

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE DRS85224-RR-28 (03/13)

Short Title: Legislative Campaigns Pilot.

(Public)

Sponsors: Senator Atwater.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH A PILOT PROGRAM TO PROVIDE CANDIDATES FOR
FOUR LEGISLATIVE SEATS WITH THE OPTION OF FINANCING THEIR
CAMPAIGNS FROM A VOLUNTARY TAXPAYER-DESIGNATED FUND,
PROVIDED THAT THEY GAIN AUTHORIZATION TO DO SO FROM
REGISTERED VOTERS AND THAT THEY ABIDE BY STRICT
FUND-RAISING AND SPENDING LIMITS; TO PROVIDE CANDIDATES IN
THE PILOT PROGRAM WITH "RESCUE" FUNDS TO OFFSET HIGH LEVELS
OF SPENDING BY OPPOSING CANDIDATES, ELECTIONEERING
COMMUNICATIONS, AND CANDIDATE-SPECIFIC COMMUNICATIONS.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 163 of the General Statutes is amended by adding a
new Article to read:

"Article 22I.

"The North Carolina Legislative Campaigns Pilot Program.

**"§ 163-278.95. Purpose and establishment of North Carolina Legislative
Campaigns Pilot Program.**

This Article establishes the North Carolina Legislative Campaigns Pilot Program as
an alternative source of campaign financing for candidates who demonstrate public
support and voluntarily accept strict fund-raising and spending limits. The purpose of
this Article is to develop methods to promote fairness of democratic elections and to
protect the rights of voters and candidates from the detrimental effects of large amounts
of money being raised and spent to influence the outcome of elections.

"§ 163-278.96. Definitions.

The following definitions apply in this Article:

(1) Advisory Council. – The Advisory Council established in
G.S. 163-278.68.

- 1 (2) Board. – The State Board of Elections.
- 2 (3) Campaign-related expenditure. – An expenditure that benefits the
3 candidate's current campaign in accordance with guidelines established
4 by the Board.
- 5 (4) Candidate. – An individual who becomes a candidate as described in
6 G.S. 163-278.6(4). The term includes a political committee authorized
7 by the candidate for that candidate's election.
- 8 (5) Certified candidate. – A candidate for office who chooses to receive
9 campaign funds from the Fund and who is certified under
10 G.S. 163-278.98(c).
- 11 (6) Contested primary and contested general election. – An election in
12 which there are more candidates than the number to be elected.
- 13 (7) Contribution. – Defined in G.S. 163-278.6. A distribution from the
14 Fund pursuant to this Article is not a 'contribution' and is not subject to
15 the limitations of G.S. 163-278.13 or the prohibitions of
16 G.S. 163-278.15 or G.S. 163-278.19.
- 17 (8) Expenditure. – Defined in G.S. 163-278.6.
- 18 (9) Fund. – The North Carolina Legislative Campaigns Pilot Fund
19 established in G.S. 163-278.97.
- 20 (10) Independent expenditure. – Defined in G.S. 163-278.6.
- 21 (11) Nonparticipating candidate. – A candidate for office who is not
22 seeking to be certified under G.S. 163-278.98(c).
- 23 (12) Office. – The two Senate seats and two House of Representatives seats
24 designated pursuant to G.S. 163-278.97A.
- 25 (13) Participating candidate. – A candidate for office who has filed a
26 declaration of intent to participate under G.S. 163-278.98(a).
- 27 (14) Political committee. – Defined in G.S. 163-278.6.
- 28 (15) Qualifying contribution. – A contribution of not less than ten dollars
29 (\$10.00) and not more than one hundred dollars (\$100.00) in the form
30 of a check or money order to the candidate or the candidate's
31 committee that meets all of the following conditions:
- 32 a. Made by any registered voter who resides in the district in
33 which the candidate seeks office.
- 34 b. Made only during the qualifying period and obtained with the
35 approval of the candidate or candidate's committee.
- 36 c. Acknowledged by a written receipt, on a multicopy form
37 approved by the Board, which identifies the complete name,
38 residence address, and county of residence of the contributor
39 and the amount and date of the contribution made; states that
40 the contributor is a registered voter; states that the contributor
41 authorizes the candidate to use the contribution to qualify to
42 receive funds from the Fund; and is signed by the candidate or
43 the candidate's representative.
- 44 (16) Qualifying period. – The period beginning October 1 of the year

1 before the election and ending on the day of the primary.

