

April 6, 2009

H 1111. CAMPAIGN FINANCE AMENDMENTS. Filed 4/6/09. *TO MAKE MORE SPECIFIC WHEN AN INDIVIDUAL BECOMES A "CANDIDATE" FOR CAMPAIGN FINANCE LAW AND TO DEFINE AND PROVIDE FOR DISCLOSURE OF FUNDING FOR "CANDIDACY EXPLORATION;" TO USE DIFFERENT TERMINOLOGY IN THE LEGAL DEFENSE FUNDS STATUTE; AND TO REQUIRE THAT A TREASURER FOR A NORTH CAROLINA CAMPAIGN BE A NORTH CAROLINA RESIDENT.*

Amends GS 163-278.6 to modify the definition of *candidate* to mean any individual who, with respect to a public office listed in GS 163-278.6(18), has *taken positive action for the purpose of bringing about that individual's nomination or election to public office*. Adds that making a public announcement of a definite intent to run for public office in a particular election is an example of positive action. Makes technical and conforming changes.

Amends GS 163-278.6 to add a definition for *candidacy exploration* to mean actions taken by an individual to explore the feasibility of becoming a candidate prior to taking positive action for the purpose of bringing about that individual's nomination or election to public office.

Enacts GS 163-278.7B to require that an individual who engages in candidacy exploration keep records of all funds received and expended for that purpose and must retain those records for a minimum of two years. Also requires that an individual without an active candidate campaign committee who, subsequent to candidacy exploration, becomes a candidate include, as part of the organizational report submitted pursuant to GS 163-278.9(a)(1), a report of all funds received and expended for the purpose of candidacy exploration. An individual with an active candidate campaign committee must also include a report of all funds received and expended for candidacy exploration with the reports required under GS 163-278.9.

Amends GS 163-278.300 to replace the definition for *contribution* with a definition for *legal expense donation* to mean a payment that has the characteristics of a contribution as defined in GS 163-278.6, except that it may only be used as provided in GS 163-278.320 (Permitted uses of legal expense funds). Modifies the definition of *expenditure* to mean a payment that has the characteristics of an expenditure as defined in GS 163-278.6, except that it may only be used as provided in GS 163-278.320. Makes conforming changes to GS 163-278.301 (Creation of legal expense funds), GS 163-278.307 (Detailed accounts to be kept by treasurer), GS 163-278.308 (Reports filed with Board), GS 163-278.310 (Quarterly report), GS 163-278.316 (Limitations on legal expense donation), and GS 163-278.320 by replacing the term *contribution* with *legal expense donation* or *payment*, where applicable.

Amends GS 163-278.7 to require that, if a candidate appoints another individual as political treasurer, that individual must be a resident of North Carolina. Makes a technical change.

Effective December 1, 2009.

Intro. by Goodwin.

GS 163

April 23, 2009

H 1111. CAMPAIGN FINANCE AMENDMENTS. Filed 4/6/09. House committee substitute makes the following changes to 1st edition.

Amends GS 163-278.300 to rewrite the definition for *legal expense donation* to mean any advance, conveyance, deposit, distribution, transfer of funds, loan payment, gift, pledge, subscription of money, anything of value whatsoever, and any contract, agreement, promise, or other obligation, whether or not legally enforceable, to make a contribution to a legal expense fund for a permitted use as provided in GS 163-278.320 (was, a payment that has the characteristic of a contribution as defined in GS 163-278.6, except that it may be used only as provided in GS 163-278.320).

Also rewrites the definition for *expenditure* to mean any purchase, advance, conveyance, deposit, distribution, transfer of funds, loan, payment, gift, pledge, subscription of money, anything of value whatsoever, and any contract or agreement, promise, or other obligation, whether or not legally enforceable, to make an expenditure, by a legal defense fund for a permitted use as provided in GS 163-278.320 (was, a payment that has the characteristics of an expenditure as defined in GS 163-278.6, except that it may only be used as provided in GS 163-278.320).

