$3,000) in loans, and
- (3) Does not spend more than ~~one-thousand~~ three thousand dollars ~~(\$1,000.00)~~ (\$3,000).

To qualify for the exemption from those reports, the candidate's treasurer shall file a certification under oath that he does not intend to receive in contributions or loans or expend more than ~~one-thousand~~ three thousand dollars ~~(\$1,000.00)~~ (\$3,000) to further his campaign. The certification shall be filed with the Board at the same time the candidate files his Organizational Report as required in G.S. 163-278.7, G.S. 163-278.9, and G.S. 163-278.40A. If the candidate's campaign is being conducted by a political committee which is handling all contributions, loans, and expenditures for his campaign, the treasurer of the political committee shall file a certification of intent to stay within the threshold amount. If the intent to stay within the threshold changes, or if the ~~\$1,000~~ three thousand dollar (\$3,000) threshold is exceeded, the treasurer shall immediately notify the Board and shall be responsible for filing all reports required in G.S. 163-278.9 and 163-278.40B, 163-278.40C, 163-278.40D, and 163-278.40E; provided that any contribution, loan, or expenditure which would have been required to be reported on an earlier report but for this section shall be included on the next report required after the intent changes or the threshold is exceeded.

(b) The exemption in subsection (a) of this section applies to political party committees under the same terms as for candidates, except that the term 'to further his campaign' does not relate to a political party committee's exemption, and all contributions, expenditures, and loans during an election shall be counted against the political party committee's threshold amount."

(f) This section applies to primaries, elections, and referenda beginning in 1998.
-- ELECTRONIC REPORTING.

Section 5. (a) G.S. 163-278.9 is amended by adding a new subsection to read:

"(j) Treasurers for the following entities shall electronically file each report required by this section that shows in excess of five thousand dollars (\$5,000) in contributions, in expenditures, or in loans, according to rules adopted by the State Board of Elections:

- (1) A candidate for statewide office;
- (2) A State, district, county, or precinct executive committee of a political party, if the committee makes contributions or independent expenditures in excess of five thousand dollars (\$5,000) that affect contests for statewide office;

- (3) A political committee that makes contributions in excess of five thousand dollars (\$5,000) to candidates for statewide office or makes independent expenditures in excess of five thousand dollars (\$5,000) that affect contests for statewide office.

The State Board of Elections shall provide the software necessary to file an electronic report to a treasurer required to file an electronic report at no cost to the treasurer."

- (b) This section applies to reports to be filed during or after 1998.

-- INTERNET ACCESS.

Section 6. The State Board of Elections shall provide full access to the public of campaign finance reports over the Internet as soon as technically feasible.

-- CIVIL PENALTIES FOR LATE FILING.

Section 7. (a) G.S. 163-278.34 reads as rewritten:

"§ 163-278.34. Filings; penalty for late filings.

(a) All Except as provided in G.S. 163-278.9, all reports, statements or other documents required by this Article to be filed with the Board shall be filed either by manual delivery to or by certified or registered mail addressed to the Board. Timely filing shall be complete if postmarked on the day the reports, statements or other documents are to be delivered to the Board. If a report, statement or other document is not filed within the time required by this Article, then the individual, person, media, candidate, political committee, referendum committee or treasurer responsible for filing shall pay to the State Board of Elections election enforcement costs and a civil late penalty of twenty dollars (\$20.00) per day for each day the filing is late not to exceed five days, as follows:

- (1) Two hundred fifty dollars (\$250.00) per day for each day the filing is late for a report that affects statewide elections, not to exceed a total of ten thousand dollars (\$10,000); and
- (2) Fifty dollars (\$50.00) per day for each day the filing is late for a report that affects only nonstatewide elections, not to exceed a total of five hundred dollars (\$500.00).

The State Board shall immediately notify, or cause to be notified, late filers, from which reports are apparently due, by registered or certified mail, return receipt requested, of the penalties under this section. If the penalty has not been paid to or the report has not been filed with the Board within five days after receipt of the notification, then the Board shall report the late filing or failure to file to the appropriate district attorney who shall indict and prosecute the offender as required in G.S. 163-278.27. No criminal penalty shall be imposed if the penalty required by this section is paid and the delinquent report is filed within five days after notification by the Board.

