

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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SENATE BILL 419

Short Title: Campaign Finance and Regulatory Reforms. (Public)

Sponsors: Senators Davis; and Rabon.

Referred to: Judiciary I.

March 28, 2011

A BILL TO BE ENTITLED

AN ACT TO REPEAL THE AUTHORITY TO PROVIDE FOR PUBLIC FUNDING OF
CAMPAIGNS IN NORTH CAROLINA AND TO MAKE OTHER CAMPAIGN
FINANCE REFORMS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Article 22D of Chapter 163 of the General Statutes is repealed.

SECTION 1.(b) Article 22J of Chapter 163 of the General Statutes is repealed.

SECTION 1.(c) G.S. 105-159.2 is repealed.

SECTION 1.(d) G.S. 163-278.5 reads as rewritten:

"§ 163-278.5. Scope of Article; severability.

The provisions of this Article apply to primaries and elections for North Carolina offices and to North Carolina referenda and do not apply to primaries and elections for federal offices or offices in other States or to non-North Carolina referenda. Any provision in this Article that regulates a non-North Carolina entity does so only to the extent that the entity's actions affect elections for North Carolina offices or North Carolina referenda.

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

This section applies to Articles 22B, ~~22D~~, ~~22E~~, ~~22F~~, 22G, 22H, ~~22J~~, and 22M of the General Statutes to the same extent that it applies to this Article."

SECTION 1.(e) The monies in the North Carolina Public Campaign Fund are reverted to the General Fund. The monies in the North Carolina Voter-Owned Elections Fund are reverted to the General Fund.

SECTION 2. 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.

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



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

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

- 11 (1) The entity submits sufficient information of the contribution to the candidate
12 or political committee for reimbursement within 45 days of the contribution.
- 13 (2) The candidate or political committee makes a reimbursement to the entity
14 making the contribution within seven days of submission of sufficient
15 information.
- 16 (3) The candidate or political committee indicates on its report under
17 G.S. 163-278.11 that the good, service, or other item resulting in the
18 reimbursement is an expenditure of the candidate or political committee, and
19 notes if the contribution was by credit card.
- 20 (4) The contribution does not exceed one thousand dollars (\$1,000.00).

21 (d2) Any contribution, or portion thereof, made under subsection (d1) of this section that
22 is not submitted for reimbursement in accordance with subsection (d1) of this section shall be
23 treated as a contribution for purposes of this section. Any contribution, or portion thereof, made
24 under subsection (d1) of this section that is not reimbursed in accordance with subsection (d1)
25 of this section shall be treated as a contribution for purposes of this section.

26 (e) Except as provided in this subsection and subsections (e2), (e3), and (e4) subsection
27 (e3) of this section, this section shall not apply to any national, State, district or county
28 executive committee of any political party. For the purposes of this section only, the term
29 "political party" means only those political parties officially recognized under G.S. 163-96. No
30 individual shall contribute to any political party any money or make any other contribution in
31 any election in excess of two hundred fifty thousand dollars (\$250,000) for that election. No
32 political party shall accept or solicit any contribution from any individual any money or any
33 other contribution in any election in excess of two hundred fifty thousand dollars (\$250,000)
34 for that election.

35 (e1) No referendum committee which received any contribution from a corporation,
36 labor union, insurance company, business entity, or professional association may make any
37 contribution to another referendum committee, to a candidate or to a political committee.

38 ~~(e2) In order to make meaningful the provisions of Article 22D of this Chapter, the~~
39 ~~following provisions shall apply with respect to candidates for justice of the Supreme Court and~~
40 ~~judge of the Court of Appeals:~~

- 41 ~~(1) No candidate shall accept, and no contributor shall make to that candidate, a~~
42 ~~contribution in any election exceeding one thousand dollars (\$1,000) except~~
43 ~~as provided for elsewhere in this subsection.~~
- 44 ~~(2) A candidate may accept, and a family contributor may make to that~~
45 ~~candidate, a contribution not exceeding two thousand dollars (\$2,000) in an~~
46 ~~election if the contributor is that candidate's parent, child, brother, or sister.~~
- 47 ~~(3) Repealed by Session Laws 2008-150, s. 7(a), effective August 2, 2008.~~

48 ~~As used in this subsection, "candidate" is also a political committee authorized by the~~
49 ~~candidate for that candidate's election. Nothing in this subsection shall prohibit a candidate or~~
50 ~~the spouse of that candidate from making a contribution or loan secured entirely by that~~
51 ~~individual's assets to that candidate's own campaign.~~

1 (e3) Notwithstanding the provisions of subsections (a) and (b) of this section, no
2 candidate for superior court judge or district court judge shall accept, and no contributor shall
3 make to that candidate, a contribution in any election exceeding one thousand dollars (\$1,000),
4 except as provided in subsection (c) of this section. As used in this subsection, "candidate" is
5 also a political committee authorized by the candidate for that candidate's election. Nothing in
6 this subsection shall prohibit a candidate or the spouse of that candidate from making a
7 contribution or loan secured entirely by that individual's assets to that candidate's own
8 campaign.

9 ~~(e4) In order to make meaningful the provisions of the North Carolina Voter Owned
10 Elections Act, as set forth in Article 22J of this Chapter, no candidate for an office subject to
11 that Article shall accept, and no contributor shall make to that candidate, a contribution during
12 the period beginning 21 days before the day of the general election and ending the day after the
13 general election if that contribution causes the candidate to exceed the "trigger for matching
14 funds" defined in G.S. 163-278.96(17). As used in this subsection, the term "candidate" also
15 includes "candidate campaign committee" as defined in G.S. 163-278.38Z(3). Nothing in this
16 subsection shall prohibit a candidate from making a contribution or loan secured entirely by
17 that candidate's assets to that candidate's own campaign or to a political committee, the
18 principal purpose of which is to support that candidate's campaign. This subsection applies with
19 respect to a candidate only if both of the following statements are true regarding that candidate:~~

- 20 (1) ~~That candidate is opposed in the general election by a certified candidate as
21 defined in Article 22J of this Chapter.~~
22 (2) ~~That certified candidate has not received the maximum matching funds
23 available under G.S. 163-278.99B(c).~~

24 ~~The recipient of a contribution that apparently violates this subsection has three days to
25 return the contribution or file a detailed statement with the State Board of Elections explaining
26 why the contribution does not violate this subsection.~~

27 (e5) The contribution limits of subsections (a) and (b) of this section do not apply to
28 contributions made to an independent expenditure political committee. For purposes of this
29 section, an "independent expenditure political committee" is a political committee whose
30 treasurer makes and abides by a certification to the State Board of Elections that the political
31 committee does not and will not make contributions, directly or indirectly, to candidates or to
32 political committees that make contributions to candidates. The State Board of Elections shall
33 provide forms for implementation of this subsection. This subsection shall not apply to a
34 candidate or a political committee controlled by a candidate. The exception of this subsection is
35 in addition to any other exception provided by law.

36 (f) Any individual, candidate, political committee, referendum committee, or other
37 entity that violates the provisions of this section is guilty of a Class 2 misdemeanor."

38 **SECTION 3.** This act becomes effective July 1, 2011.