Amends GS 163-278.316 to reinstate deleted language to provide that subsection (d), which prohibits a legal expense fund from accepting legal expense donations in excess of \$4,000 per calendar year from corporations, labor unions, insurance companies, professional associations, or business entities, does not apply to corporations permitted to make contributions in GS 163-278.19(f) (was, amended GS 163-278.316 to provide that the subsection does not apply to legal expense donations).

Amends GS 163-278.16B(a), setting forth the purposes for which a candidate or candidate campaign committee may use contributions. Includes as an allowed purpose the use of contributions to make a legal expense donation that does not exceed \$4,000 to a legal expense fund established under GS Chapter 163, Article 22M. Amends GS 163-278.7(a) to clarify that only an individual who resides in North Carolina is to be appointed as a treasurer for a candidate, political committee, or referendum committee.

May 4, 2009

H 1111. CAMPAIGN FINANCE AMENDMENTS. Filed 4/6/09. House committee substitute makes the following changes to 2nd edition. Changes the definitions of *legal expense donation* and *expenditure* in GS 163-278.300 regarding legal expense funds by removing the inclusion of pledges and promises and by deleting the phrase “whether or not legally enforceable”, and provides that forgiven expenditures must be reported as legal expense donations. Makes parallel changes to the definitions of the same terms in GS 163-278.6 regarding contributions and expenditures in political campaigns. Makes a conforming change to the title.

August 4, 2009

H 1111. CAMPAIGN FINANCE AMENDMENTS. Filed 4/6/09. Senate committee substitute makes changes to 3rd edition to be digested in tomorrow’s *Daily Bulletin*.

August 5, 2009

H 1111. CAMPAIGN FINANCE AMENDMENTS. Filed 4/6/09. Senate committee substitute makes the following changes to the 3rd edition. Deletes proposed amendment to GS 163-278.6 defining the term *candidacy exploration* and makes a conforming change, deleting proposed GS 163-278.7B regarding record keeping and reporting as related to candidacy exploration.

Amends GS 163-278.16B(a) to clarify that a candidate or candidate campaign committee may use contributions for the purpose of a legal expense donation that does not exceed \$4,000 *per calendar year* made to a legal expense fund established under GS Chapter 163, Article 22M. Amends GS 163-278.6(6) to require that an expenditure that is forgiven by the person or entity to whom the debt is owed must be reported as a contribution from that person or entity. Makes a conforming change to GS 163-278.6(9).

Amends GS 163-278.10A to exempt certain candidates from the reporting requirements for contributions, loans, and expenditures if the candidates do not receive more than \$1,000 in contributions or loans and do not spend more than \$1,000 (was, \$3,000 for all three criteria). Requires the filing of a certification that the candidate does not intend to receive contributions or loans exceeding \$1,000, or to spend more than that amount. Provides guidelines as to the timing of the filing of the certification and what actions must be taken if the threshold amount is exceeded. Provides that the exemption from reporting applies to political party committee, under the same terms as for candidates, except that the term *to further the candidate’s campaign* does not relate to a political party committee’s exemption and all contributions, expenditures, and loans during an election are to be counted against the political party committee’s threshold amount.

Amends GS 163-278.5 to provide that this statute applies to GS Chapter 163, Article 22J. Amends GS 163-278.80(3) and GS 163-278.90(3) to provide that the term *electioneering communication* does not include a communication that: (1) does not mention any election, candidacy, political party, opposing candidate, or voting by the general public; (2) does not take a position on the candidate’s character or qualifications and fitness for office; and (3) proposes a commercial transaction.

Amends GS 163-278.80(2) to provide that *electioneering communication* references a broadcast, cable, or satellite communication that is aired (was, made) during the specified time

periods. Amends GS 163-278.90(2) to provide that *electioneering communication* also applies to any mass mailing or telephone bank that is transmitted (was, made) within the specified time periods.

Enacts new GS 163-278.84 to provide that any individual, group of individuals, or organization that produces a communication may ask the State Board of Elections (State Board) for a determination as to whether or not the communication is an electioneering communication prior to the airing of that communication. Directs the State Board to establish a process for making such a determination. Provides that the responsibility for the determination may be delegated to the Executive Director, in which case the process established by the State Board must include an opportunity for immediate appeal to the State Board. Also enacts new GS 163-278.94 incorporating these same provisions.

