

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 579
Committee Substitute Favorable 4/17/97
Senate Judiciary Committee Substitute Adopted 5/18/98

Short Title: Campaign Finance Changes.

(Public)

Sponsors:

Referred to:

March 20, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE CHANGES IN THE CAMPAIGN FINANCE LAWS.
3 The General Assembly of North Carolina enacts:
4 --LOWER THE CONTRIBUTION LIMIT AND CLOSE THE LOOPHOLES FOR
5 PARTY CONTRIBUTIONS AND FAMILY CONTRIBUTIONS.

6 Section 1. (a) G.S. 163-278.13 reads as rewritten:

7 "§ 163-278.13. **Limitation on contributions.**

8 (a) No individual or political committee shall contribute to any candidate or other
9 political committee any money or make any other contribution in any election in excess
10 of ~~four~~two thousand dollars (~~\$4,000~~)-(\$2,000) for that election.

11 (b) No candidate or political committee shall accept or solicit any contribution
12 from any individual or other political committee of any money or any other contribution
13 in any election in excess of ~~four~~two thousand dollars (~~\$4,000~~)-(\$2,000) for that election.

14 (c) Notwithstanding the provisions of subsections (a) and (b) of this section, it
15 shall be lawful for a candidate or a candidate's ~~spouse, parents, brothers and sisters~~ spouse to
16 make a contribution to the candidate or to the candidate's treasurer of any amount of
17 money or to make any other contribution in any election in excess of ~~four~~two thousand
18 dollars (~~\$4,000~~)-(\$2,000) for that election.

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

6 (e) This section shall ~~not~~ apply to ~~any national, State, district or county district,~~
7 ~~county, precinct, or other executive committee committees~~ of any political party. The
8 limitation in this section on contributions to or from political party executive committees
9 shall apply collectively to all executive committees of the same political party nationally
10 or within the State. For the purposes of this section only, the term 'political party' means only
11 those political parties officially recognized under G.S. 163-96. Contributions by political
12 party executive committees under G.S. 163-278.42 are subject to the limitations of this
13 section.

14 (e1) No referendum committee which received any contribution from a corporation,
15 labor union, insurance company, business entity, or professional association may make
16 any contribution to another referendum committee, to a candidate or to a political
17 committee.

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

20 (b) This section becomes effective January 1, 1999, and applies to all elections
21 occurring on or after that date.

22 -- CONFORM THE CAMPAIGN FINANCE LAW TO FEDERAL COURT
23 OPINIONS.

24 Section 2. (a) G.S. 163-278.6(14) reads as rewritten:

25 "(14) The term 'political committee' means a combination of two or more
26 individuals, or any person, committee, association, or ~~organization, the~~
27 ~~primary or incidental purpose of which is to support or oppose any~~
28 ~~candidate or political party or to influence or attempt to influence the~~
29 ~~result of an election or which accepts contributions or makes~~
30 organization that either:

31 a. Is controlled by a candidate;

32 b. Makes contributions; or

33 c. Has as a nonincidental purpose making expenditures for the
34 purpose of influencing or attempting to influence to support or
35 oppose the nomination or election or defeat of any a clearly
36 identified candidate at any election, election.

37 ~~or which~~ If the group qualifies as a 'political committee' under sub-
38 subdivision a., b., or c. of this subdivision, it continues to be a political
39 committee if it receives contributions to repay loans or cover a deficit,
40 or which makes expenditures to satisfy obligations of an election already
41 held. The term includes, without limitation, any political party's State,
42 county or district executive committee."

43 (b) G.S. 163-278.6(6) reads as rewritten:

- 1 "(6) The terms 'contribute' or 'contribution' mean any advance, conveyance,
2 deposit, distribution, transfer of funds, loan, payment, gift, pledge or
3 subscription of money or anything of value whatsoever, to a candidate,
4 political committee, or referendum committee from any person or
5 individual, whether or not made in an election year, and any contract,
6 agreement, promise or other obligation, whether or not legally
7 enforceable, to make a contribution, in support of or in opposition to
8 any candidate, political committee, referendum committee, or political
9 party. These terms include, without limitation, such contributions as
10 labor or personal services, postage, publication of campaign literature or
11 materials, in-kind transfers, loans or use of any supplies, office
12 machinery, vehicles, aircraft, office space, or similar or related services,
13 goods, or personal or real property. These terms also include, without
14 limitation, the proceeds of sale of services, campaign literature and
15 materials, wearing apparel, tickets or admission prices to campaign
16 events such as rallies or dinners, and the proceeds of sale of any
17 campaign-related services or goods—~~notwithstanding—~~goods.
18 Notwithstanding the foregoing meanings of 'contribution,' the word
19 shall not be construed to include services provided without
20 compensation by individuals volunteering a portion or all of their time
21 on behalf of a candidate, political committee, or referendum committee.
22 The term 'contribution' does not include an 'independent expenditure.'"
- 23 (c) G.S. 163-278.6(9) reads as rewritten:
24 "(9) The terms 'expend' or 'expenditure' mean any purchase, advance,
25 conveyance, deposit, distribution, transfer of funds, loan, payment, gift,
26 pledge or subscription of money or anything of value whatsoever, from
27 any person or individual, whether or not made in an election year, and
28 any contract, agreement, promise or other obligation, whether or not
29 legally enforceable, to make an expenditure, ~~in support of or in opposition~~
30 ~~to~~ to support or oppose the nomination or election or defeat of any
31 clearly identified candidate, political committee, referendum committee,
32 or political party. ~~party,~~ or to make a contribution."
- 33 (d) G.S. 163-278.6 is amended by adding a new subdivision to read:
34 "(9A) The term 'independently expend' or 'independent expenditure' mean an
35 expenditure made without consultation or coordination with any
36 candidate, political committee, or political party that benefits or would
37 benefit electorally from the expenditure."
- 38 (e) G.S. 163-278.6(16) reads as rewritten:
39 "(16) The term 'political purpose' means ~~any purpose in aid of seeking to~~
40 ~~influence an election or a~~ to support or oppose the nomination or election
41 or defeat of a clearly identified political party or candidate."
- 42 (f) G.S. 163-269 is repealed.
- 43 (g) G.S. 163-278.19 is amended by adding a new subsection to read:

1 "(f) This section does not prohibit an independent expenditure by an entity that:

- 2 (1) Was formed for the express purpose of promoting political ideas and
3 does not engage in business activities;
4 (2) Does not have shareholders or other persons which have an economic
5 interest in its assets and earnings; and
6 (3) Was not established by a business corporation, included, but not limited
7 to, those chartered under Chapter 55 or Chapter 55A, by an insurance
8 company, or by a labor union and has a policy against accepting
9 contributions from such entities."

10 (h) G.S. 163-278.12 reads as rewritten:

11 "**§ 163-278.12. ~~Contributions and expenditures by an individual other than a~~**
12 **candidate. Independent expenditures.**

13 Subject to G.S. 163-278.16(f) and 163-278.14, it shall be permissible for an
14 individual other than a candidate to make ~~contributions or expenditures in support of, or~~
15 ~~in opposition to, any candidate, political committee, or referendum committee other than~~
16 ~~by contribution to a candidate, political committee, or referendum committee.~~
17 independent expenditures. In the event an individual or entity other than a political
18 committee permitted by law to do so makes contributions or expenditures, other than by
19 ~~contribution to a candidate, political committee, or referendum committee, independent~~
20 expenditures in excess of one hundred dollars (\$100.00), then, within 10 days after
21 making such a contribution or expenditure, ~~he~~ that individual or entity shall file a
22 statement of such contribution or expenditure with the Board in accordance with the
23 terms and conditions of G.S. 163-278.11."

24 (i) This section is effective when it becomes law.

25 — STRENGTHEN ENFORCEMENT PROVISIONS.

26 Section 3. (a) G.S. 163-278.27(a) reads as rewritten:

27 "(a) Any individual, candidate, political committee, referendum committee,
28 treasurer, person or media who violates the provisions of G.S. 163-278.7, 163-278.8,
29 163-278.9, 163-278.10, 163-278.11, 163-278.12, 163-278.14, 163-278.16, 163-278.17,
30 163-278.18, 163-278.40A, 163-278.40B, 163-278.40C, 163-278.40D or 163-278.40E is
31 guilty of a Class 2 misdemeanor. Prosecution for a misdemeanor brought under this
32 section or any other section of this Article shall be barred after the expiration of five
33 years after the date the violation occurred."

34 (b) G.S. 15-1 reads as rewritten:

35 "**§ 15-1. Statute of limitations for misdemeanors.**

36 The crimes of deceit and malicious mischief, and the crime of petit larceny where the
37 value of the property does not exceed five dollars (\$5.00), and all misdemeanors except
38 malicious ~~misdemeanors, misdemeanors and prosecutions under Article 22A of Chapter~~
39 163 of the General Statutes, shall be presented or found by the grand jury within two
40 years after the commission of the same, and not afterwards: Provided, that if any
41 indictment found within that time shall be defective, so that no judgment can be given
42 thereon, another prosecution may be instituted for the same offense, within one year after
43 the first shall have been abandoned by the State."

- 1 (c) This section becomes effective December 1, 1998, and applies to acts
2 committed on or after that date.
3 Section 4. This act is effective when it becomes law.