

April 5, 1999

H 921. CAMPAIGN FINANCE CHANGES. TO MAKE CHANGES IN THE CAMPAIGN FINANCE LAWS. Rewrites the definition of “political committee” in GS 163-278.6(14) to mean any person(s) or entity that makes, or accepts money to make, contributions or expenditures and (1) is controlled by a candidate; or (2) is a political party or executive committee of a political party, or is controlled by either; (3) is created by a corporation, business entity, insurance company, labor union, or professional association pursuant to GS 163-278.19(B); or (4) has as a significant purpose to support or oppose the nomination or election of one or more clearly identified candidates, including supporting or opposing the candidates of a clearly identified political party. Creates presumption that an entity has such a purpose if it contributes or expends (or both) more than \$3,000 during an election cycle (defined in act). Excludes from the presumption contributions to referendum committees and expenditures to support or oppose ballot issues.

Adds new GS 163-278.13(e2), providing that political committees and candidates’ campaigns financed, maintained, or controlled by the same entity, as determined by the State Board of Elections, shall be considered as one political committee for purposes of the section’s contribution limits; and forbidding contributions for the purpose of circumventing the contribution limits.

Amends GS 163-278.6 to rewrite the definitions of “contribution” and “expenditure,” and to define the term “independent expenditure,” which is distinguished from a contribution, as an expenditure to support or oppose the nomination or election of one or more clearly identified candidates that is made without consultation or coordination with the supported candidate or that person’s agent (also addresses political parties and referenda). Amends GS 163-278.12 to change the special reporting requirement for contributions and independent expenditures. Requires person or entity that makes a contribution of more than \$100 or an independent expenditure of more than \$100, and who is not otherwise required to report them, to file a statement with the appropriate board of elections.

Amends GS 163-278.6(4) to add to the definition of “candidate,” an individual who has received funds or made payments or has given the consent for anyone else to receive funds or transfer anything of value (including incurring an obligation) for the purpose of exploring or bringing about the individual’s nomination or election to office. Repeals GS 163-278.6(16), which defines “political purpose,” and deletes that term from other sections. Amends GS 163-278.36 to require elected officials to report funds in January and July of each year.

Adds new GS 163-278.19(f) providing that the section does not prohibit a contribution or independent expenditure by an entity that (1) was formed with express purpose of promoting political ideas and not to generate business income; (2) does not have shareholders or other persons with an economic interest in its assets and earnings; (3) is exempt from federal income taxation; and (4) was not established by a business corporation, insurance company, business entity, professional association, or labor union and does not receive more than 10% of its total revenues in a calendar year from such entities. Repeals GS 163-269 (violations by corporations) and 163-270 (using funds of insurance companies for political purposes). Rewrites GS 163-278.13 (limitation on contributions) to apply to any “other entity” as well as to individuals and political committees.

Amends GS 163-278.13B(a)(1) to include in the definition of “limited contributor” the lobbyist’s principal as defined in GS 120-47.1(7).

Adds new GS 163-278.5 specifying that the Article applies to primaries and elections for North Carolina offices and not to those for federal offices or offices in other states.

Adds new GS 163-278.19(a1) providing that a transfer of funds shall be deemed a contribution or expenditure made indirectly if it is made to any committee or political party account with the intent or purpose of being exchanged for any other funds to be contributed or expended in an election for North Carolina office or to offset any other funds contributed or expended in an election for North Carolina office. Makes conforming changes.

Intro. by Baddour, Alexander, and Bonner.

Ref. to Education: Comm. Coll. & Universities

GS 163

April 15, 1999

H 921. CAMPAIGN FINANCE CHANGES. Intro. 4/5/99. House committee substitute makes the following changes to 1st edition. (1) Deletes from bill provisions saying that political committees and candidates' campaigns that are financed, maintained, or controlled by the same entity, as determined by the State Board of Elections, are to be considered as one political committee for purposes of applying the contributions limits. (2) Adds a new provision stating that contributions to referendum committees and expenditures to support or oppose ballot issues are not to be used in determining whether an entity is a political committee. (3) Adds a provision specifying that in any proceeding in which a presumption arises from the proof of certain facts, the defendant has the burden of offering some evidence to rebut the presumption, but the state bears the ultimate burden of proving the essential elements of the case. (4) Adds a provision requiring that independent expenditures required to be reported must be reported within 30 days of exceeding \$100 or 10 days before the election, whichever is earlier. (5) Makes clear that the limitation on contributions contained in GS 163-278.13 do not apply to national political parties. (6) Amends GS 163-278.9 (schedule for reporting campaign finance information) to eliminate the preprimary report and expand the scope of the first quarterly report to include preprimary information.

April 20, 1999

H 921. CAMPAIGN FINANCE CHANGES. Intro. 4/5/99. Senate amendments make the following changes to 2nd edition. Deletes requirement that for entities whose purpose is to promote social, educational, or political ideas and not to generate business to not be prohibited from making contributions they must be exempt from or have pending application to be exempt from federal income taxation. Defines contribute to mean contribution to a candidate "to support or oppose the nomination or election of one or more clearly identified candidates" (quoted language added). Amends GS 163-278.8(d) to increase from \$100 to \$200 the threshold amount of contribution that must be reported by name of contributor.