

April 13, 1999

**S 881. CAMPAIGN REFORM ACT. TO ESTABLISH THE CAMPAIGN REFORM ACT OF 1999.**  
Blank bill.

**Intro. by Gulley.**

Ref. to Rules

UNCODIFIED

June 2, 1999

**S 881. CAMPAIGN REFORM ACT.** Intro. 4/13/99. Senate committee substitute replaces blank bill. Adds to GS Ch. 163, Article 22A, a new Part 1A creating disclosure requirements for political campaign advertisements in print media, on television, or on radio. Makes it unlawful for any candidate, candidate committee, political party organization, political action committee, referendum committee, individual, or other entity to purchase an advertisement that constitutes an expenditure or contribution under Article 22A unless the following conditions are met: (1) the advertisement bears a statement disclosing the name of the sponsor; (2) the sponsor named in the disclosure statement is the name that appears on the statement of organization as required in GS 163-278.7(b)(1); (3) the sponsor states in the advertisement its position for or against the candidate, if the advertisement supports or opposes the nomination or election of a candidate; (4) the sponsor states in the advertisement its position for or against a ballot measure, if the advertisement is made for or against a ballot measure; (5) the disclosure statement states whether it is authorized by a candidate, if a print media advertisement supporting or opposing a candidate; (6) the sponsor discloses the name of candidate who is intended to benefit from the advertisement, if a print media advertisement identifies a candidate sponsor is opposing. Sets size requirements for disclosure statements. Disclosure statement that misrepresents sponsorship constitutes a Class 1 misdemeanor; other violations constitute a Class 2 misdemeanor.

In addition to foregoing disclosure requirements, provides specific disclosure statements that must be spoken by sponsors of television and radio advertisements supporting or opposing the nomination or election of one or more clearly identified candidates. Provides civil cause of action for complying candidate against opposing candidate whose television or radio advertisement violates disclosure requirements. Damages award is the total dollar amount of TV or radio advertising time that was aired in violation of disclosure requirements; treble damages available where plaintiff candidate notified sponsor of violation and advertisement continued to be aired. Attorneys fees awarded to plaintiff who prevails in action. Disclosure requirements do not apply to an individual who makes uncoordinated independent expenditures aggregating less than \$1,000 or to an individual who incurs expenses with respect to a referendum. Requirements do not apply to any advertisement the expenditure for which is required to be disclosed by GS 163-278.12A alone. Foregoing provisions are effective January 1, 2000 and applicable to all contributions and expenditures made or accepted after that date.

Describes what constitutes prima facie evidence that communications are "to support or oppose the nomination or election of one or more clearly identified candidates" and sets five-year statute of limitations for campaign finance misdemeanors. Exempts State Board of Elections and Executive Secretary-Director of Board from GS Ch. 150B, provided that they must follow the procedures in subsections (a) through (g) and subsection (i) of GS 150B-21.2 when promulgating rules. Effective October 1, 1999, amends GS 163-278.13B(c) to prohibit, while the General Assembly is in session, any limited contributor from soliciting a contribution from any individual or political committee on behalf of a limited contributee. Requires DHHS to furnish list of deceased persons to county board of elections monthly (now, quarterly). Requires same for clerk of superior court reports of convictions. Effective January 1, 2002, expands list of information requested of applicant on voter registration form to include ethnicity, and requires race and ethnicity choices on form to include as a choice any category shown by the most recent decennial federal census to compose at least one percent of the total population of North Carolina.

Appropriates from General Fund to State Board of Elections \$85,000 for 1999-2000 and \$85,000 for 2000-2001 for purpose of implementing this act.

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Appropriates from General Fund to State Board of Elections \$85,000 for 1999-2000 and \$85,000 for 2000-2001 for purpose of implementing this act.

