

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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HOUSE BILL 737

Senate State Government, Local Government, and Veterans' Affairs Committee
Substitute Adopted 6/11/03
Senate State Government, Local Government, and Veterans' Affairs Committee
Substitute #2 Adopted 7/14/04

Short Title: Chapel Hill Campaign Finance Options.

(Local)

Sponsors:

Referred to:

March 27, 2003

A BILL TO BE ENTITLED

AN ACT TO DEFINE A UNIFORM PROGRAM OF PUBLIC CAMPAIGN
FINANCING AND TO AUTHORIZE THE TOWN OF CHAPEL HILL TO
CONDUCT SUCH A PROGRAM.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 163-278.6 is amended by adding a new subdivision to
read:

"(17a) The term 'public campaign financing program' means a uniform program of a governmental entity that offers support for the campaigns of candidates for elective office within the jurisdiction of that governmental entity under the following conditions: (i) the candidates participating in the program must demonstrate public support and voluntarily accept strict fund-raising and spending limits in accordance with a set of requirements drawn by that government, (ii) the requirements are drawn to further the public purpose of free and fair elections and do not discriminate for or against any candidate on the basis of race, creed, position on issues, status of incumbency or nonincumbency, or party affiliation, (iii) any public funds provided to candidates are restricted to use for campaign purposes according to guidelines drawn by the State Board of Elections, and (iv) unspent public funds are required to be returned to that governmental entity. Funds paid pursuant to such a program are not subject to the contribution limitations of G.S. 163-278.13 and the prohibitions on corporate contributions of G.S. 163-278.15 or G.S. 163-278.19, but shall be reported as if they were contributions in all campaign reports required by law to be filed by the campaigns receiving the payments."

1 **SECTION 2.** Article 21 of Chapter 160A of the General Statutes is amended
2 by adding a new section to read:

3 **"§ 160A-499. Uniform, nondiscriminatory program of public financing of election**
4 **campaigns.**

5 (a) A governing body of a city with a population exceeding 40,000 according to
6 the most recent decennial federal census may appropriate funds for a public campaign
7 financing program as defined in G.S. 163-278.6(17a) for city office in that city's
8 jurisdiction if the city has held at least one public hearing on the program before
9 adopting it and the program is approved by the State Board of Elections. The State
10 Board of Elections shall develop guidelines for the basic components needed in a
11 program to meet the criteria set forth in G.S. 163-278.6(17a) and shall approve a city's
12 program that meets the criteria. Any city exercising authority under this section shall
13 provide full notice to the county board of elections in any county in which it has
14 territory.

15 (b) The governing body of a city appropriating funds as provided by this section
16 shall prepare a report no later than six months after the second election in which it
17 appropriates funds under this section that analyzes its experience in implementing a
18 public campaign financing program by that date, including percent of candidates
19 participating in a program, sources and amounts of funding, litigation involving a
20 program, administrative issues, and recommendations for changes in this statute. The
21 report shall be presented by that date to the Joint Legislative Commission on
22 Governmental Operations, to the Fiscal Research Division of the Legislative Services
23 Office, and to the committees in the House of Representatives and Senate to which
24 election-related bills are primarily referred."

25 **SECTION 3.** This act applies to the Town of Chapel Hill only.

26 **SECTION 4.** This act is effective when it becomes law and expires July 1,
27 2008.