2 (17) Trigger for rescue funds. – The dollar amount at which rescue funds
3 are released for certified candidates. In the case of a primary, the
4 trigger equals the maximum amount a participating candidate is
5 permitted by G.S. 163-278.98(b) to raise in qualifying contributions.
6 In the case of a general election, the trigger equals the funding
7 available under G.S. 163-278.99(b)(4).

8 **"§ 163-278.97. Legislative Campaigns Pilot Fund established; sources of funding.**

9 (a) Establishment of Fund. – The North Carolina Legislative Campaigns Pilot
10 Fund is established to finance the election campaigns of certified candidates for office
11 and to pay administrative and enforcement costs of the Board related to this Article. The
12 Fund is a special, dedicated, nonlapsing, nonreverting fund. Any interest generated by
13 the Fund is credited to the Fund. The Board shall administer the Fund. No appropriation
14 from the General Fund shall be made to finance the election campaigns of certified
15 candidates, except for designations voluntarily made by taxpayers for that purpose.

16 (b) Sources of Funding. – Money received from all the following sources must be
17 deposited in the Fund:

18 (1) Unspent Fund revenues distributed for an election that remain unspent
19 or uncommitted at the time the recipient is no longer a certified
20 candidate in the election.

21 (2) Voluntary donations made directly to the Fund.

22 (3) Designations by taxpayers to finance the campaigns of certified
23 candidates.

24 (c) Determination of Fund Amount. – By September 1, 2007, and by April 1
25 every two years thereafter, the Board, in conjunction with the Advisory Council, shall
26 prepare and provide to the Joint Legislative Commission on Governmental Operations
27 of the General Assembly a report documenting, evaluating, and making
28 recommendations relating to the administration, implementation, and enforcement of
29 this Article. In its report, the Board shall set out the funds received to date and the
30 expected needs of the Fund during the next election cycle.

31 **"§ 163-278.97A. Selection of districts for pilot program.**

32 Four districts shall be selected for the pilot program every two years. In order to
33 provide a useful test of the provisions in this Article, the pilot program shall occur in
34 districts (i) that are relatively competitive, based on the ratio of party affiliation of
35 registered voters in the district compared to the statewide ratio, and (ii) where there is a
36 demonstrated interest to use the pilot program. The districts shall be selected in the
37 following manner:

38 (1) By July 1 of the year before the election, the Executive Director of the
39 Board shall prepare a list of the legislative districts that meet the
40 following two criteria:

41 a. The ratio in the district of registered voters affiliated with the
42 State's majority party to voters affiliated with the minority party
43 is greater than seventy-five percent (75%) and less than one
44 hundred twenty-five percent (125%) of the ratio between those

1 parties statewide for voters registered for the legislative primary
2 election before the July 1 deadline.

3 b. At least one legislative candidate in the district has volunteered
4 to participate in the pilot program in a written statement
5 provided to the Executive Director.

6 (2) From the list of eligible districts prepared by the Executive Director,
7 the majority and minority leaders of the Senate shall each select up to
8 three districts in the Senate, and the majority and minority leaders of
9 the House of Representatives shall each select up to three districts in
10 the House. Those leaders shall report their recommended selections to
11 the Executive Director of the Board no later than July 31 of the year
12 before the election.

13 (3) The State Board of Elections by August 15 shall consider the
14 recommendations provided by the legislative leaders in subdivision (2)
15 of this section and shall make a final selection of two districts in the
16 Senate and two districts in the House of Representatives that meet the
17 criteria described in subdivision (1) of this section. The selection shall
18 be made by at least a three-fourths vote of the members of the State
19 Board present and voting.

20 **"§ 163-278.98. Requirements for participation.**

21 (a) Declaration of Intent to Participate. – Any individual choosing to receive
22 campaign funds from the Fund shall first file with the Board a declaration of intent to
23 participate in the act as a candidate for a stated office. The declaration of intent shall be
24 filed before or during the qualifying period and before collecting any qualifying
25 contributions. In the declaration, the candidate shall swear or affirm that only one
26 political committee, identified with its treasurer, shall handle all contributions,
27 campaign-related expenditures, and obligations for the participating candidate and that
28 the candidate will comply with the contribution and expenditure limits set forth in
29 subsection (e) of this section and all other requirements set forth in this Article or
30 adopted by the Board. Failure to comply is a violation of this Article.

