

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003**

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**SENATE BILL 760**

Short Title: Local Campaign Finance Reform. (Public)

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Sponsors: Senators Gulley; Allran, Bingham, Carrington, Dalton, Dannelly, Garrou, Hagan, Hartsell, Horton, Kinnaird, Metcalf, Purcell, Rand, Reeves, Shaw, and Soles.

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Referred to: Judiciary I.

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April 3, 2003

A BILL TO BE ENTITLED

1 AN ACT TO CLARIFY THAT GRANTS FROM UNIFORM PROGRAMS FOR  
2 PUBLIC CAMPAIGN FINANCING DO NOT CONSTITUTE  
3 "CONTRIBUTIONS" AND ARE NOT SUBJECT TO RESTRICTIONS ON  
4 CONTRIBUTIONS; TO CLARIFY THAT CERTAIN CITY AND COUNTY  
5 GOVERNMENTS ARE AUTHORIZED TO CONDUCT THOSE PROGRAMS;  
6 TO GRANT CITY AND COUNTY GOVERNMENTS LIMITED AUTHORITY  
7 TO SET STRICTER LIMITS THAN THOSE IN EFFECT STATEWIDE FOR  
8 CONTRIBUTION LIMITS AND REPORTING; AND TO MANDATE AND  
9 APPROPRIATE FUNDS FOR A STUDY OF LOCAL PUBLIC CAMPAIGN  
10 FINANCING PROGRAMS.  
11

12 The General Assembly of North Carolina enacts:

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

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

1 wearing apparel, tickets or admission prices to campaign events such  
2 as rallies or dinners, and the proceeds of sale of any campaign-related  
3 services or goods. Notwithstanding the foregoing meanings of  
4 'contribution,' the word shall not be construed to include services  
5 provided without compensation by individuals volunteering a portion  
6 or all of their time on behalf of a candidate, political committee, or  
7 referendum committee. The term 'contribution' does not include an  
8 'independent expenditure.' The term 'contribution' does not include a  
9 grant from a governmental entity under a uniform program of grants to  
10 the campaigns of candidates for elective office within the jurisdiction  
11 of that governmental entity if: (i) the grants are available to any  
12 candidate for office who meets a set of criteria drawn by the  
13 government, (ii) the criteria are drawn to further the public purpose of  
14 free elections and do not discriminate for or against any candidate on  
15 the basis of race, creed, position on issues, status of incumbency or  
16 nonincumbency, or party affiliation, and (iii) the grants are restricted  
17 to use for campaign purposes. Grants pursuant to such a program are  
18 not subject to the contribution limitations of G.S. 163-278.13 and the  
19 prohibitions on corporate contributions of G.S. 163-278.15 or 163-  
20 278.19, but shall be reported as if they were contributions in all  
21 campaign reports required by law to be filed by the campaigns  
22 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 50,000 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 to any candidate for an office who meets a set of criteria drawn by the  
31 county, (ii) the criteria are drawn to further the public purpose of free elections and do  
32 not discriminate for or against any candidate on the basis of race, creed, position on  
33 issues, status of incumbency or nonincumbency, or party affiliation, and (iii) the grants  
34 are restricted to use for campaign purposes.

35 A governing body of a city with a population exceeding 30,000 according to the  
36 most recent decennial federal census may appropriate funds for a uniform program of  
37 grants to the campaigns of candidates for city office in that city if: (i) the grants are  
38 available to any candidate for an office who meets a set of criteria drawn by the city, (ii)  
39 the criteria are drawn to further the public purpose of free elections and do not  
40 discriminate for or against any candidate on the basis of race, creed, position on issues,  
41 status of incumbency or nonincumbency, or party affiliation, and (iii) the grants are  
42 restricted to use for campaign purposes.

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

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

6 **"§ 160A-500. Authority to set stricter political contribution limits and campaign**  
7 **reporting thresholds for local office.**

8 A governing body of a county may set contribution limits at a dollar amount lower  
9 than those provided in G.S. 163-278.13 with respect to elections for county offices in  
10 that county. A governing body of a county may set a lower dollar amount than set forth  
11 in G.S. 163-278.8 as a threshold for reporting the name, address, and principal  
12 occupation of a contributor, as those items are prescribed to be reported in G.S. 163-  
13 278.11, with respect to elections for county offices in that county.

14 A governing body of a city may set contribution limits at a dollar amount lower than  
15 those provided in G.S. 163-278.13 with respect to elections for city offices in that city.  
16 A governing body of a city may set a lower dollar amount than set forth in G.S.  
17 163-278.8 as a threshold for reporting the name, address, and principal occupation of a  
18 contributor, as those items are prescribed to be reported in G.S. 163-278.11, with  
19 respect to elections for city offices in that city.

20 This section does not authorize a county or city to set a higher dollar amount than  
21 the general law in Chapter 163 of the General Statutes as either a contribution limit or a  
22 threshold for reporting. This section does not authorize a county or city to set a  
23 contribution limit lower than two hundred dollars (\$200.00) for contribution from one  
24 source to one recipient per election. This section does not authorize a county or city to  
25 set a reporting threshold for a contributor at lower than twenty dollars (\$20.00).

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

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

30 **"§ 153A-445. Miscellaneous powers found in Chapter 160A.**

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

- 32 (1) Chapter 160A, Article 20, Part 1. – Joint Exercise of Powers.
- 33 (2) Chapter 160A, Article 20, Part 2. – Regional Councils of  
34 Governments.
- 35 (3) G.S. 160A-487. – Financial support for rescue squads.
- 36 (4) G.S. 160A-488. – Art galleries and museums.
- 37 (5) G.S. 160A-492. – Human relations programs.
- 38 (6) G.S. 160A-497. – Senior citizens programs.
- 39 (7) G.S. 160A-489. – Auditoriums, coliseums, and convention and civic  
40 centers.
- 41 (8) G.S. 160A-498. – Railroad corridor preservation.
- 42 (9) G.S. 160A-499. – Uniform, nondiscriminatory program of public  
43 financing of election campaigns.

1           (10) G.S. 160A-500. – Authority to set stricter political contribution limits  
2           and campaign reporting thresholds for local office.

3           (b) This section is for reference only, and the failure of any section of Chapter  
4 160A to appear in this section does not affect the applicability of that section to  
5 counties."

6           **SECTION 5.** No later than 18 months after this act becomes effective, the  
7 State Board of Elections shall complete a study of a variety of public financing  
8 programs for local government elections in the United States, prepare a description of  
9 the basic elements generally present, and compile a collection of reference materials for  
10 local governments in North Carolina to use in designing their programs. There is  
11 appropriated from the General Fund to the State Board of Elections for the 2003-2004  
12 fiscal year the sum of fifteen thousand dollars (\$15,000) for this purpose.

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