

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019**

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HOUSE BILL 700

Short Title: Digital Campaign Finance Disclosure Changes. (Public)

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

Referred to: Elections and Ethics Law, if favorable, Rules, Calendar, and Operations of the House

April 11, 2019

1 A BILL TO BE ENTITLED
2 AN ACT TO DEFINE AND REGULATE DIGITAL COMMUNICATION IN
3 ELECTIONEERING COMMUNICATIONS AND ADVERTISING DISCLOSURES.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 163A-1411 is amended by adding a new subdivision to read:

6 "(81) The term "qualified digital communication" means any communication, for a
7 fee, placed or promoted on a public-facing Web site, Web application, or
8 digital application, including a social network, advertising network, or search
9 engine."

10 **SECTION 2.** G.S. 163A-1411(41), as amended by Section 3.4(m) of S.L. 2018-144,
11 reads as rewritten:

12 "(41) The term "electioneering communication" means any broadcast, cable, or
13 satellite communication, or mass mailing, or telephone ~~bank~~ ~~bank~~, or qualified
14 digital communication that has all the following characteristics:

- 15 a. Refers to a clearly identified candidate for elected office.
- 16 b. In the case of the general election in November of the even-numbered
17 year is aired or transmitted after September 7 of that year, and in the
18 case of any other election is aired or transmitted within 60 days of the
19 time set for absentee voting to begin pursuant to G.S. 163A-1300,
20 163A-1302, 163A-1303, and 163A-1304 in an election for that office.
- 21 c. May be received by ~~either~~ the following:
- 22 1. 50,000 or more individuals in the State in an election for
23 statewide office or 7,500 or more individuals in any other
24 election if in the form of broadcast, cable, or satellite
25 communication.
- 26 2. 20,000 or more households, cumulative per election, in a
27 statewide election or 2,500 households, cumulative per
28 election, in any other election if in the form of mass mailing or
29 telephone bank."

30 **SECTION 3.** G.S. 163A-1475(1) reads as rewritten:

31 "(1) "Advertisement" means any message appearing in the print media, on
32 ~~television, or on radio~~ television or radio, or through a qualified digital
33 communication that constitutes a contribution or expenditure under this
34 Article."



1 **SECTION 4.** G.S. 163A-1476 reads as rewritten:

2 "**§ 163A-1476. Basic disclosure requirements for all political advertisements.**

3 (a) Basic Requirements. – It shall be unlawful for any sponsor to sponsor an
4 advertisement in the print ~~media or media~~, on radio or ~~television~~-television, or through a qualified
5 digital communication that constitutes an expenditure, independent expenditure, electioneering
6 communication, or contribution required to be disclosed under this Article unless all the
7 following conditions are met:

8 (1) It bears the legend or includes the statement: "Paid for by ____ [Name of
9 candidate, candidate campaign committee, political party organization,
10 political action committee, referendum committee, individual, or other
11 sponsor]." In television or qualified digital communication advertisements,
12 this disclosure shall be made by visual legend.

13 ...

14 (b) Size Requirements. – The following shall apply to the various forms of advertisement:

15 (1) In a print media advertisement covered by subsection (a) of this section, the
16 height of all disclosure statements required by that subsection shall constitute
17 at least five percent (5%) of the height of the printed space of the
18 advertisement, provided that the type shall in no event be less than 12 points
19 in size. In an advertisement in a newspaper or a newspaper insert, the total
20 height of the disclosure statement need not constitute five percent of the
21 printed space of the advertisement if the type of the disclosure statement is at
22 least 28 points in size. If a single advertisement consists of multiple pages,
23 folds, or faces, the disclosure requirement of this section applies only to one
24 page, fold, or face.

25 (2) In a television advertisement covered by subsection (a) of this section, the
26 visual disclosure legend shall constitute four percent (4%) of vertical picture
27 height in size, and where the television advertisement that appears is paid for
28 by a candidate or candidate campaign committee, the visual disclosure legend
29 shall appear simultaneously with an easily identifiable photograph of the
30 candidate for at least two seconds.

31 (3) In a radio advertisement covered by subsection (a) of this section, the
32 disclosure statement shall last at least two seconds, provided the statement is
33 spoken so that its contents may be easily understood.

34 (4) In a qualified digital communication advertisement covered by subsection (a)
35 of this section, the disclosure statement shall appear (i) in letters at least as
36 large as the smallest text in the qualified digital communication or (ii) in a
37 heading or similar section of text displayed above or within the qualified
38 digital communication that is visually distinct from the text of the qualified
39 digital communication and shall have a reasonable degree of color contrast
40 between the background and the disclosure statement. If the qualified digital
41 communication is disseminated through a medium in which the provision of
42 the disclosure statement is not possible, the qualified digital communication
43 shall, in a clear and conspicuous manner, include the following:

44 a. The name of the person who paid for the qualified digital
45 communication.

46 b. A means for the recipient of the qualified digital communication to
47 obtain the remainder of the information required by this section with
48 minimal effort and without receiving or viewing any additional
49 material other than the disclosure statement.

50 (c) Misrepresentation of Authorization. – Notwithstanding G.S. 163A-1445(a), any
51 candidate, candidate campaign committee, political party organization, political action

1 committee, referendum committee, individual, or other sponsor making an advertisement in the
2 print ~~media or~~ media, on radio or ~~television~~ television, or through a qualified digital
3 communication bearing any legend required by subsection (a) of this section that misrepresents
4 the sponsorship or authorization of the advertisement is guilty of a Class 1 misdemeanor."

5 **SECTION 5.** G.S. 163A-1477 reads as rewritten:

6 "**§ 163A-1477. Scope of disclosure requirements.**

7 The disclosure requirements of this Part apply to any sponsor of an advertisement in the print
8 media or on radio or ~~television~~ television, or through a qualified digital communication the cost
9 or value of which constitutes an expenditure or contribution required to be disclosed under this
10 Article, except that the disclosure requirements of this Part:

- 11 (1) Do not apply to an individual who makes uncoordinated independent
12 expenditures aggregating less than one thousand dollars (\$1,000) in a political
13 campaign; and
- 14 (2) Do not apply to an individual who incurs expenses with respect to a
15 referendum.

16 The disclosure requirements of this Part do not apply to any advertisement the expenditure
17 for which is required to be disclosed by G.S. 163-278.12A alone and by no other law."

18 **SECTION 6.** Part 2 of Article 23 of Chapter 163A of the General Statutes is amended
19 by adding a new section to read:

20 "**§ 163A-1478. State Board to maintain records of qualified digital communications for**
21 **political advertising.**

22 Any person making a qualified digital communication, as defined under G.S. 163A-1411(81),
23 that is covered by G.S. 163A-1476(a) shall submit that qualified digital communication to the
24 State Board along with the disclosure information required under G.S. 163A-1476. The State
25 Board shall maintain the information submitted pursuant to this section on the State Board's Web
26 site and the information shall be deemed public records and available for inspection on the Web
27 site. The State Board shall display the following information on its Web site as related to the
28 qualified digital communication:

- 29 (1) The name of the person.
- 30 (2) The city and state where the entity is located.
- 31 (3) The amount spent by the person for each candidate.
- 32 (4) A copy of the political advertisement.
- 33 (5) The dates or date range on which the political advertisement runs."

34 **SECTION 7.** This act becomes effective September 1, 2019, and applies to elections
35 conducted on or after that date.