Amends GS 163-278.100(1) to provide that the term *candidate-specific communication* means a broadcast, cable, or satellite communication that is aired (was, made) in an even-numbered year within the specified timeline. Amends GS 163-278.110(1) to provide that the term *candidate-specific communication* also applies to any mass mailing or telephone bank that is transmitted (was, made) in an even-numbered year within the specified timeline.

Amends GS 163-278.100(2) and GS 163-278.110(2) to provide that *candidate-specific communication* does not include a communication that: (1) does not mention any election, candidacy, political party, opposing candidate, or voting by the general public; (2) does not take a position on the candidate's character or qualifications and fitness for office; and (3) proposes a commercial transaction.

Enacts new GS 163-278.103 to provide that any individual, group of individuals, or organization that produces a communication may ask the State Board for a determination as to whether the communication is candidate-specific communication prior to the airing of that communication. Directs the State Board to establish a process for making such a determination. Provides that the responsibility for the determination may be delegated to the Executive Director, in which case the process established by the State Board must include an opportunity for immediate appeal to the State Board. Also enacts new GS 163-278.113 incorporating these same provisions.

Makes conforming changes to the title.

August 6, 2009

H 1111. CAMPAIGN FINANCE AMENDMENTS. Filed 4/6/09. Senate amendment makes the following changes to 4th edition. Amends GS 163-278.42(d) to change the composition of the committee charged with allocating the remaining 50% of funds in the political parties financing fund after the distributions under subsections (a) or (b) of this statute. Designates that the committee is to include persons appointed by the State Chairman of the political party in a number that does not exceed the number of congressional districts in North Carolina (was, required the appointment of two persons). Makes a conforming change to the title.

September 1, 2009

SL 2009-534 (H 1111). CAMPAIGN FINANCE AMENDMENTS. AN ACT TO MAKE MORE SPECIFIC WHEN AN INDIVIDUAL BECOMES A "CANDIDATE" FOR CAMPAIGN FINANCE LAW; TO USE DIFFERENT TERMINOLOGY AND DEFINE TERMS IN THE LEGAL EXPENSE FUNDS STATUTE AND CLARIFY CANDIDATE CONTRIBUTIONS TO LEGAL EXPENSE FUNDS; TO REVISE THE WAY THE DEFINITIONS OF "CONTRIBUTION" AND "EXPENDITURE" DEAL WITH PROMISES; TO REQUIRE THAT A TREASURER FOR A NORTH CAROLINA COMMITTEE BE A NORTH CAROLINA RESIDENT; TO REDUCE THE THREE-THOUSAND-DOLLAR OR LESS EXEMPTION FOR CAMPAIGN REPORTING FOR CANDIDATES FOR CERTAIN LOCAL ELECTED OFFICES TO ONE THOUSAND DOLLARS OR LESS AND TO ELIMINATE THE THREE-THOUSAND-DOLLAR OR LESS EXEMPTION FOR CAMPAIGN REPORTING FOR CANDIDATES FOR ALL OTHER OFFICES; TO EXEMPT COMMERCIAL COMMUNICATIONS FROM THE ELECTIONEERING COMMUNICATION LAWS AND CANDIDATE-SPECIFIC COMMUNICATION LAWS; TO AUTHORIZE AN OPTIONAL PROCESS TO DETERMINE WHETHER OR NOT A COMMUNICATION IS AN

ELECTIONEERING COMMUNICATION OR A CANDIDATE-SPECIFIC COMMUNICATION PRIOR TO ITS DISTRIBUTION; TO MAKE A CHANGE TO THE PROCEDURE FOR ALLOCATING MONEY IN THE POLITICAL PARTIES FINANCING FUND; AND TO MAKE OTHER TECHNICAL CHANGES. Summarized in *Daily Bulletin* 4/6/09, 4/23/09, 5/4/09, 8/5/09, and 8/6/09. Enacted August 28, 2009. Effective December 1, 2009.