

April 16, 2007

H 1517. VOTER-OWNED ELECTIONS PILOT. Filed 4/16/07. *TO ESTABLISH A PILOT PROGRAM TO PROVIDE CANDIDATES FOR CERTAIN COUNCIL OF STATE OFFICES WITH THE OPTION OF FINANCING THEIR CAMPAIGNS FROM A PUBLICLY SUPPORTED FUND, PROVIDED THAT THEY GAIN AUTHORIZATION TO DO SO FROM REGISTERED VOTERS AND THAT THEY ABIDE BY STRICT FUND-RAISING AND SPENDING LIMITS; AND TO APPROPRIATE FUNDS TO FINANCE THE PROGRAM.*

To be summarized in tomorrow's *Daily Bulletin*.

Intro. by Glazier, Ross, Rapp, Martin.

GS 163, APPROP

April 17, 2007

H 1517. VOTER-OWNED ELECTIONS PILOT. Filed 4/16/07. *TO ESTABLISH A PILOT PROGRAM TO PROVIDE CANDIDATES FOR CERTAIN COUNCIL OF STATE OFFICES WITH THE OPTION OF FINANCING THEIR CAMPAIGNS FROM A PUBLICLY SUPPORTED FUND, PROVIDED THAT THEY GAIN AUTHORIZATION TO DO SO FROM REGISTERED VOTERS AND THAT THEY ABIDE BY STRICT FUND-RAISING AND SPENDING LIMITS; AND TO APPROPRIATE FUNDS TO FINANCE THE PROGRAM.*

Enacts new GS Chapter 163, Article 22J, the Voter-Owned Elections Act. Establishes the NC Voter-Owned Election Fund to finance the election campaigns of candidates for specified Council of State offices (Auditor, Superintendent of Public Instruction, and Commissioner of Insurance), beginning with the 2008 elections. Specifies the sources of funding and requires the State Board of Elections to administer the Fund.

Establishes the requirements for participation for candidates who choose to receive money from the Fund and establishes restrictions on contributions and expenditures for participating candidates. Requires participating candidates to limit campaign-related expenditures to \$20,000 and not accept more than \$20,000 from the sources permitted by GS Chapter 163, Article 22A, beginning August 1 of the year before the election. However, a candidate who accepted contributions in excess of \$20,000 could remain eligible to participate by contributing the excess amount to the Fund. Permits candidates to accept additional support in the form of in-kind contributions from political party executive committees, up to an aggregate value of \$30,000 for the election cycle. Also permits candidates to contribute up to \$1,000 of their own money, to accept contributions of up to \$1,000 from each of several specified family members, and to accept contributions of under \$10 from North Carolina voters.

Requires participating candidates to limit their expenditures during the "qualifying period," defined as the period beginning September 1 in the year before the election and ending on the day of the primary. After the qualifying period, candidates would be required to cease campaign-related fund-raising activities and expend only moneys received from the Fund. Also requires candidates and their committees to limit the use of revenues permitted under this new law to campaign-related purposes, in accordance with guidelines to be established by the State Board of Elections (SBE).

Requires participating candidates who receive contributions not expressly permitted to return the contributions to the donor as soon as practicable. Establishes civil penalties for contributions intentionally made, solicited, or accepted in violation of the new Article. Also requires candidates to return unspent and uncommitted funds after the election or whenever the person ceases to be a certified candidate, whichever occurs first. Permits a candidate to revoke a decision to participate in the Fund at any time by submitting a written revocation to the SBE.

Establishes timetables and methods for distributions from the Fund to certified candidates. Requires the SBE to determine the base level of funds to be distributed according to a formula. Prohibits the distribution of funds for uncontested elections. Creates reporting requirements for candidates who do not participate in the Fund and separate reporting requirements for candidates who do participate.

Provides for rescue funds for candidates whose reports demonstrate that a specified trigger for rescue funds has been reached.

Requires the SBE to enforce the new Article and allows for civil penalties of up to \$10,000 or three times the amount of any financial transactions involved in a violation, whichever is greater.

Also provides that a candidate who violates the Article may be required to return moneys distributed to the candidate from the Fund.

Makes conforming changes to other portions of GS Chapter 163. Appropriates from the General Fund to the SBE \$2.29 million for 2007-08 and \$2.29 million for 2008-09 to implement the act. The appropriation is effective July 1, 2007; the remainder is effective upon enactment.

Intro. By Glazier, Ross, Rapp, Martin.

