SESSION 1997

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SENATE BILL 381

Short Title: N.C. Clean Election Act.

Sponsors: Senators Gulley; Ballance, Dannelly, Forrester, Jordan, Kinnaird, Lee, Lucas, Martin of Guilford, Miller, Odom, and Winner.

Referred to: Judiciary.

March 12, 1997

1		A BILL TO BE ENTITLED
2	AN ACT TO E	ESTABLISH A SYSTEM OF COMPLETE PUBLIC FINANCING OF
3	ELECTIONS	S FOR GOVERNOR, COUNCIL OF STATE, AND GENERAL
4	ASSEMBLY	; AND TO MAKE RELATED CHANGES.
5	The General Ass	sembly of North Carolina enacts:
6	Sectio	on 1. Chapter 163 of the General Statutes is amended by adding a new
7	Article to read:	
8		"ARTICLE 22D.
9	••	THE NORTH CAROLINA CLEAN ELECTION ACT.
10	" <u>§ 163-278.61.</u>	Definitions.
11	When used in	n this Article:
12	<u>(1)</u>	The term 'certified candidate' means a candidate running for office who
13		chooses to participate in the North Carolina Clean Election Act and who
14		is certified as a Clean Election Act candidate under G.S. 163-278.64(e).
15	<u>(2)</u>	The term 'Commission' means the North Carolina Commission on
16		Election Practices, as established under G.S. 163-278.65.
17	<u>(3)</u>	The terms 'contested primary election' and 'contested general election'
18		mean elections in which there are more candidates than the number to
19		be elected.

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(Public)

1	(4)	The terms 'contribution' and 'expenditure' have the same meaning as
2	<u>.,</u>	defined in G.S. 163-278.6.
3	<u>(5)</u>	The term 'election cycle' comprises the primary, runoff primary, and
4	<u>(e)</u>	general election for election to the same term of the same office.
5	<u>(6)</u>	The term 'Fund' means the North Carolina Clean Election Fund
6	<u>(0)</u>	established in G.S. 163-278.63.
7	(7)	The term 'nonparticipating candidate' means a candidate running for
8		Governor, Lieutenant Governor, other office in the Council of State,
9		State Senator, or State Representative who does not choose to
10		participate in the North Carolina Clean Election Act and who is not
10		seeking to be certified as a Clean Election Act candidate under G.S.
12		163-278.64(e).
12	<u>(8)</u>	The term 'office', as used in this Article, means Governor, Lieutenant
14	<u>(0)</u>	Governor, other office in the Council of State, State Senator, or State
15		Representative.
16	<u>(9)</u>	<u>The term 'participating candidate' means a candidate who is running for</u>
17	(\mathcal{I})	office who is seeking to be certified as a Clean Election Act candidate
17		under G.S. 163-278.64(e).
18	(10)	The term 'qualifying contribution' means a donation of five dollars
20	<u>(10)</u>	(\$5.00) in the form of a check or money order payable to the Clean
20 21		<u>Election Fund in support of a candidate that is:</u>
21 22		
22		a. <u>Made by any registered voter who is eligible to vote for the</u>
23 24		office which the candidate is seeking:
		b. <u>Made during the designated qualifying period and obtained</u>
25		through efforts made with the knowledge and approval of the
26		<u>candidate; and</u>
27		c. <u>Acknowledged by a written receipt that identifies the name</u> ,
28		address, occupation, and place of employment of the donor on
29	(11)	forms provided by the Commission.
30	<u>(11)</u>	The term 'qualifying period' means:
31		a. For participating candidates for Governor, Lieutenant Governor,
32		and other offices in the Council of State, the period beginning
33		November 1 immediately preceding the election year and ending
34		at noon on the third Monday in February of the election year.
35		b. For participating candidates for State Senator and State
36		Representative, the period beginning January 1 of the election
37		year and ending at noon on the first Monday in February of the
38	(1.0)	election year.
39	<u>(12)</u>	The term 'seed money contribution' means a contribution of no more
40		than one hundred dollars (\$100.00) made to a candidate by an individual
41		but not a political committee, including contributions from the candidate
42		and that candidate's spouse, parents, brothers, and sisters. A candidate
43		may collect and spend seed money contributions throughout the

