

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 120
PROPOSED COMMITTEE SUBSTITUTE H120-PCS50169-TC-5

Short Title: Public Municipal Campaigns.

(Public)

Sponsors:

Referred to:

February 11, 2009

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH A PILOT PROGRAM FOR PUBLIC FINANCING OF
MUNICIPAL ELECTION CAMPAIGNS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 160A-499.1, as enacted by Section 2 of Session Law 2007-222,
reads as rewritten:

**"§ 160A-499.1. Uniform, nondiscriminatory program of public financing of election
campaigns.**

(a) A governing body of a city may appropriate funds for a public campaign financing
program as defined in ~~G.S. 163-278.6(17a)~~ subsection (c) of this section for city office in that
city's jurisdiction if the city has held at least one public hearing on the program before adopting
it and the program is approved by the State Board of Elections. The State Board of Elections
shall develop guidelines for the basic components needed in a program to meet the criteria set
forth in ~~G.S. 163-278.6(17a)~~ subsection (c) of this section and shall approve a city's program
that meets the criteria. The guidelines shall require that participating candidates shall file all
disclosure reports with the State Board of Elections and that the State Board of Elections shall
certify all candidates participating in the program. Any city exercising authority under this
section shall provide full notice to the county board of elections in any county in which it has
territory.

(b) The governing body of a city appropriating funds as provided by this section shall
prepare a report no later than six months after the second election in which it appropriates funds
under this section that analyzes its experience in implementing a public campaign financing
program by that date, including percent of candidates participating in a program, sources and
amounts of funding, litigation involving a program, administrative issues, and
recommendations for changes in this statute. The report shall be presented by that date to the
~~Joint Legislative Commission on Governmental Operations, to the Fiscal Research Division of
the Legislative Services Office, and to the committees in the House of Representatives and
Senate to which election-related bills are primarily referred.~~ State Board of Elections.

(c) The term 'public campaign financing program' means a uniform program of a
governmental entity that offers support for the campaigns of candidates for elective office
within the jurisdiction of that governmental entity under the following conditions: (i) the
candidates participating in the program must demonstrate public support and voluntarily accept
strict fund-raising and spending limits in accordance with a set of requirements drawn by that
government, (ii) the requirements are drawn to further the public purpose of free and fair



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1 elections and do not discriminate for or against any candidate on the basis of race, creed,
2 position on issues, status of incumbency or nonincumbency, or party affiliation, (iii) any public
3 funds provided to candidates are restricted to use for campaign purposes according to
4 guidelines drawn by the State Board of Elections, (iv) unspent public funds are required to be
5 returned to that governmental entity, and (v) if the program provides for matching funds for
6 electioneering communications for certified candidates when funds in opposition to a certified
7 candidate or in support of an opponent to that candidate exceed a certain amount, the governing
8 entity shall determine which candidate, if any, is entitled to receive matching funds as a result
9 of the communication. The governing entity shall issue matching funds based on the
10 communication only if it ascertains that the communication is susceptible of no reasonable
11 interpretation other than as an appeal to vote for or against a specific candidate. In making its
12 determination, the governing entity shall not consider evidence external to the communication
13 itself of the intent of the sponsor or the effect of the communication. Funds paid pursuant to
14 such a program are not subject to the contribution limitations of G.S. 163-278.13 and the
15 prohibitions on corporate contributions of G.S. 163-278.15 or G.S. 163-278.19 but shall be
16 reported as if they were contributions in all campaign reports required by law to be filed by the
17 campaigns receiving the payments.

18 (d) This section applies to the Town of Chapel Hill and to other municipalities selected
19 by the State Board of Elections for participation in a pilot program for the public financing of
20 municipal campaigns. The State Board of Elections shall select for the pilot program only
21 municipalities whose governing boards have submitted proposals that comply with the criteria
22 of subsection (a) of this section. In selecting those municipalities, the State Board shall seek
23 diversity of population size, regional location, and demographic composition. The State Board
24 shall limit the number of municipalities selected according to its own resources to administer
25 the pilot program. The State Board of Elections shall closely monitor the pilot program and
26 report its findings and recommendations by June 30, 2016, to the Joint Legislative Commission
27 on Governmental Operations, to the Fiscal Research Division of the Legislative Services
28 Office, to the Joint Legislative Elections Oversight Committee, and to the committees in the
29 House of Representatives and Senate to which election-related bills are primarily referred. The
30 State Board shall provide interim reports to those same entities by June 30, 2012, and June 30,
31 2014.

32 (e) This section expires July 1, 2016."

33 **SECTION 2.** Sections 1, 3, and 4 of Session Law 2007-222 are repealed.

34 **SECTION 3.** This act is effective when it becomes law.