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## SENATE BILL 760 2003-2004 Session

**Short Title: Local Campaign Finance Reform.**

Bill Text	Fiscal Note	Attributes	Sponsors
Filed Edition 1	N/A	P \$	<b>Prime Sponsors:</b> <a href="#">Wib Gulley</a> ;  <b>Co-Sponsors:</b> <a href="#">Austin M. Allran</a> ; <a href="#">Stan Bingham</a> ; <a href="#">John H. Carrington</a> ; <a href="#">Walter H. Dalton</a> ; <a href="#">Charlie S. Dann</a> ; <a href="#">Linda Garrou</a> ; <a href="#">Kay R. Hagan</a> ; <a href="#">Fletcher L. Hartsell, Jr.</a> ; <a href="#">Hamilton C. Horton, Jr.</a> ; <a href="#">Eleanor Kinnaird</a> ; <a href="#">Stephen M. Metcalf</a> ; <a href="#">William R. Purcell</a> ; <a href="#">Tony Rand</a> ; <a href="#">Eric Miller Reeves</a> ; <a href="#">Larry Shaw</a> ; <a href="#">R. C. Soles, Jr.</a> ;

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Bill History		
Date	Action	
04/02/2003	S	Filed
04/03/2003	S	Ref To Com On Judiciary I

**ABBREVIATIONS KEY**

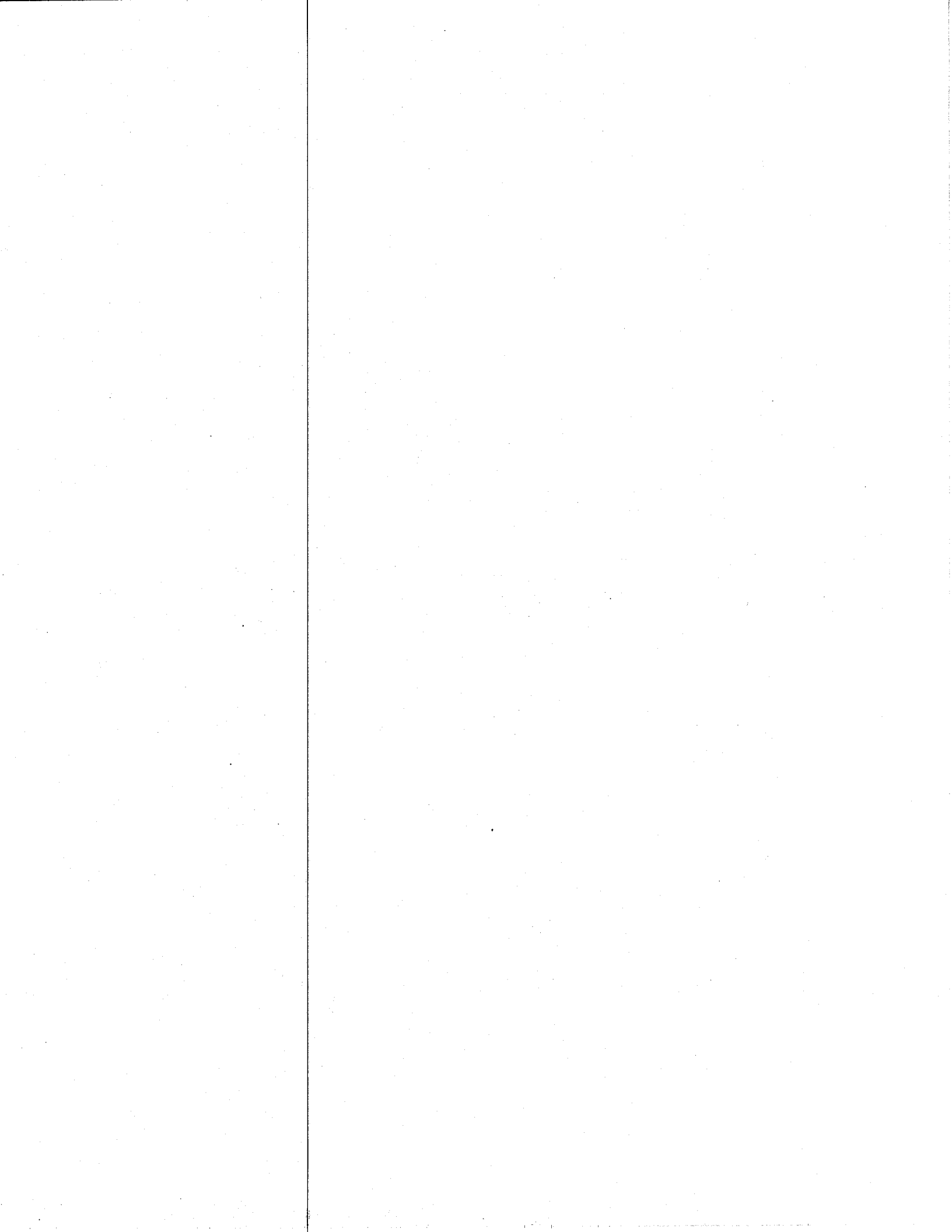
• H - House	• P - Public Bill
• S - Senate	• L - Public Bill
• R - Ratified	• \$ - Affects Appropriations
• F - Failed	• * - Bill Text Has Changed
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2003-2004 Session