1		qualifying period and during the 30 days immediately preceding the
2		qualifying period. Seed money contributions are for the primary
3		purpose of enabling participating candidates to collect qualifying
4		contributions and shall be reported according to procedures developed
5		by the Commission in the same method as qualifying contributions
6		under subdivision (10) of this section. A candidate may not collect seed
7		money contributions after certification as a Clean Election Act
8		candidate. Candidates may not spend seed money after certification for
9		campaign purposes, and may not spend seed money for any purpose
10		after certification and before the general election of the election cycle
11		for which they were certified, but after the election cycle may spend
12		unspent seed money for noncampaign purposes.
13	" <u>§ 163-278.62.</u>	Purpose and establishment of North Carolina Clean Election Act.
14	The purpose	e of this Article is to ensure the vitality of democratic elections in North
15	Carolina, to the	end that any citizen of this State, regardless of personal wealth or income,
16	can realistically	choose to seek and run for public office. It is also the purpose of this
17	Article to prot	ect the First Amendment rights of candidates from being financially
18	overwhelmed b	y the expenditures of their opponents or by independent expenditures.
19	•••	nis Article establishes the North Carolina Clean Election Fund as an
20		paign finance option available to candidates running for office. This
21		able to candidates for elections to be held in 2000 and thereafter. The
22		all administer this Article and the North Carolina Clean Election Fund.
23	Candidates par	ticipating in this Article must also comply with all other applicable
24	election and car	npaign laws and rules.
25	" <u>§ 163-278.63.</u>	North Carolina Clean Election Fund established; sources of funding.
26	<u>(a)</u> Estab	lishment of Fund. – The North Carolina Clean Election Act is established
27	to finance the	election campaigns of certified candidates for office and to pay
28	administrative	and enforcement costs of the Commission related to this Article. The
29	Fund is a spec	ial, dedicated, nonlapsing fund. Any interest generated by the Fund is
30	credited to the I	Fund. The Commission shall administer the Fund.
31	(b) Source	ces of Funding Money received from the following sources must be
32	deposited in the	<u>Fund:</u>
33	<u>(1)</u>	The qualifying contributions required of Clean Election Act candidates
34		under G.S. 163-278.64, once submitted to the Commission;
35	<u>(2)</u>	Other unspent Clean Election Act revenues distributed to any Clean
36		Election Act candidate who does not remain a candidate until the
37		primary or general election for which they were distributed, or such
38		revenues that remain unspent by a candidate following the date of the
39		primary election or general election for which they were distributed;
40	<u>(3)</u>	Any money transferred to the Clean Election Fund from the North
41		Carolina Candidates Financing Fund;
42	<u>(4)</u>	Contributions made to the Clean Election Fund by individual taxpayers
43		pursuant to G.S. 105-269.6;

1	(5) Voluntary donations made directly to the Clean Election Fund; and
2	(6) General Fund monies appropriated for the use of the Clean Election
3	Fund by the General Assembly pursuant to subsection (c) of this
4	section.
5	(c) Determination of Fund Amount. – By April 1, 1999, and every two years
6	thereafter, the Commission shall prepare and provide to the General Assembly a report
7	documenting, evaluating, and making recommendations relating to the administration,
8	implementation, and enforcement of the North Carolina Clean Election Act. In its report,
9	the Commission shall set out the funds received to date, the expected needs of the Fund
10	during the next election cycle, and the amount of the appropriation from the General
11	Assembly that will be needed for the biennium. The General Assembly shall include in
12	its appropriations from the General Fund that year at least the amount that the
13	Commission states in its report will be needed. In addition, the General Assembly shall
14	reserve for the first fiscal year of the biennium at least fifteen percent (15%) of the
15	amount of funds the Commission states in its report that it will need during the biennium,
16	to be used by the Commission to cover any disbursement under G.S. 163-278.64 in
17	excess of the amount of its direct appropriation.
18	" <u>§ 163-278.64. Terms of participation.</u>
19	(a) Declaration of Intent. – Any individual choosing to participate in the North
20	Carolina Clean Election Act shall first file with the Commission a declaration of intent to
21	participate in the Act as a candidate for a stated office. The declaration of intent shall be
22	filed with the Commission prior to or during the qualifying period, except as provided
23	under subsection (k) of this section, according to forms and procedures developed by the
24	Commission. A candidate choosing to participate in the Clean Election Act must submit
25	a declaration of intent prior to collecting any qualifying contributions under this Article.
26	A candidate who files a declaration of intent shall swear or affirm that the candidate
27	has complied with and will continue to comply with Clean Election Act contribution and
28	expenditure limits and will comply with all other requirements set forth in this Article, or
29	promulgated by the Commission.
30	(b) <u>Restrictions on Contributions and Expenditures for Participating Candidates.</u> –
31	After becoming a participating candidate as defined by G.S. 163-278.61(6) and prior to
32	certification, participating candidates shall not accept contributions, except for seed
33	money contributions or qualifying contributions. A participating candidate shall limit
34	expenditures and seed money contributions to the following amounts:
35	(1) For a candidate for Governor, two hundred thousand dollars (\$200,000).
36	(2) For a candidate for Lieutenant Governor or other office in the Council
37	of State, one hundred thousand dollars (\$100,000).
38	(3) For a candidate for State Senator, six thousand dollars (\$6,000).
39	(4) For a candidate for State Representative, four thousand dollars (\$4,000).
40	(c) Qualifying Contributions. – Participating candidates must obtain qualifying
41	contributions as follows:

41 <u>contributions as follows:</u>

1	(1)	For a condidate for Covernor, at least 6,000 varified registered North
1	<u>(1)</u>	For a candidate for Governor, at least 6,000 verified registered North
2 3		<u>Carolina voters shall have supported the candidacy by providing a</u>
3 4	(2)	<u>qualifying contribution to that candidate.</u> For a candidate for Lieutenant Governor or other office in the Council
4 5	<u>(2)</u>	of State, at least 3,000 verified registered North Carolina voters shall
5 6		have supported the candidacy by providing a qualifying contribution to
7		that candidate.
8	<u>(3)</u>	For a candidate for State Senator, at least 300 voters shall have
9	<u>(5)</u>	supported the candidacy by providing a qualifying contribution to that
10		<u>candidate.</u>
11	<u>(4)</u>	For a candidate for State Representative, at least 200 voters shall have
12		supported the candidacy by providing a qualifying contribution to that
12		candidate.
14	No navmen	t, gift, or anything of value shall be given in exchange for a qualifying
15	contribution.	t, sint, of unjuning of value shan oe siven in exchange for a quantying
16		g With the Commission. – All participating candidates shall file qualifying
17		with the Commission during the qualifying period according to procedures
18		the Commission, except as provided under subsection (k) of this section.
19	1 F	fication of Clean Election Act Candidates. – Upon receipt of a final
20		alifying contributions by a participating candidate, the Commission shall
21		her or not the candidate has:
22	(1)	Signed and filed a declaration of intent to participate in this Article;
23	$\overline{(2)}$	Submitted the appropriate number of qualifying contributions;
24	$\overline{(3)}$	Qualified as a candidate under G.S. 163-106, 163-98, 163-122, 163-123,
25		or 163-114;
26	<u>(4)</u>	Complied with seed money contributions or expenditure restrictions;
27		and
28	<u>(5)</u>	Otherwise met the requirements for participation in this Article.
29		ission shall certify candidates complying with the requirements of this
30	section as Clean	n Election Act candidates as soon as possible and no later than three days
31	after final subm	nittal of qualifying contributions.
32		andidates shall comply with all requirements of this Article after
33	certification and	d throughout the primary election and general election periods. Failure to
34		tion of this Article.
35	• •	rictions on Contributions and Expenditures for Certified Candidates
36		ion, a candidate shall limit campaign expenditures and debts to the
37		buted to the candidate from the Fund and may not accept any contributions
38	-	ally authorized by the Commission, provided that a candidate may accept
39		ations from political party executive committees, up to an aggregate value
40	*	(10%) of a candidate's public financing. All revenues distributed to
41		lates must be used for campaign-related purposes. The Commission shall
42		nes outlining permissible campaign-related expenditures. A candidate
43	shall return to	the Fund any amount that is unspent and uncommitted at the time that