(a1) The State Board shall calculate and assess the amount of the civil penalty due under subsection (a) of this section and shall notify the person who is assessed the civil penalty of the amount. The notice of assessment shall be served by any means authorized under G.S. 1A-1, Rule 4, and shall direct the violator either to pay the assessment or to contest the assessment within 30 days by filing a petition for a contested case under Article 3 of Chapter 150B of the General Statutes. If a violator

does not pay a civil penalty assessed by the Board within 30 days after it is due, the Board shall request the Attorney General to institute a civil action to recover the amount of the assessment. The civil action may be brought in the superior court of any county where the report was due to be filed or any county where the violator resides or maintains an office. A civil action must be filed within three years of the date the assessment was due. An assessment that is not contested is due when the violator is served with a notice of assessment. An assessment that is contested is due at the conclusion of the administrative and judicial review of the assessment. Consistent with G.S. 115C-437, the State Controller shall pay the clear proceeds of civil penalties collected under this section to the County School Fund in the county in which the person charged with the violation resides. The State Controller shall reduce the monies collected by the enforcement costs and the collection costs to determine the clear proceeds payable to the County School Fund. Monies set aside for the costs of enforcement and the costs of collection shall be credited to accounts of the State Board of Elections.

~~(b) When a report, statement or other document, required by this Article is not apparently due (i.e., media, inactive candidate, individual, no organizational report filed, supplementary final report or annual report), the Board shall notify, as set forth above, the person or persons responsible for filing if information is presented indicating that the report, statement, or other document was in fact due. No criminal penalties shall be imposed if the late penalty is paid and the delinquent report is filed within five days after notification. The State Board of Elections may waive a late penalty if it determines there is reasonable cause."~~

(b) G.S. 163-278.6 is amended by adding a new subdivision to read:

"(7a) The term 'costs of collection' means monies spent by the State Board of Elections in the collection of the penalties levied under this Article to the extent the costs do not constitute more than fifty percent (50%) of the civil penalty. The costs are presumed to be ten percent (10%) of the civil penalty unless otherwise determined by the State Board of Elections based on the records of expenses incurred by the State Board of Elections for its collection procedures."

(c) G.S. 163-278.6 is amended by adding a new subdivision to read:

"(7b) The term 'day' means calendar day."

(d) G.S. 163-278.6 is amended by adding a new subdivision to read:

"(8a) The term 'enforcement costs' means salaries, overhead, and other monies spent by the State Board of Elections in the enforcement of the penalties provisions of this Article, including the costs of investigators, attorneys, travel costs for State Board employees and its attorneys, to the extent the costs do not constitute more than fifty percent (50%) of the sum levied for the enforcement costs and civil late penalty."

(e) G.S. 163-278.22 is amended by adding a new subdivision to read:

"(14) To calculate, assess, and collect civil penalties pursuant to this Article."

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

--CLOSE THE LOOPHOLE FOR SECOND PRIMARIES.

Section 8. (a) G.S. 163-278.13(d) reads as rewritten:

"(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~~-election, except that where a candidate is not on the ballot in a second primary, that second primary is not 'an election' with respect to that candidate."

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

-- FUND-RAISING IN SESSION.

Section 9. (a) G.S. 163-278.13A is repealed.

(b) Article 22A of the General Statutes is amended by adding a new section to read:

"§ 163-278.13B. Limitation on fund-raising during legislative session.

(a) Definitions. -- For purposes of this section:

- (1) 'Limited contributor' means a lobbyist registered pursuant to Article 9A of Chapter 120 of the General Statutes, that lobbyist's agent, or a political committee that employs or contracts with or whose parent entity employs or contracts with a lobbyist registered pursuant to Article 9A of Chapter 120 of the General Statutes.
- (2) 'Limited contributee' means a member of or candidate for the Council of State, a member of or candidate for the General Assembly, or a political committee the purpose of which is to assist a member or members of or candidate or candidates for the Council of State or General Assembly.
- (3) The General Assembly is in 'regular session' from the date set by law or resolution that the General Assembly convenes until the General Assembly either adjourns sine die or recesses or adjourns for more than 10 days.
- (4) A contribution is 'made' during regular session if the check or other instrument is dated during the session, or if the check or other instrument is delivered to the limited contributee during session, or if the limited contributor pledges during the session to deliver the check or other instrument at a later time.
- (5) A contribution is 'accepted' during regular session if the check or other instrument is dated during the session, or if the limited contributee receives the check or other instrument during session and does not return it within 10 days, or agrees during session to receive the check or other instrument at a later time.

