GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2009

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HOUSE BILL 840

| Short Title: | Limit Political Party Campaign Fund-Raising. | (Public) |
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| Sponsors: | Representatives Current, Avila (Primary Sponsors); Gulley, Harrison, Neumann, and Sager. | Justice, |
| Referred to: | Judiciary I, if favorable, Election Law and Campaign Finance Reform. | |

March 30, 2009

A BILL TO BE ENTITLED

2 AN ACT TO LIMIT THE ROLE OF POLITICAL PARTIES IN CAMPAIGN 3 FUND-RAISING.

4 The General Assembly of North Carolina enacts:

SECTION 1. G.S. 163-278.13 reads as rewritten:

"§ 163-278.13. Limitation on contributions.

(a) No individual, political committee, or other entity shall contribute to any candidate
or other political committee any money or make any other contribution in any election in
excess of four thousand dollars (\$4,000) for that election.

(b) No candidate or political committee shall accept or solicit any contribution from any
 individual, other political committee, or other entity of any money or any other contribution in
 any election in excess of four thousand dollars (\$4,000) for that election.

13 (c) Notwithstanding the provisions of subsections (a) and (b) of this section, it shall be 14 lawful for a candidate or a candidate's spouse, parents, brothers and sisters to make a 15 contribution to the candidate or to the candidate's treasurer of any amount of money or to make 16 any other contribution in any election in excess of four thousand dollars (\$4,000) for that 17 election.

18 (d) For the purposes of this section, the term "an election" means any primary, second 19 primary, or general election in which the candidate or political committee may be involved, 20 without regard to whether the candidate is opposed or unopposed in the election, except that 21 where a candidate is not on the ballot in a second primary, that second primary is not "an 22 election" with respect to that candidate.

(d1) Notwithstanding subsections (a) and (b) of this section, a candidate or political committee may accept a contribution knowing that the contribution is to be reimbursed to the entity making the contribution and knowing the candidate or political committee has funds sufficient to reimburse the entity making the contribution if all of the following conditions are met:

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(1) The entity submits sufficient information of the contribution to the candidate or political committee for reimbursement within 45 days of the contribution.

- (2) The candidate or political committee makes a reimbursement to the entity making the contribution within seven days of submission of sufficient information.
- 33 (3) The candidate or political committee indicates on its report under
 34 G.S. 163-278.11 that the good, service, or other item resulting in the
 35 reimbursement is an expenditure of the candidate or political committee, and
 36 notes if the contribution was by credit card.



