

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1997**

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**HOUSE BILL 3**

Short Title: Full Disclosure Act.

(Public)

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Sponsors: Representatives C. Wilson; Black, Cansler, Church, Hardy, Hill, Hurley, Morris, Mosley, Rayfield, Russell, Shubert, and G. Wilson.

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Referred to: Election Law and Campaign Reform.

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January 30, 1997

**A BILL TO BE ENTITLED**

**AN ACT TO IMPROVE THE PUBLIC RIGHT TO KNOW ABOUT CAMPAIGNS.**

The General Assembly of North Carolina enacts:

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

"(a) 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.

- 1           (2)    Preprimary Report.—The treasurer shall file a report with the Board no  
2           later than the tenth day preceding the primary election.
- 3           (3)    Postprimary Report(s).—The treasurer shall file a report with the Board  
4           no later than the 30th day after the primary election if the candidate was  
5           eliminated in the primary. If there is a second primary, the treasurer  
6           shall file a report with the Board no later than the 30th day after the  
7           second primary election if the candidate was eliminated in the second  
8           primary.
- 9           (4)    Preelection Report.—The treasurer shall file a report with the Board not  
10          later than the tenth day preceding the general election.
- 11          (5)    Repealed by Session Laws 1985, c. 164, s. 1.
- 12          (5a)   Quarterly Reports. – During even-numbered years during which there is  
13          an election for that candidate or in which the campaign committee is  
14          supporting a candidate, the treasurer shall file a report with the Board  
15          not later than seven days after the end of each calendar quarter, covering  
16          the prior calendar quarter, except that the report for the third quarter  
17          shall also cover the period in October through the seventeenth day  
18          before the election, the third quarter report shall be due seven days after  
19          that date, and the fourth quarter report shall not include that period if a  
20          third quarter report was required to be filed.  
21          If there are contributions or expenditures covering the prior calendar  
22          year, they shall be included in the first quarterly report if a report is due  
23          for the first quarter.
- 24          (6)    ~~Annual~~Semiannual Reports. – If contributions are received or  
25          expenditures made ~~during a calendar year,~~ for which no reports are  
26          otherwise required by this Article, any and all such contributions and  
27          expenditures shall be reported by the last Friday in ~~January~~July,  
28          covering the period through the last day of June, and shall be reported  
29          by the last Friday in January, covering the period through the last day of  
30          December. of the following year."

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

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

39          Section 3. G.S. 163-278.19(b) reads as rewritten:

40          "(b) It shall, however, be lawful for any corporation, business entity, labor union,  
41          professional association or insurance company to communicate with its employees,  
42          stockholders or members and their families on any subject; to conduct nonpartisan  
43          registration and get-out-the-vote campaigns aimed at their employees, stockholders, or

1 members and their families; or for officials and employees of any corporation, insurance  
2 company or business entity or the officials and members of any labor union or  
3 professional association to establish, administer, contribute to, and to receive and solicit  
4 contributions to a separate segregated fund to be utilized for political purposes except as  
5 provided in G.S. 163-278.20, and those individuals shall be deemed to become and be a  
6 political committee as that term is defined in G.S. 163-278.6(14) or a referendum  
7 committee as defined in G.S. 163-278.6(18b); provided, however, that it shall be  
8 unlawful for any such fund to make a contribution or expenditure by utilizing  
9 contributions secured by physical force, job discrimination, financial reprisals or the  
10 threat of force, job discrimination or financial reprisals, or by dues, fees, or other moneys  
11 required as a condition of membership or employment or as a requirement with respect to  
12 any terms or conditions of employment, including, without limitation, hiring, firing,  
13 transferring, promoting, demoting, or granting seniority or employment-related benefits  
14 of any kind, or by moneys obtained in any commercial transaction whatsoever. Even if  
15 use of funds received from an employee or member is otherwise not unlawful, no  
16 business entity, labor union, professional association or insurance company may use any  
17 funds received from an employee or member by payroll deduction for any political action  
18 committee unless the employee or member has separately consented in writing."

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

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

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

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

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

37 "(18a) The term 'referendum' means any question, issue, or act referred to a  
38 vote of the people of the entire State by the General ~~Assembly~~  
39 Assembly, a unit of local government, or by the people under any  
40 applicable local act and includes constitutional amendments and State  
41 bond issues. The term 'referendum' ~~does not include~~ includes any type of  
42 municipal, county, or special district referendum."

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

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

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

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

8           (1) Candidates for statewide office;

9           (2) The State executive committees of political parties;

10          (3) Political committees that make contributions to candidates for statewide  
11 office or make independent expenditures that affect contests for  
12 statewide office."

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

15          Section 7. Sections 1 and 2 of this act apply beginning with reports to be filed  
16 in 1998. Section 3 of this act applies to dues paid after July 1, 1997. Section 4 of this act  
17 applies to municipal elections beginning in 1998. Section 5 of this act applies with  
18 respect to reports filed on or after January 1, 1998. Sections 6 and 7 of this act are  
19 effective upon becoming law.