31 (b) Demonstration of Support of Candidacy. – Participating candidates who seek
32 certification to receive campaign funds from the Fund shall first, during the qualifying
33 period, obtain qualifying contributions from at least 300 registered voters in the case of
34 a Senate candidate and at least 150 registered voters in the case of a House of
35 Representatives candidate in an aggregate sum that at least equals six thousand dollars
36 (\$6,000) in the case of a Senate candidate and three thousand dollars (\$3,000) in the
37 case of a House candidate, but that does not exceed forty thousand dollars (\$40,000) in
38 the case of a Senate candidate and twenty-five thousand dollars (\$25,000) in the case of
39 a House candidate.

40 (c) Certification of Candidates. – Upon receipt of a submittal of the record of
41 demonstrated support by a participating candidate, the Board shall determine whether or
42 not the candidate has complied with all the following requirements:

43 (1) Signed and filed a declaration of intent to participate in this Article.

1 (2) Submitted a report itemizing the appropriate number of qualifying
2 contributions received from registered voters, which the Board shall
3 verify through a random sample or other means it adopts. The report
4 shall include the county of residence of each registered voter listed.

5 (3) Filed a valid notice of candidacy pursuant to this Chapter.

6 (4) Otherwise met the requirements for participation in this Article.

7 The Board shall certify candidates complying with the requirements of this section
8 as soon as possible and no later than five business days after receipt of a satisfactory
9 record of demonstrated support.

10 (d) Final Report for Qualifying Contributions. – No later than five business days
11 after the end of the qualifying period, all participating candidates shall submit a report
12 to the Board of all previously unreported qualifying contributions, together with copies
13 of the contribution forms described in G.S. 163-278.96(15), in accordance with
14 procedures developed by the Board. Within seven business days after submittal of the
15 final report, the Board shall determine, through a random audit or other means it adopts,
16 whether the contributions abide by the definition of qualifying contributions, whether
17 they must be returned to the donor, and whether they exceed the maximum amount of
18 qualifying contributions.

19 (e) Restrictions on Contributions and Expenditures for Participating and Certified
20 Candidates. – The following restrictions shall apply to contributions and expenditures
21 with respect to participating and certified candidates:

22 (1) Beginning January 1 of the year before the election and before the
23 filing of a declaration of intent, a candidate for office may accept in
24 contributions up to five thousand dollars (\$5,000) from sources and in
25 amounts permitted by Article 22A of this Chapter and may expend up
26 to five thousand dollars (\$5,000) for any campaign purpose related to
27 the upcoming election. A candidate who exceeds either of these limits
28 shall be ineligible to file a declaration of intent or receive funds from
29 the Public Campaign Fund.

30 (2) From the filing of a declaration of intent through the end of the
31 qualifying period, a candidate may accept only qualifying
32 contributions, contributions under ten dollars (\$10.00) from voters
33 residing in the candidate's district, and personal and family
34 contributions permitted under subdivision (4) of this subsection. The
35 total contributions the candidate may accept during this period shall
36 not exceed the maximum qualifying contributions for that candidate.
37 In addition to these contributions, the candidate may only expend
38 during this period the remaining money raised pursuant to subdivision
39 (1) of this subsection and possible rescue funds received pursuant to
40 G.S. 163-278.101.

41 (3) After the qualifying period and through the date of the general
42 election, the candidate shall expend only the funds the candidate
43 receives from the Fund pursuant to G.S. 163-278.99(b)(4) plus any
44 funds remaining from the qualifying period and possible rescue funds.

1 In addition, during that period a candidate may accept in-kind
2 contributions from political party executive committees, up to an
3 aggregate value of ten percent (10%) of the amount the candidate is
4 entitled to receive under G.S. 163-278.99(b)(4).

5 (4) During the qualifying period, the candidate may contribute up to one
6 thousand dollars (\$1,000) of that candidate's own money to the
7 campaign. Debt incurred by the candidate for a campaign expenditure
8 shall count toward that limit. During the qualifying period, the
9 candidate may accept in contributions up to one thousand dollars
10 (\$1,000) from each member of that candidate's family consisting of
11 spouse, parent, child, brother, and sister, as long as the candidate
12 accepts no more than two thousand dollars (\$2,000) from all those
13 family members combined.