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| 1 | (4) The contribution does not exceed one thousand dollars (\$1,000 | .00). |
| 2 | (d2) Any contribution, or portion thereof, made under subsection (d1) of the | is section that |
| 3 | is not submitted for reimbursement in accordance with subsection (d1) of this se | ection shall be |
| 4 | treated as a contribution for purposes of this section. Any contribution, or portion | thereof, made |
| 5 | under subsection (d1) of this section that is not reimbursed in accordance with s | ubsection (d1) |
| 6 | of this section shall be treated as a contribution for purposes of this section. | |
| 7 | (e) Except as provided in subsections (e2), (e3), and (e4) of this section, | |
| 8 | contributions to political party executive committees by candidates or candid | |
| 9 | committees and contributions by political party executive committees to ca | |
| 10 | candidate campaign committees, this section shall not apply to any national, St | |
| 11 | county executive committee of any political party. For the purposes of this sec | |
| 12 | term "political party" means only those political parties officially reco | |
| 13 | G.S. 163-96. As used in this section, "candidate campaign committee" is | as defined in |
| 14 15 | <u>G.S. 163-278.38Z(3).</u> (e1) No referendum committee which received any contribution from a | a correction |
| 15 16 | (e1) No referendum committee which received any contribution from a labor union, insurance company, business entity, or professional association n | - |
| 10 | contribution to another referendum committee, to a candidate or to a political com | • • |
| 18 | (e2) In order to make meaningful the provisions of Article 22D of this | |
| 19 | following provisions shall apply with respect to candidates for justice of the Supre- | 1 ' |
| 20 | judge of the Court of Appeals: | |
| 21 | (1) No candidate shall accept, and no contributor shall make to the | at candidate, a |
| 22 | contribution in any election exceeding one thousand dollars (\$ | |
| 23 | as provided for elsewhere in this subsection. | · - |
| 24 | (2) A candidate may accept, and a family contributor may | make to that |
| 25 | candidate, a contribution not exceeding two thousand dollars | (\$2,000) in an |
| 26 | election if the contributor is that candidate's parent, child, broth | |
| 27 | (3) Repealed by Session Laws 2008-150, s. 7(a), effective August | |
| 28 | As used in this subsection, "candidate" is also a political committee auth | |
| 29 | candidate for that candidate's election. Nothing in this subsection shall prohibit | |
| 30 | the spouse of that candidate from making a contribution or loan secured en | tirely by that |
| 31 32 | individual's assets to that candidate's own campaign. | a sastion no |
| 32 33 | (e3) Notwithstanding the provisions of subsections (a) and (b) of this candidate for superior court judge or district court judge shall accept, and no co | |
| 33 34 | make to that candidate, a contribution in any election exceeding one thousand do | |
| 35 | except as provided in subsection (c) of this section. As used in this subsection, | |
| 36 | also a political committee authorized by the candidate for that candidate's election | |
| 37 | this subsection shall prohibit a candidate or the spouse of that candidate fr | U |
| 38 | contribution or loan secured entirely by that individual's assets to that can | |
| 39 | campaign. | |
| 40 | (e4) In order to make meaningful the provisions of the North Carolina | Voter-Owned |
| 41 | Elections Act, as set forth in Article 22J of this Chapter, no candidate for an of | |
| 42 | that Article shall accept, and no contributor shall make to that candidate, a contr | ibution during |
| 43 | the period beginning 21 days before the day of the general election and ending th | • |
| 44 | general election if that contribution causes the candidate to exceed the "trigger | - |
| 45 | funds" defined in G.S. 163-278.96(17). As used in this subsection, the term "c. | |
| 46 | includes "candidate campaign committee" as defined in G.S. 163-278.38Z(3). N | - |
| 47 | subsection shall prohibit a candidate from making a contribution or loan secur | ed entirely by |

that candidate's assets to that candidate's own campaign or to a political committee, the 48 principal purpose of which is to support that candidate's campaign. This subsection applies with respect to a candidate only if both of the following statements are true regarding that candidate: 49

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| | (1) That candidate is opposed in the general election by a certified candidate as |
| | defined in Article 22J of this Chapter. |
| | (2) That certified candidate has not received the maximum matching funds |
| | available under G.S. 163-278.99B(c). |
| | The recipient of a contribution that apparently violates this subsection has three days to |
| | return the contribution or file a detailed statement with the State Board of Elections explaining |
| | why the contribution does not violate this subsection. |
| | (e5) The contribution limits of subsections (a) and (b) of this section do not apply to |
| | contributions made to an independent expenditure political committee. For purposes of this |
| | section, an "independent expenditure political committee" is a political committee whose |
| | treasurer makes and abides by a certification to the State Board of Elections that the political |
| | committee does not and will not make contributions, directly or indirectly, to candidates or to |
| | political committees that make contributions to candidates. The State Board of Elections shall |
| | provide forms for implementation of this subsection. This subsection shall not apply to a |
| | candidate or a political committee controlled by a candidate. The exception of this subsection is |
| | in addition to any other exception provided by law. |
| | (f) Any individual, candidate, political committee, referendum committee, or other |
| | entity that violates the provisions of this section is guilty of a Class 2 misdemeanor." |
| | SECTION 2. This act becomes effective January 1, 2010, and applies to all |
| | contributions made or accepted on or after that date. |
|) | contributions made or accepted on or after that date. |