June 15, 1999

**S 881. CAMPAIGN REFORM ACT OF 1999.** Intro. 4/13/99. Senate amendments make the following changes to 2nd edition. Adds amendment to GS 163-278.14(a), effective December 1, 1999 and applying to offenses committed on and after that date, to prohibit an individual, political committee, or other entity from making anonymous contributions or contributions in the name of another. Clarifies that proposed GS 163-278.39(a)(6) does not apply to print media advertisements that are independent expenditures. Refines definition of patterns of evidence considered prima facie evidence that communications are to support or oppose candidates in proposed GS 163-278.14A.. Makes other stylistic and technical changes. Adds provision that act

only becomes effective if \$25,000 is appropriated for 1999-2000 to the State Board of Elections for implementation.

July 9, 1999

**S 881. CAMPAIGN REFORM ACT OF 1999.** Intro. 04/13/99. House committee substitute makes the following changes to 3rd edition. Requires print media advertisement opposing a candidate to disclose the name of the candidate intended to benefit from the ad only when the sponsor coordinates or consults about the ad with the candidate who is intended to benefit. Rewrites new GS 163-278.14A to delete list of enumerated acts constituting prima facie evidence that communications are “to support or oppose the nomination or election of one or more clearly identified candidates” and to substitute more general factors that may be considered when determining whether communications are for such purpose. Clarifies that communications distributed by organizations to individuals upon request, including through the Internet, are not to be regulated as a contribution or expenditure. Deletes proposed five-year statute of limitations on misdemeanor prosecutions brought under GS Ch. 163 Art. 22A. Deletes provision exempting State Board of Elections from Administrative Procedure Act and substitutes provision permitting Board to adopt temporary rules upon prior notice or hearing when necessary to act in accordance with GS 163-22, to implement state or federal law, or to preserve the integrity of upcoming elections. Deletes change to GS 163-273.34(a1) concerning contested case hearings. Clarifies that prohibition, while General Assembly is in session, on limited contributors soliciting contributions from individuals or political action committees on behalf of limited contributors does not apply to solicitations on behalf of a political party executive committee if the solicitation is solely for a separate segregated fund limited to use for activities that are not candidate-specific.

July 14, 1999

**S 881. CAMPAIGN REFORM ACT OF 1999.** Intro. 6/2/99. House committee substitute makes the following changes to 4th edition. Provides that Dep’t of Health and Human Services shall furnish free to State Board of Elections each month list of deceased persons who were NC residents; State Board to distribute lists to each county board of elections (was, DHHS required to distribute lists directly to county boards).

July 19, 1999

**S 881. CAMPAIGN REFORM ACT.** Intro. 4/13/99. House amendments make the following changes to 5th edition. Amends GS 163-278.21 to specify that State Board of Elections is to have responsibility, adequate staff, equipment, and facilities, for promulgating all regulations necessary for the enforcement and administration of GS Ch. 163, Art. 22A (political campaign contribution and expenditure regulation) and to prevent circumvention of its provisions. (underlined provisions added)

Adds to disclosure requirements for television, provisions specifying that (1) candidate advertisements disclosure requirement only applies to an advertisement that mentions the name of, shows the picture of, transmits the voice of, or otherwise refers to an opposing candidate for the same office as the sponsoring candidate, and (2) political party advertisements requirement applies only to an advertisement that mentions the name of, transmits the voice of, or otherwise refers to an opposing candidate for the same office as the sponsoring candidate.

Deletes definition of “candidate campaign committee” in new GS Ch. 163, Art. 22A, Part 1A, added by bill. Changes proposed revision to presumption provision in GS 163-278.34A to specify that in any proceeding brought pursuant to GS Ch. 163, Art. 22A, in which a presumption arises from the proof of certain facts, the defendant may offer some evidence to rebut the presumption (was, the presumption shall be rebuttable), but the State bears the ultimate burden of proving the essential elements of its case.

Deletes, in new GS 163-278.14A, one of evidentiary grounds for proving that an individual or other entity acted “to support or oppose the nomination or election of one or more clearly identified candidates.” Ground eliminated was evidence that an entity financially sponsors communications whose essential nature expresses electoral advocacy to the general public concerning a clearly identified candidate in an election and the entity or agent for that entity has made a statement

admissible in a court of law that one of the entity's purposes is to support or oppose that clearly identified candidate in that election.