14 (5) A candidate and the candidate's committee shall limit the use of all
15 revenues permitted by this subsection to expenditures for
16 campaign-related purposes only related to the upcoming election. The
17 Board shall publish guidelines outlining permissible campaign-related
18 expenditures. In establishing those guidelines, the Board shall
19 differentiate expenditures that reasonably further a candidate's
20 campaign from expenditures for personal use that would be incurred in
21 the absence of the candidacy. In establishing the guidelines, the Board
22 shall review relevant provisions of G.S. 163-278.42(e), the Federal
23 Election Campaign Act, and rules adopted pursuant to it, and similar
24 provisions in other states.

25 (6) Any contribution received by a participating or certified candidate that
26 falls outside that permitted by this subsection shall be returned to the
27 donor as soon as practicable. Contributions intentionally made,
28 solicited, or accepted in violation of this Article are subject to civil
29 penalties as specified in G.S. 163-278.70. The funds involved shall be
30 forfeited to the Civil Penalty and Forfeiture Fund.

31 (7) A candidate shall return to the Fund any amount distributed for an
32 election that is unspent and uncommitted at the date of the election, or
33 at the time the individual ceases to be a certified candidate, whichever
34 occurs first. For accounting purposes, all qualifying, personal, and
35 family contributions shall be considered spent before revenue from the
36 Fund is spent or committed.

37 (f) Revocation. – A candidate may revoke, in writing to the Board, a decision to
38 participate in the Fund at anytime. After a revocation, that candidate may accept and
39 expend outside the limits of this Article without violating this Article. Within 10 days
40 after revocation, a candidate shall return to the Board all money received from the Fund.
41 **§ 163-278.99. Distribution from the Fund.**

42 (a) Timing of Fund Distribution. – The Board shall distribute to a certified
43 candidate revenue from the Fund in an amount determined under subdivision (b)(4) of
44 this section within five business days after the certified candidate's name is approved to

1 appear on the ballot in a contested general election, but no earlier than five business
2 days after the primary.

3 (b) Amount of Fund Distribution. – By August 1, 2007, and no less frequently
4 than every two years thereafter, the Board shall determine the amount of funds, rounded
5 to the nearest one hundred dollars (\$100.00), to be distributed to certified candidates as
6 follows:

7 (1) Uncontested primaries. – No funds shall be distributed.

8 (2) Contested primaries. – No funds shall be distributed except as
9 provided in G.S. 163-278.101.

10 (3) Uncontested general elections. – No funds shall be distributed.

11 (4) Contested general elections. – Funds shall be distributed to a certified
12 candidate for the Senate in an amount equal to the median amount of
13 campaign-related expenditures made by all major party candidates
14 who reported campaign expenditures for contested general election
15 racers for the Senate for the immediately preceding two general
16 elections, but not less than seventy-five thousand dollars (\$75,000).
17 Funds shall be distributed to a certified candidate for the House in an
18 amount equal to the median amount of campaign-related expenditures
19 made by all major party candidates who reported campaign
20 expenditures for contested general election races for the House for the
21 immediately preceding two general elections, but not less than fifty
22 thousand dollars (\$50,000).

23 (c) Method of Fund Distribution. – The Board, in consultation with the State
24 Treasurer and the State Controller, shall develop a rapid, reliable method of conveying
25 funds to certified candidates. In all cases, the Board shall distribute funds to certified
26 candidates in a manner that is expeditious, ensures accountability, and safeguards the
27 integrity of the Fund. If the money in the Fund is insufficient to fully fund all certified
28 candidates, then the available money shall be distributed proportionally, according to
29 each candidate's eligible funding, and the candidate may raise additional money in the
30 same manner as a noncertified candidate for the same office up to the unfunded amount
31 of the candidate's eligible funding.

32 **"§ 163-278.100. Reporting requirements.**

33 (a) Reporting by Noncertified Candidates and Other Entities. – Any
34 nonparticipating candidate with a certified opponent shall report total income, expenses,
35 and obligations to the Board by facsimile machine or electronically within 24 hours
36 after the total amount of campaign-related expenditures or obligations made, or funds
37 raised or borrowed, exceeds eighty percent (80%) of the trigger for rescue funds as
38 defined in G.S. 163-278.96(17). Any entity making independent expenditures in support
39 of or opposition to a certified candidate, or in support of a candidate opposing a certified
40 candidate, or paying for electioneering communications, as defined in G.S. 163-278.80
41 or G.S. 163-278.90, or candidate-specific communications, as defined in
42 G.S. 163-278.100 or G.S. 163-278.110, referring to one of those candidates, shall report
43 the total funds received, spent, or obligated for those expenditures or payments to the
44 Board by facsimile machine or electronically within 24 hours after the total amount of

