

March 21, 2007

S 1261. LEGISLATIVE CAMPAIGNS PILOT. Filed 3/21/07. *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.*

Enacts new Article 22I of GS Chapter 163 to establish a pilot program for public financing of campaigns for seats in the General Assembly. Four districts are to be selected for the pilot program every two years. The pilot will begin in 2008 and apply to two Senate seats and two House of Representatives seats. The House and Senate majority and minority leaders will each select up to three districts for the pilot from a list of districts prepared by the Executive Director of the State Board of Elections (BOE) according to criteria set forth in the act. The BOE, by a three-fourths vote of the members, must make a final selection of two districts in the Senate and two in the House for participation in the pilot program.

Candidates in these districts may opt in during the qualifying period and before collecting any qualifying contributions. To opt in, a candidate must declare that only one political committee will handle all contributions and campaign-related expenditures and that the candidate will comply with the contribution and expenditure limits in the act. Candidates qualify for public funding by receiving a specified number (150 for House and 300 for Senate) of *qualifying contributions* (contributions of between \$10 and \$100 from individual voters in the district) totaling at least \$6,000 but not more than \$40,000 for Senate seats and at least \$3,000 but not more than \$25,000 for House seats.

After being certified by the BOE, a candidate may accept only qualifying contributions, contributions under \$10 from voters in the district, contributions from the candidate up to \$1,000, and contributions of up to \$1,000 from close family members (subject to a \$2,000 cap for contributions from all family members).

Establishes the North Carolina Legislative Campaigns Pilot Fund to finance the election campaigns of certified candidates. No appropriations from the General Fund may be made to finance the election campaigns of certified candidates. Sources of funding for the fund are to come from voluntary donations, designations by taxpayers to finance the campaigns of certified candidates, and unspent Fund revenues. Public funding will not be available for primaries or general elections that are uncontested. Public funding may be used for rescue funding if a non participating candidate is outspending a participating candidate in a contested primary. Public funding for general elections will be at least \$50,000 for House seats and \$75,000 for Senate seats or the median spending for contested House and Senate seats in the last two general elections, whichever is more.

Establishes reporting requirements for participating and certified candidates, noncertified candidates, and independent expenditure entities.

Individuals, political committees, and other entities who violate the new Article will be subject to a civil penalty under Article 22D of GS Chapter 163 (NC Public Campaign Financing Fund).

Enacts new GS 163-278.13(e4) to prohibit a candidate for office in an election subject to the provisions of Article 22I from accepting, and a contributor from making, within 21 days before a general election a contribution that causes the candidate to exceed the trigger for rescue funding.

Intro. by Atwater.

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