GS 163, APPROP

June 21, 2007

H 1517. VOTER-OWNED ELECTIONS PILOT. Filed 4/16/07. House committee substitute makes the following changes to 1st edition. Modifies proposed new GS 163-278.96 (definitions) to provide that a distribution from the North Carolina Voter-Owned Elections Fund (Fund) is not a *contribution* and that distributions are subject to the guidelines issued by the State Board of Elections (BOE) pursuant to proposed new GS 163-278.98(3)(5) (regarding limits on use of permitted revenues for expenditures by candidates). Adds a definition for electioneering communication. Replaces the term *rescue funds* with *matching funds* and makes conforming changes.

Renumbers proposed new statutory provisions in proposed Article 22J. Makes conforming changes to other provisions in the Article.

Modifies proposed new GS 163-278.99 (distribution from the Fund) to provide that *campaign related expenditures* do not include loan repayments and contributions to a candidate, political committee, or political party. Directs BOE to distribute one-third of the amount to be distributed from the Fund to a certified candidate within five business days after the candidate's name is approved to appear on the ballot but no earlier than five business days after the primary, and the remainder of the amount on August 1 before the general election.

Modifies proposed new GS 163-278.99A to delete reference to *candidate specific communications*. Makes conforming change to other provisions in proposed new Article 22J.

Modifies proposed new GS 163-278.99B as follows: (1) specifies criteria and process for BOE to use in determining whether a candidate is entitled to receive matching funds as a result of an electioneering communication; and (2) requires BOE to distribute any matching funds at the conclusion of its process.

Enacts new GS 163-278.99E to require BOE to publish a Voter Guide and prescribes the content of the guide. States that the Voter Guide may be published in conjunction with the Judicial Voter Guide.

Appropriates from the General Fund to the State Board of Elections \$1 million (was, \$2.29 million) for 2007-08 and \$3.58 million (was, \$2.29 million) for 2008-09 to implement the act.

Sections one through three of the act become effective 30 days after the act is given pre-clearance under Section 5 of the Voting Rights Act of 1965.

Makes additional technical and conforming changes.

July 26, 2007

H 1517. VOTER-OWNED ELECTIONS PILOT. Filed 4/16/07. House committee substitute makes the following changes to 2nd edition. Modifies proposed new GS 163-278.99B to allow the State Board of Elections to issue matching funds based on an electioneering communication only if the communication is susceptible of no reasonable interpretation other than as an appeal to vote for or against a specific candidate. Modifies proposed new GS 163-278.99E(b)(7) to delete from the information that may be included in a candidate statement the candidate's acceptance of spending and fund-raising limits to qualify for funding.

July 27, 2007

H 1517. VOTER-OWNED ELECTIONS PILOT. Filed 4/17/07. House amendments make the following changes to 3rd edition. Bill requires the State Board of Elections (board) to distribute a voter education guide by mail or other means to as many voting age individuals as possible. Amendment #1 requires the board to keep a list of the addresses from which the mailed voter guides are returned as undeliverable. The list must be made available to the public. The bill also requires the board to determine which candidate, if any, is entitled to receive matching funds in

the case of electioneering communications. Matching funds are paid only if the board determines that “the communication is susceptible of no reasonable interpretation other than as an appeal to vote for or against a specific candidate.” Amendment #2 specifies that in making this determination, the board cannot consider evidence of the intent of the sponsor or the effect of the communication that is external to the communication itself.

September 4, 2007

SL 2007-540 (H 1517). VOTER-OWNED ELECTIONS PILOT. *AN ACT TO ESTABLISH A PILOT PROGRAM TO PROVIDE CANDIDATES FOR CERTAIN COUNCIL OF STATE OFFICES WITH THE OPTION OF FINANCING THEIR CAMPAIGNS FROM A PUBLICLY SUPPORTED FUND, PROVIDED THAT THEY GAIN AUTHORIZATION TO DO SO FROM REGISTERED VOTERS AND THAT THEY ABIDE BY STRICT FUND-RAISING AND SPENDING LIMITS; AND TO APPROPRIATE FUNDS TO FINANCE THE PROGRAM.* Summarized in *Daily Bulletin* 4/17/07, 6/21/07, 7/26/07, and 7/27/07. Enacted August 31, 2007. Sections 1–3 are effective 30 days after the act is given preclearance under section 5 of the Voting Rights Act of 1965. This act applies to elections for Auditor, Superintendent of Public Instruction, and Commissioner of Insurance in 2008 and thereafter. Section 5 is effective July 1, 2007. The remainder is effective August 31, 2007.