1 expenditures or obligations made, or funds raised or borrowed, for the purpose of
2 making the independent expenditures, electioneering communications, or
3 candidate-specific communications exceeds five thousand dollars (\$5,000). After this
4 24-hour filing, the nonparticipating candidate or other reporting entity shall comply with
5 an expedited reporting schedule by filing additional reports after receiving an additional
6 amount in excess of one thousand dollars (\$1,000) or after making or obligating to make
7 an additional expenditure or payment in excess of one thousand dollars (\$1,000). The
8 schedule and forms for reports required by this subsection shall be made according to
9 procedures developed by the Board.

10 (b) Reporting by Participating and Certified Candidates. – Notwithstanding other
11 provisions of law, participating and certified candidates shall report any money
12 received, including all previously unreported qualifying contributions, all campaign
13 expenditures, obligations, and related activities to the Board according to procedures
14 developed by the Board. A certified candidate who ceases to be certified or ceases to be
15 a candidate or who loses an election shall file a final report with the Board and return
16 any unspent revenues received from the Fund. In developing these procedures, the
17 Board shall utilize existing campaign reporting procedures whenever practical.

18 (c) Timely Access to Reports. – The Board shall ensure prompt public access to
19 the reports received in accordance with this Article. The Board may utilize electronic
20 means of reporting and storing information.

21 **"§ 163-278.101. Rescue funds.**

22 (a) When Rescue Funds Become Available. – When any report or group of
23 reports shows that 'funds in opposition to a certified candidate or in support of an
24 opponent to that candidate' as described in this section, exceed the trigger for rescue
25 funds as defined in G.S. 163-278.96(17), the Board shall issue immediately to that
26 certified candidate an additional amount equal to the reported excess within the limits
27 set forth in this section. 'Funds in opposition to a certified candidate or in support of an
28 opponent to that candidate' shall be equal to the sum of subdivisions (1) and (2) as
29 follows:

30 (1) The greater of the following:

31 a. Campaign expenditures or obligations made, or funds raised or
32 borrowed, whichever is greater, reported by any one
33 nonparticipating opponent of a certified candidate. Where a
34 certified candidate has more than one nonparticipating
35 opponent, the measure shall be taken from the nonparticipating
36 candidate showing the highest relevant dollar amount.

37 b. The funds distributed in accordance with G.S. 163-278.99(b) to
38 a certified opponent of the certified candidate.

39 (2) The aggregate total of all expenditures and payments reported in
40 accordance with G.S. 163-278.100(a) of entities making independent
41 expenditures, electioneering communications, or candidate-specific
42 communications in opposition to the certified candidate, in support of
43 any opponent of that certified candidate, or referring to either
44 candidate.

1 (b) Limit on Rescue Funds in Contested Primary. – Total rescue funds to a
2 certified candidate in a contested primary shall be limited to an amount equal to two
3 times the maximum qualifying contributions.

4 (c) Limit on Rescue Funds in Contested General Election. – Total rescue funds to
5 a certified candidate in a contested general election shall be limited to an amount equal
6 to two times the amount described in G.S. 163-278.99(b)(4).

7 **"§ 163-278.102. Unaffiliated and new-party candidates.**

8 Unaffiliated candidates certified pursuant to G.S. 163-122 and new-party candidates
9 certified pursuant to G.S. 163-98 shall be eligible for revenues from the Fund in the
10 same amounts and at the same time as specified in G.S. 163-278.99. For unaffiliated
11 candidates and new-party candidates not certified to appear on the ballot by noon on the
12 last business day in February, the deadline for seeking certification to receive revenue
13 from the Fund is noon on the first business day of July of the election year.

14 **"§ 163-278.103. Enforcement by the Board; civil penalty.**

15 The Board, with the advice of the Advisory Council, shall administer the provisions
16 of this Article in the same manner as described in Article 22D of this Chapter. In
17 addition to any other penalties that may be applicable, any individual, political
18 committee, or other entity that violates any provision of this Article is subject to a civil
19 penalty in the same manner as described in Article 22D of this Chapter."

