

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 120
Committee Substitute Favorable 3/4/09
Committee Substitute #2 Favorable 3/16/09
PROPOSED COMMITTEE SUBSTITUTE H120-PCS50381-TC-13

Short Title: Public Municipal Campaigns.

(Public)

Sponsors:

Referred to:

February 11, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH A PILOT PROGRAM FOR PUBLIC FINANCING OF
3 MUNICIPAL ELECTION CAMPAIGNS.

4 The General Assembly of North Carolina enacts:

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

7 "§ 160A-499.1. Uniform, nondiscriminatory program of public financing of election
8 campaigns.

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

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

29 (c) The term 'public campaign financing program' means a uniform program of a
30 governmental entity that offers support for the campaigns of candidates for elective office
31 within the jurisdiction of that governmental entity under the following conditions:



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- 1 (1) The candidates participating in the program must demonstrate public support
2 and voluntarily accept strict fund-raising and spending limits in accordance
3 with a set of requirements drawn by that government.
- 4 (2) The requirements are drawn to further the public purpose of free and fair
5 elections and do not discriminate for or against any candidate on the basis of
6 race, creed, position on issues, status of incumbency or nonincumbency, or
7 party affiliation.
- 8 (3) Any public funds provided to candidates are restricted to use for campaign
9 purposes according to guidelines drawn by the State Board of Elections.
- 10 (4) Unspent public funds are required to be returned to that governmental entity.
- 11 (5) If the program provides for matching funds for electioneering
12 communications for certified candidates when funds in opposition to a
13 certified candidate or in support of an opponent to that candidate exceed a
14 certain amount, the State Board of Elections shall determine which
15 candidate, if any, is entitled to receive matching funds as a result of the
16 communication. The State Board of Elections shall authorize issuance of
17 matching funds based on the communication only if it ascertains that the
18 communication is susceptible of no reasonable interpretation other than as an
19 appeal to vote for or against a specific candidate. In making its
20 determination, the State Board of Elections shall not consider evidence
21 external to the communication itself of the intent of the sponsor or the effect
22 of the communication.

23 Funds paid by a city pursuant to such a program are not subject to the contribution limitations
24 of G.S. 163-278.13 and the prohibitions on corporate contributions of G.S. 163-278.15 or
25 G.S. 163-278.19 but shall be reported as if they were contributions in all campaign reports
26 required by law to be filed by the campaigns receiving the payments.

27 (d) This section applies to the Town of Chapel Hill and to other municipalities selected
28 by the State Board of Elections for participation in a pilot program for the public financing of
29 municipal campaigns. The State Board of Elections shall select for the pilot program only
30 municipalities whose governing boards have submitted proposals that comply with the criteria
31 of subsection (a) of this section. In selecting those municipalities, the State Board shall seek
32 diversity of population size, regional location, and demographic composition. The State Board
33 shall limit the number of municipalities selected according to its own resources to administer
34 the pilot program. The State Board of Elections shall closely monitor the pilot program and
35 report its findings and recommendations by June 30, 2016, to the Joint Legislative Commission
36 on Governmental Operations, to the Fiscal Research Division of the Legislative Services
37 Office, to the Joint Legislative Elections Oversight Committee, and to the committees in the
38 House of Representatives and Senate to which election-related bills are primarily referred. The
39 State Board shall provide interim reports to those same entities by June 30, 2012, and June 30,
40 2014.

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

42 **SECTION 2.** Sections 1, 3, and 4 of S. L. 2007-222 are repealed.

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