

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015**

H

1

HOUSE BILL 1042

Short Title: Require Disclosure of All Candidate Donations. (Public)

Sponsors: Representatives Saine and Bishop (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Elections

May 5, 2016

A BILL TO BE ENTITLED
AN ACT TO REQUIRE THE DISCLOSURE OF ALL OF A CANDIDATE'S DONORS IN
CAMPAIGN FINANCE REPORTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 163-278.11 reads as rewritten:

"§ 163-278.11. Contents of treasurer's statement of receipts and expenditures.

(a) Statements filed pursuant to provisions of this Article shall set forth the following:

(1) Contributions. – ~~Except as provided in subsection (a1) of this section, a~~ list of all contributions received by or on behalf of a candidate, political committee, or referendum committee. The statement shall list the name and complete mailing address of each contributor, the amount contributed, the principal occupation of the contributor, and the date such contribution was received. The total sum of all contributions to date shall be plainly exhibited. Forms for required reports shall be prescribed by the Board. As used in this section, "principal occupation of the contributor" means the contributor's:

a. Job title or profession; and

b. Employer's name or employer's specific field of business activity.

The State Board of Elections shall prepare a schedule of specific fields of business activity, adapting or modifying as it deems suitable the business activity classifications of the Internal Revenue Code or other relevant classification schedules. In reporting a contributor's specific field of business activity, the treasurer shall use the classification schedule prepared by the State Board.

(2) Expenditures. – A list of all expenditures required under G.S. 163-278.8 made by or on behalf of a candidate, political committee, or referendum committee. The statement shall list the name and complete mailing address of each payee, the amount paid, the purpose, and the date such payment was made. The total sum of all expenditures to date shall be plainly exhibited. Forms for required reports shall be prescribed by the Board. In accounting for all expenditures in accordance with G.S. 163-278.8(e) and G.S. 163-278.8(f), the payee shall be the individual or person to whom the candidate, political committee, or referendum committee is obligated to make the expenditure. If the expenditure is to a financial institution for revolving credit or a reimbursement for a payment to a financial institution for revolving credit, the statement shall also include a specific itemization of the goods and services purchased with the



1 revolving credit. If the obligation is for more than one good or service, the
2 statement shall include a specific itemization of the obligation so as to provide a
3 reasonable understanding of the obligation.

- 4 (3) Loans. – Every candidate and treasurer shall attach to the campaign transmittal
5 submitted with each report an addendum listing all proceeds derived from loans
6 for funds used or to be used in this campaign. The addendum shall be in the
7 form as prescribed by the State Board of Elections and shall list the amount of
8 the loan, the source, the period, the rate of interest, and the security pledged, if
9 any, and all makers and endorsers.

10 ~~(a1) Threshold for Reporting Identity of Contributor. – A treasurer shall not be required to~~
11 ~~report the name, address, or principal occupation of any individual who contributes fifty dollars~~
12 ~~(\$50.00) or less to the treasurer's committee during an election as defined in G.S. 163-278.13. The~~
13 ~~State Board of Elections shall provide on its reporting forms for the reporting of contributions~~
14 ~~below that threshold. On those reporting forms, the State Board may require date and amount of~~
15 ~~contributions below the threshold, but may treat differently for reporting purposes contributions~~
16 ~~below the threshold that are made in different modes and in different settings.~~

17 (b) Statements shall reflect anything of value paid for or contributed by any person or
18 individual, both as a contribution and expenditure. A political party executive committee or
19 affiliated party committee that makes an expenditure that benefits a candidate or group of
20 candidates shall report the expenditure, including the date, amount, and purpose of the expenditure
21 and the name of and office sought by the candidate or candidates on whose behalf the expenditure
22 was made. A candidate who benefits from the expenditure shall report the expenditure or the
23 proportionate share of the expenditure from which the candidate benefitted as an in-kind
24 contribution if the candidate or the candidate's committee has coordinated with the political party
25 executive committee or affiliated party committee concerning the expenditure.

26 (c) Best Efforts. – When a treasurer shows that best efforts have been used to obtain,
27 maintain, and submit the information required by this Article for the candidate or political
28 committee, any report of that candidate or committee shall be considered in compliance with this
29 Article and shall not be the basis for criminal prosecution or the imposition of civil penalties, other
30 than forfeiture of a contribution improperly accepted under this Article. The State Board of
31 Elections shall promulgate rules that specify what are "best efforts" for purposes of this Article,
32 adapting as it deems suitable the provisions of 11 C.F.R. § 104.7. The rules shall include a
33 provision that if the treasurer, after complying with this Article and the rules, does not know the
34 occupation of the contributor, it shall suffice for the treasurer to report "unable to obtain".

35 **SECTION 2.** This act becomes effective January 1, 2017, and applies to contributions
36 made on or after that date.