20 **SECTION 2.** G.S. 163-278.13 is amended by adding a new subsection to
21 read:

22 "(e4) In order to make meaningful the provisions of the North Carolina Legislative
23 Campaigns Pilot Program, as set forth in Article 22I of this Chapter, no candidate for
24 any office that is in that current election subject to the provisions of Article 22I of this
25 Chapter shall accept, and no contributor shall make to that candidate, a contribution
26 during the period beginning 21 days before the day of the general election and ending
27 the day after the general election if that contribution causes the candidate to exceed the
28 "trigger for rescue funds" defined in G.S. 163-278.96(17). The prohibitions in this
29 subsection shall also apply to a political committee the principal purpose of which is to
30 support a candidate for those offices. Nothing in this subsection shall prohibit a
31 candidate from making a contribution or loan secured entirely by that candidate's assets
32 to that candidate's own campaign or to a political committee the principal purpose of
33 which is to support that candidate's campaign. This subsection applies with respect to a
34 candidate only if both of the following statements are true regarding that candidate:

35 (1) That candidate is opposed in the general election by a certified
36 candidate as defined in Article 22I of this Chapter.

37 (2) That certified candidate has not received the maximum rescue funds
38 available under G.S. 163-278.101(c).

39 The recipient of a contribution that apparently violates this subsection has three days
40 to return the contribution or file a detailed statement with the State Board of Elections
41 explaining why the contribution does not violate this subsection."

42 **SECTION 3.** G.S. 163-278.13(e) reads as rewritten:

43 (e) Except as provided in subsections ~~(e2) and (e3)~~-(e2), (e3), and (e4) of this
44 section, this section shall not apply to any national, State, district or county executive

1 committee of any political party. For the purposes of this section only, the term
2 "political party" means only those political parties officially recognized under
3 G.S. 163-96.

4 (e1) No referendum committee which received any contribution from a
5 corporation, labor union, insurance company, business entity, or professional
6 association may make any contribution to another referendum committee, to a candidate
7 or to a political committee.

8 (e2) In order to make meaningful the provisions of Article 22D of this Chapter,
9 the following provisions shall apply with respect to candidates for justice of the
10 Supreme Court and judge of the Court of Appeals:

11 (1) No candidate shall accept, and no contributor shall make to that
12 candidate, a contribution in any election exceeding one thousand
13 dollars (\$1,000) except as provided for elsewhere in this subsection.

14 (2) A candidate may accept, and a family contributor may make to that
15 candidate, a contribution not exceeding two thousand dollars (\$2,000)
16 in an election if the contributor is that candidate's parent, child,
17 brother, or sister.

18 (3) No candidate shall accept, and no contributor shall make to that
19 candidate, a contribution during the period beginning 21 days before
20 the day of the general election and ending the day after the general
21 election if that contribution causes the candidate to exceed the "trigger
22 for rescue funds" defined in G.S. 163-278.62(18). This subdivision
23 applies with respect to a candidate opposed in the general election by a
24 certified candidate as defined in Article 22D of this Chapter who has
25 not received the maximum rescue funds available under
26 G.S. 163-278.67. The recipient of a contribution that apparently
27 violates this subdivision has three days to return the contribution or file
28 a detailed statement with the State Board of Elections explaining why
29 the contribution does not violate this subdivision.

30 As used in this subsection, "candidate" is also a political committee authorized by
31 the candidate for that candidate's election. Nothing in this subsection shall prohibit a
32 candidate or the spouse of that candidate from making a contribution or loan secured
33 entirely by that individual's assets to that candidate's own campaign.

34 (e3) Notwithstanding the provisions of subsections (a) and (b) of this section, no
35 candidate for superior court judge or district court judge shall accept, and no contributor
36 shall make to that candidate, a contribution in any election exceeding one thousand
37 dollars (\$1,000), except as provided in subsection (c) of this section. As used in this
38 subsection, "candidate" is also a political committee authorized by the candidate for that
39 candidate's election. Nothing in this subsection shall prohibit a candidate or the spouse
40 of that candidate from making a contribution or loan secured entirely by that
41 individual's assets to that candidate's own campaign.

42 (f) Any individual, candidate, political committee, referendum committee, or
43 other entity that violates the provisions of this section is guilty of a Class 2
44 misdemeanor."

1 **SECTION 4.** The provisions of this act are severable. If any provision of
2 this act is held invalid by a court of competent jurisdiction, the invalidity does not affect
3 other provisions of this act that can be given effect without the invalid provision.

4 **SECTION 5.** This act is effective when it becomes law and applies to
5 elections held in 2008 and thereafter.