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GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003

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SENATE BILL 760

**Short Title:** Local Campaign Finance Reform. (Public)  
**Sponsors:** Senators Gulley; Allran, Bingham, Carrington, Dalton, Dannelly, Garrou, Hagan, Hartsell, Horton, Kinnaird, Metcalf, Purcell, Rand, Reeves, Shaw, and Soles.  
**Referred to:** Judiciary I.

April 3, 2003

A BILL TO BE ENTITLED  
AN ACT TO CLARIFY THAT GRANTS FROM UNIFORM PROGRAMS FOR PUBLIC CAMPAIGN FINANCING DO NOT CONSTITUTE "CONTRIBUTIONS" AND ARE NOT SUBJECT TO RESTRICTIONS ON CONTRIBUTIONS; TO CLARIFY THAT CERTAIN CITY AND COUNTY GOVERNMENTS ARE AUTHORIZED TO CONDUCT THOSE PROGRAMS; TO GRANT CITY AND COUNTY GOVERNMENTS LIMITED AUTHORITY TO SET STRICTER LIMITS THAN THOSE IN EFFECT STATEWIDE FOR CONTRIBUTION LIMITS AND REPORTING; AND TO MANDATE AND APPROPRIATE FUNDS FOR A STUDY OF LOCAL PUBLIC CAMPAIGN FINANCING PROGRAMS.

The General Assembly of North Carolina enacts:

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

"(6) The terms 'contribute' or 'contribution' mean any advance, conveyance, deposit, distribution, transfer of funds, loan, payment, gift, pledge or subscription of money or anything of value whatsoever, to a candidate to support or oppose the nomination or election of one or more clearly identified candidates, to a political committee, to a political party, or to a referendum committee, whether or not made in an election year, and any contract, agreement, promise or other obligation, whether or not legally enforceable, to make a contribution. These terms include, without limitation, such contributions as labor or personal services, postage, publication of campaign literature or materials, in-kind transfers, loans or use of any supplies, office machinery, vehicles, aircraft, office space, or similar or related services, goods, or personal or real property. These terms also include, without limitation, the proceeds of sale of services, campaign literature and materials, wearing apparel, tickets or admission prices to campaign events such as rallies or dinners, and the proceeds of sale of any campaign-related services or goods. Notwithstanding the foregoing meanings of 'contribution,' the word shall not be construed to include services provided without compensation by individuals volunteering a portion or all of their time on behalf of a candidate, political committee, or referendum

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committee. The term 'contribution' does not include an 'independent expenditure.' The term 'contribution' does not include a grant from a governmental entity under a uniform program of grants to the campaigns of candidates for elective office within the jurisdiction of that governmental entity if: (i) the grants are available to any candidate for office who meets a set of criteria drawn by the government, (ii) the criteria are drawn to further the public purpose of free 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, and (iii) the grants are restricted to use for campaign purposes. Grants 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 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 grants."

