



1 referendum committee. The term 'contribution' does not include an  
2 'independent expenditure.' The term 'contribution' does not include a  
3 grant from a governmental entity under a uniform program of grants to  
4 the campaigns of candidates for elective office within the jurisdiction  
5 of that governmental entity if: (i) the grants are available as a source of  
6 campaign financing for candidates for office who demonstrate public  
7 support and voluntarily accept strict fund-raising and spending limits  
8 in accordance with a set of criteria drawn by the government, (ii) the  
9 criteria are drawn to further the public purpose of free elections and do  
10 not discriminate for or against any candidate on the basis of race,  
11 creed, position on issues, status of incumbency or nonincumbency, or  
12 party affiliation, (iii) the grants are restricted to use for campaign  
13 purposes, and (iv) unspent grants are required to be returned to that  
14 governmental entity. Grants pursuant to such a program are not subject  
15 to the contribution limitations of G.S. 163-278.13, the prohibitions on  
16 corporate contributions of G.S. 163-278.15 or G.S. 163-278.19, or  
17 contribution limits under any local act, but shall be reported as if they  
18 were contributions in all campaign reports required by law to be filed  
19 by the campaigns receiving the grants."

20 **SECTION 2.** Article 21 of Chapter 160A of the General Statutes is amended  
21 by adding a new section to read:

22 "**§ 160A-499. Uniform, nondiscriminatory program of public financing of election**  
23 **campaigns.**

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

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

38 **SECTION 3.** This act applies to the Town of Chapel Hill only.

39 **SECTION 4.** This act is effective when it becomes law.