

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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**SENATE BILL 760
Judiciary I Committee Substitute Adopted 6/4/03**

Short Title: Local Campaign Finance Options.

(Public)

Sponsors:

Referred to:

April 3, 2003

A BILL TO BE ENTITLED

1
2 AN ACT TO CLARIFY THAT GRANTS FROM UNIFORM PROGRAMS FOR
3 PUBLIC CAMPAIGN FINANCING DO NOT CONSTITUTE
4 "CONTRIBUTIONS" AND ARE NOT SUBJECT TO RESTRICTIONS ON
5 CONTRIBUTIONS; TO CLARIFY THAT GOVERNMENTS IN CITIES AND
6 COUNTIES OF A CERTAIN SIZE ARE AUTHORIZED TO CONDUCT THOSE
7 PROGRAMS; TO GRANT GOVERNMENTS IN CITIES AND COUNTIES OF A
8 CERTAIN SIZE AUTHORITY TO SET CONTRIBUTION LIMITS AT ONE
9 THOUSAND DOLLARS FOR LOCAL OFFICES RATHER THAN THE
10 STATEWIDE LIMIT OF FOUR THOUSAND DOLLARS; AND TO
11 APPROPRIATE FUNDS FOR AND MANDATE A STUDY OF LOCAL PUBLIC
12 CAMPAIGN FINANCING PROGRAMS.

13 The General Assembly of North Carolina enacts:

14 **SECTION 1.** G.S. 163-278.6(6) reads as rewritten:

15 "(6) The terms 'contribute' or 'contribution' mean any advance, conveyance,
16 deposit, distribution, transfer of funds, loan, payment, gift, pledge or
17 subscription of money or anything of value whatsoever, to a candidate
18 to support or oppose the nomination or election of one or more clearly
19 identified candidates, to a political committee, to a political party, or to
20 a referendum committee, whether or not made in an election year, and
21 any contract, agreement, promise or other obligation, whether or not
22 legally enforceable, to make a contribution. These terms include,
23 without limitation, such contributions as labor or personal services,
24 postage, publication of campaign literature or materials, in-kind
25 transfers, loans or use of any supplies, office machinery, vehicles,
26 aircraft, office space, or similar or related services, goods, or personal
27 or real property. These terms also include, without limitation, the
28 proceeds of sale of services, campaign literature and materials,
29 wearing apparel, tickets or admission prices to campaign events such

1 as rallies or dinners, and the proceeds of sale of any campaign-related
2 services or goods. Notwithstanding the foregoing meanings of
3 'contribution,' the word shall not be construed to include services
4 provided without compensation by individuals volunteering a portion
5 or all of their time on behalf of a candidate, political committee, or
6 referendum committee. The term 'contribution' does not include an
7 'independent expenditure.' The term 'contribution' does not include a
8 grant from a governmental entity under a uniform program of grants to
9 the campaigns of candidates for elective office within the jurisdiction
10 of that governmental entity if: (i) the grants are available as a source of
11 campaign financing for candidates for office who demonstrate public
12 support and voluntarily accept strict fund-raising and spending limits
13 in accordance with a set of criteria drawn by the government, (ii) the
14 criteria are drawn to further the public purpose of free elections and do
15 not discriminate for or against any candidate on the basis of race,
16 creed, position on issues, status of incumbency or nonincumbency, or
17 party affiliation, and (iii) the grants are restricted to use for campaign
18 purposes. Grants pursuant to such a program are not subject to the
19 contribution limitations of G.S. 163-278.13 and the prohibitions on
20 corporate contributions of G.S. 163-278.15 or G.S. 163-278.19, but
21 shall be reported as if they were contributions in all campaign reports
22 required by law to be filed by the campaigns receiving the grants."