1	nerson ceases f	to be a candidate before a primary or election for which the Fund money
2	<u> </u>	. A candidate shall return to the Fund any amount that was unspent and
3		fter the date of the primary election or general election for which the Fund
4	money was dist	
5		ng of Fund Distribution. – The Commission shall distribute to certified
6		enues from the Fund in amounts determined under subsection (h) of this
7		ollowing manner:
8	(1)	Within three days after certification, for candidates certified before the
9		first Monday in February of the election year, revenues from the Fund
10		as if the candidates are in an uncontested primary election.
11	<u>(2)</u>	Within three days after the first Monday in February of the election
12		year, for primary election certified candidates, revenues from the Fund
13		according to whether the candidate is in a contested or uncontested
14		primary election, reduced by any amounts previously distributed under
15		subdivision (1) of this subsection.
16	<u>(3)</u>	Within the earlier of the following: within three days after the primary
17		election, or within three days after the certification pursuant to G.S.
18		163-122, 163-123, or 163-98 of the first opposition candidate, for
19		general election certified candidates, revenues from the Fund according
20		to whether the candidate is in a contested general election. No funds are
21	P 1	distributed for uncontested general elections.
22	· · · · · · · · · · · · · · · · · · ·	be distributed to certified candidates under this section by any mechanism
23	-	bus, ensures accountability, and safeguards the integrity of the Fund.
24		unt of Fund Distribution. – By March 1, 1999, and no less frequently than
25	•	our years thereafter, as appropriate, the Commission shall determine the
26 27		s to be distributed to participating candidates based on the type of election
27 28	$\frac{\text{and office as fo}}{(1)}$	Contested Primary Elections. – The amount of revenues to be
28 29	(1)	distributed is the average amount of campaign expenditures made by
29 30		each candidate during all contested primary election races for the
31		immediately preceding two primary elections for that office, provided
32		that each of the following shall be considered a separate office for
33		purposes of calculating the average:
34		<u>a. Governor.</u>
35		b. Lieutenant Governor and other offices in the Council of State
36		shall be considered together as one separate office.
37		c. All State Senator seats, except that the amount for a candidate in
38		a two-seat district shall be double the amount for a candidate in a
39		single-seat district.
40		d. <u>All State Representative seats, except that the amount for a</u>
41		candidate in a two-seat district shall be double the amount for a
42		candidate in a single-seat district, and the amount for a candidate

1		in a three-seat district shall be triple the amount for a candidate in
2		<u>a single-seat district.</u>
3	<u>(2)</u>	<u>Uncontested Primary Elections. – The amount of revenues distributed is</u>
4		the average amount of campaign expenditures made by each candidate
5		during all uncontested primary election races, or for contested races if
6		the amount is lower, for the immediately preceding two primary
7	(2)	elections for that office as defined in subdivision (1) of this subsection.
8	<u>(3)</u>	Contested General Elections. – The amount of revenues distributed is
9		the average amount of campaign expenditures made by each candidate
10		during all contested general election races each for the immediately
11		preceding two general elections for that office as defined in subdivision
12	(\mathbf{A})	(1) of this subsection.
13	<u>(4)</u>	<u>Uncontested General Elections. – No revenues shall be distributed for</u>
14 15	If the immediat	<u>uncontested general elections.</u>
15 16		ely preceding two election cycles do not contain sufficient electoral data,
10		<u>n shall use information from the most recent applicable elections.</u> <u>hing Funds. – When any campaign, finance, or election report or group of</u>
17		nat the sum of a candidate's expenditures or obligations made, or funds
18 19	-	ved, whichever is greater, alone or in conjunction with expenditures made
20		of the candidate to influence the election on behalf of the candidate or in
20 21		n opposing Clean Election Act candidate, exceeds the distribution amount
22		on (h) of this section, the Commission shall issue immediately to any
23		Election Act candidate an additional amount equivalent to the reported
24		timate reported pursuant to subsection (m) of this section shall be treated
25		ure for purposes of release of matching funds under this subsection.
26	-	s are limited to two times the amount originally distributed under
27	•	(2), or (3) of subsection (h) whichever is applicable.
28		filiated Candidates. – Unaffiliated candidates certified pursuant to G.S.
29		12:00 noon on the first Monday in February of the election year shall be
30		venues from the Fund in the same amounts and at the same time as
31	uncontested pri	mary election candidates and general election candidates as specified in
32	subsections (g)	and (h) of this section. For unaffiliated candidates not certified by 12:00
33	noon on the fir	st Monday in February, the deadline for filing qualifying contributions is
34	<u>12:00 noon on</u>	the last Friday in June of the election year. Unaffiliated candidates
35	certified after n	oon on the first Friday in February shall be eligible for revenues from the
36	Fund in the sar	ne amounts as general election candidates, as specified in subsections (g)
37	<u>and (h).</u>	
38	(k) Other	r Procedures For races involving special elections, recounts, vacancies,
39	withdrawals, c	r replacement candidates, the Commission shall establish by rule
40	*	qualification, certification, disbursement of Fund revenues, and return of
41	unspent Fund re	
42		rting by Participating and Certified Candidates Notwithstanding other
43	provisions of la	w, participating and certified candidates shall report any money collected,