(b) Prohibited Solicitations. -- While the General Assembly is in regular session, no limited contributee or the real or purported agent of a limited contributee shall:

- (1) Solicit a contribution from a limited contributor to be made to that limited contributee or to be made to any other candidate, officeholder, or political committee; or
- (2) Solicit a third party, requesting or directing that the third party directly or indirectly relay to the prohibited contributor the prohibited contributee's solicitation of a contribution.

(c) Prohibited Contributions. -- While the General Assembly is in regular session:

- (1) No limited contributor shall make or offer to make a contribution to a limited contributee.
- (2) No limited contributor shall make a contribution to any candidate, officeholder, or political committee, directing or requesting that the contribution be made in turn to a limited contributee.
- (3) No limited contributor shall transfer any amount of money or anything of value to any entity, directing or requesting that the entity use what was transferred to contribute to a limited contributee.
- (4) No limited contributee shall accept a contribution from a limited contributor.

(c1) Exception. -- The provisions of this section do not apply with regard to a limited contributee during the three weeks prior to the day of a second primary if that limited contributee is a candidate who will be on the ballot in that second primary.

(d) Prosecution. -- A violation of this section is a Class 2 misdemeanor."

(c) This section becomes effective January 1, 1998, and applies to all contributions solicited, made, or accepted on or after that date.

-- CHANGE THE METHOD OF DISTRIBUTING MONEY FROM THE POLITICAL PARTIES FINANCING FUND.

Section 10. (a) G.S. 105-159.1(a) reads as rewritten:

"(a) Every individual whose income tax liability for the taxable year is one dollar (\$1.00) or more may designate on his or her income tax return that one dollar (\$1.00) of the tax shall be credited to the North Carolina Political Parties Financing ~~Fund~~. Fund for the use of the political party designated by the taxpayer. In the case of a married couple filing a joint return whose income tax liability for the taxable year is two dollars (\$2.00) or more, each spouse may designate on the income tax return that one dollar (\$1.00) of the tax shall be credited to the North Carolina Political Parties Financing ~~Fund~~. Fund for the use of the political party designated by the taxpayer. Amounts credited to the Fund shall be allocated among the political parties according to the designation of the taxpayer. Where any taxpayer elects to designate but does not specify a particular political party, those funds shall be distributed among the political parties on a pro rata basis according to their respective party voter registrations as determined by the most recent certification of the State Board of Elections. As used in this section, the term 'political party' means one of the following that has at least one percent (1%) of the total number of registered voters in the State:

- (1) A political party that at the last preceding general State election received at least ten percent (10%) of the entire vote cast in the State for Governor or for presidential electors.
- (2) A group of voters who by July 1 of the preceding calendar year, by virtue of a petition as a new political party, had duly qualified as a new political party within the meaning of Chapter 163 of the General Statutes."

(b) This section becomes effective with respect to the 1997 taxable year and subsequent taxable years.

--DISCLOSURE OF SPENDING FOR MATERIAL THAT NAMES CANDIDATES.

Section 11. (a) Article 22A of Chapter 163 of the General Statutes is amended by adding a new section to read:

"§ 163-278.12A. Disclosure of spending for material that names candidates.

(a) General Duty to Report. -- Any individual, person, political committee, or other entity that makes an expenditure for printed material or advertisements broadcast or distributed to anyone other than members of the entity shall report those expenditures in accordance with subsection (b) of this section if the printed material or advertisement names a candidate or names an individual whose prospective or potential candidacy is the principal purpose of a political committee. The disclosure requirements of this section do not apply to the following:

- (1) Material that is solely informational and is not intended to advocate the election or defeat of a candidate or prospective candidate; or
- (2) The owner of a newspaper, magazine, radio outlet, or television outlet, if that owner is not a candidate, political committee, or the parent entity of a political committee under G.S. 163-278.19.

(b) Procedures for Reporting; Exceptions. -- Any political committee or other entity otherwise required by this Article to file reports with a board of elections shall include an expenditure described in subsection (a) of this section on those reports. Any entity not otherwise required by this Article to file reports shall report expenditures described in subsection (a) of this section to the State Board of Elections within 10 days after the aggregate expenditure has reached the lowest threshold amount set for candidates and political party committees in G.S. 163-278.10A. After the initial report, each entity shall report subsequent expenditures described in subsection (a) of this section according to the schedule set out in G.S. 163-278.9(a) or Part 2 of this Article, whichever is appropriate.