23 **SECTION 2.** Article 21 of Chapter 160A is amended by adding a new
24 section to read:

25 **"§ 160A-499. Uniform, nondiscriminatory program of public financing of election**
26 **campaigns.**

27 A governing body of a county with a population exceeding 80,000 according to the
28 most recent decennial federal census may appropriate funds for a uniform program of
29 grants to the campaigns of candidates for county office in that county if: (i) the grants
30 are available as a source of campaign financing for candidates for office who
31 demonstrate public support and voluntarily accept strict fund-raising and spending
32 limits in accordance with a set of criteria drawn by the county, (ii) the criteria are drawn
33 to further the public purpose of free elections and do not discriminate for or against any
34 candidate on the basis of race, creed, position on issues, status of incumbency or
35 nonincumbency, or party affiliation, and (iii) the grants are restricted to use for
36 permissible campaign-related expenditures in accordance with guidelines published
37 pursuant to G.S. 163-278.64(d)(5) or other guidelines published by the State Board of
38 Elections.

39 A governing body of a city with a population exceeding 40,000 according to the
40 most recent decennial federal census may appropriate funds for a uniform program of
41 grants to the campaigns of candidates for city office in that city if: (i) the grants are
42 available as a source of campaign financing for candidates for office who demonstrate
43 public support and voluntarily accept strict fund-raising and spending limits in
44 accordance with a set of criteria drawn by the city, (ii) the criteria are drawn to further

1 the public purpose of free elections and do not discriminate for or against any candidate
2 on the basis of race, creed, position on issues, status of incumbency or nonincumbency,
3 or party affiliation, and (iii) the grants are restricted to use for permissible
4 campaign-related expenditures in accordance with guidelines published pursuant to G.S.
5 163-278.64(d)(5) or other guidelines published by the State Board of Elections.

6 Any county or city exercising authority under this section shall report its action to
7 the State Board of Elections and the county board of elections in any county in which it
8 has territory."

9 **SECTION 3.** Article 21 of Chapter 160A is amended by adding a new
10 section to read:

11 **"§ 160A-500. Authority to set political contribution limit at \$1,000 for local office.**

12 A governing body of a county with a population exceeding 80,000 according to the
13 most recent decennial federal census may substitute one thousand dollars (\$1,000) for
14 the dollar amount provided in G.S. 163-278.13(a) and (b) as a contribution limit with
15 respect to elections for county offices in that county.

16 A governing body of a city with a population exceeding 40,000 according to the
17 most recent decennial federal census may substitute one thousand dollars (\$1,000) for
18 the dollar amount provided in G.S. 163-278.13(a) and (b) as a contribution limit with
19 respect to elections for city offices in that city.

20 Any county or city exercising authority under this section shall report its action to
21 the State Board of Elections and the county board of elections in any county in which it
22 has territory."

23 **SECTION 4.** G.S. 153A-445 reads as rewritten:

24 **"§ 153A-445. Miscellaneous powers found in Chapter 160A.**

25 (a) A county may take action under the following provisions of Chapter 160A:

26 (1) Chapter 160A, Article 20, Part 1. – Joint Exercise of Powers.

27 (2) Chapter 160A, Article 20, Part 2. – Regional Councils of
28 Governments.

29 (3) G.S. 160A-487. – Financial support for rescue squads.

30 (4) G.S. 160A-488. – Art galleries and museums.

31 (5) G.S. 160A-492. – Human relations programs.

32 (6) G.S. 160A-497. – Senior citizens programs.

33 (7) G.S. 160A-489. – Auditoriums, coliseums, and convention and civic
34 centers.

35 (8) G.S. 160A-498. – Railroad corridor preservation.

36 (9) G.S. 160A-499. – Uniform, nondiscriminatory program of public
37 financing of election campaigns.

38 (10) G.S. 160A-500. – Authority to set political contribution limit at \$1,000
39 for local office.

40 (b) This section is for reference only, and the failure of any section of Chapter
41 160A to appear in this section does not affect the applicability of that section to
42 counties."

43 **SECTION 5.** No later than 18 months after this act becomes effective, the
44 State Board of Elections shall complete a study of a variety of public campaign

1 financing programs for local government elections in the United States, prepare a
2 description of the basic elements generally present, and compile a collection of
3 reference materials for local governments in North Carolina to use in designing their
4 programs. Of the funds appropriated to the State Board of Elections for the 2003-2004
5 fiscal year, the sum of fifteen thousand dollars (\$15,000) shall be used for this purpose.

6 **SECTION 6.** This act is effective when it becomes law.