

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

H

2

HOUSE BILL 1846
Committee Substitute Favorable 6/6/06

Short Title: Contribution Changes.

(Public)

Sponsors:

Referred to:

May 10, 2006

A BILL TO BE ENTITLED

1 AN ACT TO LOWER THE THRESHOLD FROM ONE HUNDRED DOLLARS TO
2 FIFTY DOLLARS FOR ACCEPTING A POLITICAL CONTRIBUTION IN
3 CASH; TO REQUIRE THE REPORTING OF THE IDENTITY OF A
4 CONTRIBUTOR WHO MAKES A CONTRIBUTION OF MORE THAN FIFTY
5 DOLLARS BY MONEY ORDER; TO SPECIFY THE TIME PERIOD BY WHICH
6 THE THRESHOLD FOR IDENTIFYING AN INDIVIDUAL CONTRIBUTOR'S
7 IDENTITY IS MEASURED; TO ADD A PENALTY FOR ACCEPTING
8 CONTRIBUTIONS FROM CERTAIN NONLEGAL SOURCES; AND TO BAR
9 PROSECUTION IF BEST EFFORTS ARE MADE TO ENSURE THAT A
10 CONTRIBUTION IS FROM A LEGAL SOURCE, AS RECOMMENDED BY
11 THE HOUSE SELECT COMMITTEE ON ETHICS AND GOVERNMENTAL
12 REFORM.
13

14 The General Assembly of North Carolina enacts:

15 **SECTION 1.** G.S. 163-278.14(b) reads as rewritten:

16 "(b) No entity shall give, and no candidate, committee or treasurer shall accept,
17 any monetary contribution in excess of ~~one hundred fifty~~ dollars (~~\$100.00~~) (\$50.00)
18 unless such contribution be in the form of a check, draft, money order, credit card
19 charge, debit, or other noncash method that can be subject to written verification. The
20 State Board of Elections may prescribe guidelines as to the reporting and verification of
21 any method of contribution payment allowed under this Article. For contributions by
22 money order, the State Board shall prescribe methods to ensure an audit trail for every
23 contribution so that the identity of the contributor can be determined. For a contribution
24 made by credit card, the credit card account number of a contributor is not a public
25 record."

26 **SECTION 2.** G.S. 163-278.8(d) reads as rewritten:

27 "(d) A treasurer shall not be required to report the name of any individual who is a
28 resident of this State who makes a total contribution of one hundred dollars (\$100.00) or
29 less in an election cycle, but ~~he~~ the treasurer shall instead report the fact that ~~he~~ the

1 treasurer has received a total contribution of one hundred dollars (\$100.00) or less, less
2 in an election cycle, the amount of the contribution, and the date of receipt. However, if
3 a contribution is made by money order, the treasurer shall report the name of the
4 contributor if the amount is more than fifty dollars (\$50.00). If a treasurer receives
5 contributions of one hundred dollars (\$100.00) or less, less in an election cycle, each at a
6 single event, he—the treasurer may account for and report the total amount received at
7 that event, the date and place of the event, the nature of the event, and the approximate
8 number of people at the event. With respect to the proceeds of sale of services,
9 campaign literature and materials, wearing apparel, tickets or admission prices to
10 campaign events such as rallies or dinners, and the proceeds of sale of any
11 campaign-related services or goods, if the price or value received for any single service
12 or goods exceeds one hundred dollars (\$100.00), (\$100.00) in an election cycle, the
13 treasurer shall account for and report the name of the individual paying for such services
14 or goods, the amount received, and the date of receipt, but if the price or value received
15 for any single service or item of goods does not exceed one hundred dollars
16 (\$100.00), (\$100.00) in an election cycle, the treasurer may report only those services or
17 goods rendered or sold at a value that does not exceed one hundred dollars
18 (\$100.00), (\$100.00) in an election cycle, the nature of the services or goods, the amount
19 received in the aggregate for the services or goods, and the date of the receipt."

20 **SECTION 3.** G.S. 163-278.15 reads as rewritten:

21 **"§ 163-278.15. No acceptance of contributions made by corporations, foreign and**
22 **~~domestic.~~domestic, or other prohibited sources; best efforts.**

23 No candidate, political committee, political party, or treasurer shall accept any
24 contribution made by any corporation, foreign or domestic, regardless of whether such
25 corporation does business in the State of North Carolina. ~~Carolina, or made by any~~
26 business entity, labor union, professional association, or insurance company. This
27 section does not apply with regard to entities permitted to make contributions by
28 G.S. 163-278.19(f)."

29 **SECTION 4.** G.S. 163-278.11(c) reads as rewritten:

30 "(c) Best Efforts. – When a treasurer shows that best efforts have been used to
31 obtain, maintain, and submit the information required by this Article for the candidate
32 or political committee, any report of that candidate or committee shall be considered in
33 compliance with this ~~Article.~~Article and shall not be the basis for criminal prosecution
34 or the imposition of civil penalties, other than forfeiture of a contribution improperly
35 accepted under this Article. The State Board of Elections shall promulgate rules that
36 specify what are "best efforts" for purposes of this Article, adapting as it deems suitable
37 the provisions of 11 C.F.R. § 104.7. The rules shall include ~~the a~~ a provision that if the
38 treasurer, after complying with this Article and the rules, does not know the occupation
39 of the contributor, it shall suffice for the treasurer to report "unable to obtain"."

40 **SECTION 5.** This act becomes effective January 1, 2007, and applies to all
41 contributions made and accepted on and after that date.