

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE BILL 1848
Committee Substitute Favorable 5/30/06
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Short Title: No Blank Contribution Checks.

(Public)

Sponsors:

Referred to:

May 10, 2006

A BILL TO BE ENTITLED

AN ACT TO PROHIBIT THE USE OF BLANK CHECKS AS CAMPAIGN CONTRIBUTIONS AND TO DELINEATE WHAT IS LAWFUL AND UNLAWFUL PARTICIPATION BY AN INTERMEDIARY IN POLITICAL FUND-RAISING, AS RECOMMENDED BY THE HOUSE SELECT COMMITTEE ON ETHICS AND GOVERNMENTAL REFORM.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 163-278.6 is amended by adding new subdivisions to read:

"§ 163-278.6. Definitions.

When used in this Article:

...

(6a) The term "contributtee" means a candidate, political committee, or referendum committee accepting a contribution.

(6b) The term "contributor" means an individual, political committee, or referendum committee making a contribution, unless the referendum committee is prohibited by G.S. 163-278.13(e1) from making a contribution.

...

(11a) The term "intermediary" means an individual, political committee, or referendum committee that takes possession of a contribution to a contributtee other than the intermediary with the understanding that intermediary will forward the contribution in the form received to the contributtee intended to receive the contribution."

SECTION 2. Article 22A of Chapter 163 of the General Statutes is amended by adding a new section to read:

"§ 163-278.20A. Making a contribution through an intermediary.

1 (a) Contributions Through Intermediaries. – It is unlawful for a contributor to
2 make a contribution through an intermediary unless all the following conditions are
3 satisfied:

- 4 (1) The contributor is authorized to make a contribution under this Article.
5 (2) The instrument with which the contribution is made meets all of the
6 following conditions:
7 a. Makes a complete designation of the amount of the contribution.
8 b. Makes a complete designation of the intended contributee.
9 c. Is dated.
10 d. Is signed or otherwise authorized by the contributor.
11 e. Is made and completed by or at the direction of the contributor.
12 (3) The contribution is within the limits provided in G.S. 163-278.13.
13 (4) The transaction is reported by the contributee and the contributor if
14 reporting is required by this Article.
15 (5) The intermediary is not prohibited from soliciting contributions by
16 G.S. 163-278.13B(c).
17 (6) The contribution is delivered in person or deposited in the mail to the
18 contributee within 20 days after the intermediary takes possession of
19 the contribution.

20 (b) Record of Intermediary. – If a contribution involving an intermediary satisfies
21 the conditions of subsection (a) of this section, the participation of an intermediary of a
22 contribution is not required to be reported under this Article. The contributee shall
23 maintain a record of the intermediary's identity and receipt of the contributions.

24 (c) Duty of Intermediary to Deliver or Return Contribution. – If an intermediary
25 takes possession of a contribution and agrees to forward that contribution to a
26 contributee, that intermediary shall forward the contribution to the contributee or return
27 the contribution to the contributor within 20 days of taking possession.

28 (d) Penalties. – A violation of this section is a Class 2 misdemeanor. Civil
29 penalties under G.S. 163-278.34(b) may be imposed for a violation of this section.

30 (e) Rules. – The State Board of Elections shall adopt rules for the
31 implementation of this section."

32 **SECTION 3.** G.S. 163-278.27(a) reads as rewritten:

33 "(a) Any individual, candidate, political committee, referendum committee,
34 treasurer, person or media who intentionally violates the applicable provisions of
35 G.S. 163-278.7, 163-278.8, 163-278.9, 163-278.10, 163-278.11, 163-278.12,
36 163-278.13, 163-278.13B, 163-278.14, 163-278.16, 163-278.17, 163-278.18,
37 163-278.19, 163-278.20, 163-278.20A, 163-278.39, 163-278.40A, 163-278.40B,
38 163-278.40C, 163-278.40D or 163-278.40E is guilty of a Class 2 misdemeanor. The
39 statute of limitations shall run from the day the last report is due to be filed with the
40 appropriate board of elections for the election cycle for which the violation occurred."

41 **SECTION 4.** G.S. 163-278.20 reads as rewritten:

42 "**§ 163-278.20. Disclosure before soliciting contributions.**

43 (a) It shall be unlawful for one or more individuals acting in concert, or for any
44 group, committee, club or organization, of any type or nature, of two or more

1 individuals, to solicit, attempt to solicit, or receive contributions for the purpose of
2 supporting a candidate, political committee, referendum committee, or political party
3 without first clearly advising those solicited as follows:

4 (1) The name of the candidate(s) for whom the contribution will be used;
5 or

6 (2) The name of the political committee or party for which the funds will
7 be used; or

8 ~~(3) That a decision will be reached later as to the candidate(s), political~~
9 ~~committee(s), or political party(ies) to be supported and that the~~
10 ~~contributions solicited will be expended in a manner and for a purpose~~
11 ~~to be determined at a future date but no later than 20 days prior to the~~
12 ~~pending primary or general election; or~~

13 (4) The name of the referendum committee for which the funds will be
14 used.

15 (a1) Notwithstanding subsection (a) of this section, a political committee,
16 referendum committee, or political party may solicit, attempt to solicit, or receive
17 contributions, without first clearly advising those solicited, for the purpose of making
18 contributions to another candidate, political committee, referendum committee, or
19 political party provided that the contributions are made and reported in compliance with
20 this Article.

21 (b) A violation of this section is a Class 2 misdemeanor."

22 **SECTION 5.** This act becomes effective January 1, 2007, and applies to any
23 contribution made or accepted on or after that date and to any contribution received or
24 forwarded on or after that date.