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

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

A governing body of a county with a population exceeding 50,000 according to the most recent decennial federal census may appropriate funds for a uniform program of grants to the campaigns of candidates for county office in that county if: (i) the grants are available to any candidate for an office who meets a set of criteria drawn by the county, (ii) the criteria are drawn to further the public purpose of free 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, and (iii) the grants are restricted to use for campaign purposes.

A governing body of a city with a population exceeding 30,000 according to the most recent decennial federal census may appropriate funds for a uniform program of grants to the campaigns of candidates for city office in that city if: (i) the grants are available to any candidate for an office who meets a set of criteria drawn by the city, (ii) the criteria are drawn to further the public purpose of free 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, and (iii) the grants are restricted to use for campaign purposes.

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

**SECTION 3.** Article 21 of Chapter 160A is amended by adding a new section to read:

**"§ 160A-500. Authority to set stricter political contribution limits and campaign reporting thresholds for local office.**

A governing body of a county may set contribution limits at a dollar amount lower than those provided in G.S. 163-278.13 with respect to elections for county offices in that

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county. A governing body of a county may set a lower dollar amount than set forth in G.S. 163-278.8 as a threshold for reporting the name, address, and principal occupation of a contributor, as those items are prescribed to be reported in G.S. 163-278.11, with respect to elections for county offices in that county.

A governing body of a city may set contribution limits at a dollar amount lower than those provided in G.S. 163-278.13 with respect to elections for city offices in that city. A governing body of a city may set a lower dollar amount than set forth in G.S. 163-278.8 as a threshold for reporting the name, address, and principal occupation of a contributor, as those items are prescribed to be reported in G.S. 163-278.11, with respect to elections for city offices in that city.

This section does not authorize a county or city to set a higher dollar amount than the general law in Chapter 163 of the General Statutes as either a contribution limit or a threshold for reporting. This section does not authorize a county or city to set a contribution limit lower than two hundred dollars (\$200.00) for contribution from one source to one recipient per election. This section does not authorize a county or city to set a reporting threshold for a contributor at lower than twenty dollars (\$20.00).

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

**SECTION 4.** G.S. 153A-445 reads as rewritten:

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

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

- (1) Chapter 160A, Article 20, Part 1. - Joint Exercise of Powers.
- (2) Chapter 160A, Article 20, Part 2. - Regional Councils of Governments.
- (3) G.S. 160A-487. - Financial support for rescue squads.
- (4) G.S. 160A-488. - Art galleries and museums.
- (5) G.S. 160A-492. - Human relations programs.
- (6) G.S. 160A-497. - Senior citizens programs.
- (7) G.S. 160A-489. - Auditoriums, coliseums, and convention and civic centers.
- (8) G.S. 160A-498. - Railroad corridor preservation.
- (9) G.S. 160A-499. - Uniform, nondiscriminatory program of public financing of election campaigns.
- (10) G.S. 160A-500. - Authority to set stricter political contribution limits and campaign reporting thresholds for local office.

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

**SECTION 5.** No later than 18 months after this act becomes effective, the State Board of Elections shall complete a study of a variety of public financing programs for local government elections in the United States, prepare a description of the basic elements generally present, and compile a collection of reference materials for local governments in North Carolina to use in designing their programs. There is appropriated from the General Fund to the State Board of

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Elections for the 2003-2004 fiscal year the sum of fifteen thousand dollars (\$15,000) for this purpose.

**SECTION 6.** This act is effective when it becomes law.