

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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**SENATE BILL 760
Judiciary I Committee Substitute Adopted 6/4/03
Judiciary I Committee Substitute #2 Adopted 7/15/03**

Short Title: Local Campaign Finance Options.

(Public)

Sponsors:

Referred to:

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 GOVERNMENTS IN CITIES AND
5 COUNTIES OF A CERTAIN SIZE ARE AUTHORIZED TO CONDUCT THOSE
6 PROGRAMS; AND TO REQUIRE A REVIEW OF LOCAL PUBLIC CAMPAIGN
7 FINANCING PROGRAMS.
8

9 The General Assembly of North Carolina enacts:

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

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

1 provided without compensation by individuals volunteering a portion
2 or all of their time on behalf of a candidate, political committee, or
3 referendum committee. The term 'contribution' does not include an
4 'independent expenditure.' The term 'contribution' does not include a
5 grant from a governmental entity under a uniform program of grants to
6 the campaigns of candidates for elective office within the jurisdiction
7 of that governmental entity if: (i) the grants are available as a source of
8 campaign financing for candidates for office who demonstrate public
9 support and voluntarily accept strict fund-raising and spending limits
10 in accordance with a set of criteria drawn by the government, (ii) the
11 criteria are drawn to further the public purpose of free elections and do
12 not discriminate for or against any candidate on the basis of race,
13 creed, position on issues, status of incumbency or nonincumbency, or
14 party affiliation, (iii) the grants are restricted to use for campaign
15 purposes, and (iv) unspent grants are required to be returned to that
16 governmental entity. Grants pursuant to such a program are not subject
17 to the contribution limitations of G.S. 163-278.13 and the prohibitions
18 on corporate contributions of G.S. 163-278.15 or G.S. 163-278.19, but
19 shall be reported as if they were contributions in all campaign reports
20 required by law to be filed by the campaigns receiving the grants."

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

23 **"§ 160A-499. Uniform, nondiscriminatory program of public financing of election**
24 **campaigns.**

25 A governing body of a county with a population exceeding 80,000 according to the
26 most recent decennial federal census may appropriate funds for a uniform program of
27 grants to the campaigns of candidates for county office in that county if: (i) the grants
28 are available as a source of campaign financing for candidates for office who
29 demonstrate public support and voluntarily accept strict fund-raising and spending
30 limits in accordance with a set of criteria drawn by the county, (ii) the criteria are drawn
31 to further the public purpose of free elections and do not discriminate for or against any
32 candidate on the basis of race, creed, position on issues, status of incumbency or
33 nonincumbency, or party affiliation, (iii) the grants are restricted to use for permissible
34 campaign-related expenditures in accordance with guidelines published pursuant to G.S.
35 163-278.64(d)(5) or other guidelines published by the State Board of Elections, and (iv)
36 unspent grants are required to be returned to the county.

37 A governing body of a city with a population exceeding 40,000 according to the
38 most recent decennial federal census may appropriate funds for a uniform program of
39 grants to the campaigns of candidates for city office in that city if: (i) the grants are
40 available as a source of campaign financing for candidates for office who demonstrate
41 public support and voluntarily accept strict fund-raising and spending limits in
42 accordance with a set of criteria drawn by the city, (ii) the criteria are drawn to further
43 the public purpose of free elections and do not discriminate for or against any candidate
44 on the basis of race, creed, position on issues, status of incumbency or nonincumbency,

1 or party affiliation, (iii) the grants are restricted to use for permissible campaign-related
2 expenditures in accordance with guidelines published pursuant to G.S. 163-278.64(d)(5)
3 or other guidelines published by the State Board of Elections, and (iv) unspent grants
4 are required to be returned to the city.

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

8 **SECTION 3.** G.S. 153A-445 reads as rewritten:

9 "**§ 153A-445. Miscellaneous powers found in Chapter 160A.**

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

11 (1) Chapter 160A, Article 20, Part 1. – Joint Exercise of Powers.

12 (2) Chapter 160A, Article 20, Part 2. – Regional Councils of
13 Governments.

14 (3) G.S. 160A-487. – Financial support for rescue squads.

15 (4) G.S. 160A-488. – Art galleries and museums.

16 (5) G.S. 160A-492. – Human relations programs.

17 (6) G.S. 160A-497. – Senior citizens programs.

18 (7) G.S. 160A-489. – Auditoriums, coliseums, and convention and civic
19 centers.

20 (8) G.S. 160A-498. – Railroad corridor preservation.

21 (9) G.S. 160A-499. – Uniform, nondiscriminatory program of public
22 financing of election campaigns.

23 (b) This section is for reference only, and the failure of any section of Chapter
24 160A to appear in this section does not affect the applicability of that section to
25 counties."

26 **SECTION 4.** No later than 18 months after this act becomes effective, the
27 State Board of Elections shall review a variety of public campaign financing programs
28 for local government elections in the United States, prepare a description of the basic
29 elements generally present, and compile a collection of reference materials for local
30 governments in North Carolina to use in designing their programs.

31 **SECTION 5.** This act is effective when it becomes law.