(c) Definition. -- For the purpose of this section, notwithstanding G.S. 163-278.6(9), the term 'expenditure' means any purchase, advance, conveyance, deposit, distribution, transfer of funds, loans, payment, gift, pledge, or subscription of money or anything of value whatsoever, whether or not made in an election year, and any contract, agreement, promise, or other obligation, whether or not legally enforceable. An individual or entity is deemed to have made an expenditure for printed material or advertisements if that individual or entity has agreed to compensate another individual or entity for purchasing such printed material or advertisements.

(d) No Criminal Liability. -- No duty imposed by this section alone, and by no other law, shall be relied upon or otherwise interpreted to create criminal liability for any person."

(b) This section becomes effective December 1, 1997.

--DISCLOSING THE FLOW OF MONEY THROUGH NORTH CAROLINA AND NATIONAL POLITICAL ORGANIZATIONS.

Section 12. (a) G.S. 163-278.9(a) is amended by adding a new subdivision to read:

"(4a) 48-Hour Report. -- A political committee or political party that receives a contribution or transfer of funds from any political committee shall disclose within 48 hours of receipt a contribution or transfer of one thousand dollars (\$1,000) or more received after the last preelection report but before an election. The disclosure shall be by report to the State Board of Elections identifying the source and amount of the funds. The State Board of Elections shall specify the form and manner of making the report."

(b) G.S. 163-278.9A(a) is amended by adding a new subdivision to read:

"(2a) 48-Hour Report. -- A referendum committee that receives a contribution or transfer of funds from any political committee shall disclose within 48 hours of receipt a contribution or transfer of one thousand dollars (\$1,000) or more received after the last preelection report but before an election. The disclosure shall be by report to the State Board of Elections identifying the source and amount of such funds. The State Board of Elections shall specify the form and manner of making the report."

(c) This section becomes effective December 1, 1997.

--PROHIBIT A DECLARED COUNCIL OF STATE CANDIDATE FROM USING STATE FUNDS FOR ADS AND ANNOUNCEMENTS CONTAINING THE CANDIDATE'S NAME, PICTURE, OR VOICE DURING THE CALENDAR YEAR PRECEDING AN ELECTION.

Section 13. (a) Article 22A of Chapter 163 of the General Statutes is amended by adding a new section to read:

"§ 163-278.16A. Restriction on use of State funds by declared candidate for Council of State for advertising or public service announcements using their names, pictures, or voices."

After December 31 prior to a general election in which a Council of State office will be on the ballot, no declared candidate for that Council of State office shall use or permit the use of State funds for any advertisement or public service announcement in a newspaper, on radio, or on television that contains that declared candidate's name, picture, or voice, except in case of State or national emergency and only if the announcement is reasonably necessary to that candidate's official function. For purposes of this section, 'declared candidate' means someone who has publicly announced an intention to run."

(b) This section becomes effective January 1, 1998.
--REQUIRE 12-POINT DISCLAIMERS IN OPPOSITION PRINT ADS.

Section 13.1. (a) G.S. 163-278.16 is amended by adding a new subsection to read:

"(g) All printed matter for a political purpose from a political party or political committee which identifies a candidate that party or committee is opposing shall indicate in type no smaller than 12 point the name of the political party or political committee and the name of the candidate that is intended to benefit from the printed matter."

(b) This section becomes effective December 1, 1997.

Section 14. The provisions of this act are severable. If any provision is held invalid by a court of competent jurisdiction, the invalidity does not affect other provisions of the act that can be given effect without the invalid provision.

Section 15. Except as otherwise provided herein, this act is effective when it becomes law. Prosecutions for, or sentences based on, offenses occurring before the relevant effective dates in this act are not abated or affected by this act, and the statutes that would be applicable to those prosecutions or sentences but for the provisions of this act remain applicable to those prosecutions or sentences.

In the General Assembly read three times and ratified this the 28th day of August, 1997.

s/ Marc Basnight
President Pro Tempore of the Senate

s/ Harold J. Brubaker
Speaker of the House of Representatives

s/ James B. Hunt, Jr.
Governor

Approved 10:32 a.m. this 17th day of September, 1997