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1		expenditures, obligations, and related activities to the Commission
2		becedures developed by the Commission. Upon the filing of a final report
3		rimary election, special election, or general election, each candidate who
4		form the Fund remaining unspent shall return all revenues to the
5		In developing these procedures, the Commission shall utilize existing
6		ting procedures wherever practicable. The Commission shall ensure
7	• •	access to campaign finance data and may utilize electronic means of
8	· · · ·	oring information.
9	· / -	rting by NonCertified Candidates. – Any noncertified candidate who has
10	* *	a certified candidate shall report to the Commission 20 days before any
11		nate of the amount that the noncertified candidate intends to spend. Any
12	±	olitical committee that intends to make expenditures to influence an
13		ing a certified candidate shall report to the Commission 20 days before
14	the day of the el	lection the amount that individual or political committee intends to spend
15	to influence the	election. Reports required by this subsection shall be made according to
16	procedures which	ch shall be developed by the Commission.
17	(n) Appea	als The procedure for challenging a certification decision by the
18	Commission is a	<u>as follows:</u>
19	<u>(1)</u>	A person aggrieved by a certification decision may appeal to the full
20		Commission within three days of the certification decision. The appeal
21		shall be in writing and shall set forth the reasons for the appeal.
22	<u>(2)</u>	Within five days after an appeal is properly made, and after due notice
23		is given to the parties, the Commission shall hold a hearing. The
24		appellant has the burden of providing evidence to demonstrate that the
25		Commission's decision was improper. The Commission shall rule on
26		the appeal within three days after the completion of the hearing.
27	<u>(3)</u>	The challenger or a candidate may appeal the decision of the
28		Commission by commencing an action in superior court.
29	<u>(4)</u>	Candidates whose certification by the Commission as a Clean Election
30		Act candidate is revoked on appeal shall return to the Commission any
31		unspent revenues distributed by the Fund. If the Commission or court
32		finds that an appeal was made frivolously or to result in delay or
33		hardship, the Commission or court may sanction the moving party by
34		requiring the party to pay costs of the Commission, court, and opposing
35		parties, if any.
36	"§ 163-278.65.	The Commission on Election Practices.
37		lishment of the Commission. – There is established the North Carolina
38	Commission on	Election Practices.
39	(b) The C	Commission shall consist of five members to be appointed as follows:
40	$\overline{(1)}$	By March 31, 1998, and as needed thereafter, the Governor, with the
41		advice of the President Pro Tempore of the Senate, and the Speaker of
42		the House of Representatives shall establish and publish a nomination
43		period for members of the public, groups, and organizations to nominate

