

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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SENATE BILL 1123

Short Title: Chapel Hill Campaign Finance Options. (Local)

Sponsors: Senator Kinnaird.

Referred to: Rules and Operations of the Senate.

May 17, 2004

1 A BILL TO BE ENTITLED
2 AN ACT TO CLARIFY THAT GRANTS FROM UNIFORM PROGRAMS FOR
3 PUBLIC CAMPAIGN FINANCING OF THE TOWN OF CHAPEL HILL DO NOT
4 CONSTITUTE "CONTRIBUTIONS" AND ARE NOT SUBJECT TO
5 RESTRICTIONS ON CONTRIBUTIONS; AND TO CLARIFY THAT THE
6 TOWN OF CHAPEL HILL IS AUTHORIZED TO CONDUCT THOSE
7 PROGRAMS.

8 The General Assembly of North Carolina enacts:

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

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

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.