1		qualified individuals to the Governor for appointment to the
2		Commission.
3	<u>(2)</u>	The Governor shall appoint the members of the Commission, taking
4		into consideration nominations made during the nomination period,
5		subject to confirmation by the General Assembly by joint resolution.
6		No more than two Commission members shall be affiliated with the
7		same political party. No elected official or candidate for elective office
8		shall be eligible to be a member of the Commission. The Commission
9		members shall be appointed and confirmed by October 1, 1998.
10	<u>(3)</u>	Of the initial appointees, two are appointed for one-year terms, two are
11		appointed for two-year terms, and one is appointed for a three-year term
12		according to random lot under the supervision of the Secretary of State.
13		Thereafter, appointees are appointed to serve four-year terms. A person
14		may not serve more than two full terms. The appointed members
15		receive the legislative per diem pursuant to G.S. 120-3.1.
16	<u>(4)</u>	One of the Commission members shall be elected by the members as
17		<u>chair.</u>
18	<u>(5)</u>	A vacancy during an unexpired term must be filled as provided in this
19		subsection, but only for the unexpired portion of the term.
20		Commission to adopt rules.
21		ssion shall adopt rules to ensure effective administration of this Article.
22		Il include, but not be limited to, procedures for obtaining qualifying
23		ertification as a Clean Election Act candidate, addressing circumstances
24		al elections, vacancies, recounts, withdrawals, or replacements, collection
25		the Fund, distribution of Fund revenue to certified candidates, return of
26		isbursements, and compliance with the Clean Election Act.
27	" <u>§ 163-278.67.</u>	
28		Penalty. – In addition to any other penalties that may be applicable, any
29		lates any provision of this Article is subject to a civil penalty of up to ten
30		s (\$10,000) per violation. In addition to any fine, for good cause shown, a
31		d in violation of this Article may be required to return to the Fund all
32		buted to the candidate from the Fund. If the Commission makes a
33		hat a violation of this Article has occurred, the Commission shall impose a
34		the finding to the Attorney General for prosecution. Fines paid under this
35		e deposited in the Fund. In determining whether or not a candidate is in
36		e expenditure limits of this Article, the Commission may consider as a
37		or any circumstances out of the person's control.
38		I Felony. – Any person who willfully or knowingly violates this Article
39		Commission or knowingly makes a false statement in any report required
40	•	is guilty of a Class I felony and, if certified as a Clean Election Act
41		return to the Fund all amounts distributed to the candidate."
42		on 2. Article 22C of Chapter 163 of the General Statutes is repealed.
43	Section 3. (a) G.S. 105-269.6 reads as rewritten:

"§ 105-269.6. Contribution of individual income tax refund to Candidates Financing Fund. <u>the North Carolina Clean Election Fund.</u>

3 An individual entitled to a refund of income taxes under Division II of Article 4 of this Chapter may elect to contribute all or part of the refund to the North Carolina 4 Candidates Financing Fund for the use of political campaigns as provided in Article 22C of 5 Chapter 163 of the General Statutes.-North Carolina Clean Election Fund created in Article 6 22D of Chapter 163 of the General Statutes. The Secretary of Revenue-shall provide 7 appropriate language and space on the individual income tax form in which to make the 8 9 election. The election becomes irrevocable upon filing the individual's income tax return for the taxable year. The Secretary of Revenue shall, on a guarterly basis, transmit the 10 contributions made pursuant to this section to the State Treasurer for credit to the North 11 12 Carolina Candidates Financing Fund. North Carolina Clean Election Fund. Any interest 13 earned on funds so credited shall be credited to the Fund."

(b) The Secretary of Revenue shall transfer to the North Carolina Clean Election
Fund any funds contributed to the North Carolina Candidates Financing Fund pursuant to
G.S. 105-269.6 before its amendment by this section but not yet transferred to that Fund.
Section 4. G.S. 163-278.13 reads as rewritten:

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"§ 163-278.13. Limitation on contributions.

(a) No individual or political committee 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) five hundred dollars (\$500.00) for that election.

(b) No candidate or political committee shall accept or solicit any contribution
 from any individual or other political committee of any money or any other contribution
 in any election in excess of four thousand dollars (\$4,000) five hundred dollars (\$500.00)
 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) five hundred dollars (\$500.00) for that election.

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

(e) This section shall not apply to any national. State, district or county-district, county, 36 precinct, or other executive committee committees of any political party. The limitation 37 in this section on contributions to or from political party executive committees shall 38 apply collectively to all executive committees of the same political party nationally or 39 within the State. For the purposes of this section only, the term 'political party' means only 40 those political parties officially recognized under G.S. 163-96. Contributions by political 41 party executive committees under G.S. 163-278.42 are subject to the limitations of this 42 43 section.

1 (e1) No referendum committee which received any contribution from a corporation, 2 labor union, insurance company, business entity, or professional association may make 3 any contribution to another referendum committee, to a candidate or to a political 4 committee.

5 (f) Any individual, candidate, political committee, or referendum committee who 6 violates the provisions of this section is guilty of a Class 2 misdemeanor."

Section 5. The provisions of this act are severable. If any provision of this act
is held invalid by a court of competent jurisdiction, the invalidity does not affect other
provisions of the act that can be given effect without the invalid provision.

10 Section 6. This act is effective when it becomes law. Section 4 of this act 11 applies to any contribution, primary, or election occurring on or after the date it becomes 12 law.