

1998

**HOUSE
ELECTION LAWS &
CAMPAIGN REFORM**

MINUTES

**ELECTION LAWS
AND
CAMPAIGN REFORM
1997 - 98**

CHAIRS

**REPRESENTATIVE LARRY JUSTUS
REPRESENTATIVE CONNIE WILSON**

STAFF

BILL GILKESON, RESEARCH

CLERKS

**CAROLYN JUSTUS, CLERK
GAIL MUSSER, CLERK**

NORTH CAROLINA GENERAL ASSEMBLY

COMMITTEE SUMMARY REPORT

HOUSE: ELECTION LAW AND CAMPAIGN REFORM

Valid Through 19-NOV-1998

1997-98 Regular Session

BILL	INTRODUCER	SHORT TITLE	LATEST ACTION ON BILL	IN DATE	OUT DATE
H 3	WILSON C	CAMPAIGN DISCLOSURE ACT	H -REF TO COM ON ELE-LAW	01-30-97	
H 6	ALDRIDGE	TERMS LIMITS FOR LEGISLATURE	H -REF TO COM ON ELE-LAW	01-30-97	
H 7	ALDRIDGE	LEGISLATIVE TERM LIMITS/CONFORMING	H -REF TO COM ON ELE-LAW	01-30-97	
H 10	NICHOLS	LOBBYIST WAITING PERIOD-2	H -REF TO COM ON ELE-LAW	02-03-97	
H 23	CANSLER	CAMPAIGN STANDARDS	H -REF TO COM ON ELE-LAW	02-03-97	
H 24	CANSLER	CLOSE RUNOFF LOOPHOLE	H -REF TO COM ON ELE-LAW	02-03-97	
H 79=	RAYFIELD	BALLOT ACCESS CHANGES	H -REF TO COM ON ELE-LAW	02-10-97	
H 277	BUCHANAN	LIMIT RELATIVES ON ELECTION BDS.	*R -CH. SL 97-0211	02-19-97	03-27-97
H 481	ADAMS	LEGIBLE ELECTION DISCLAIMERS	HF-POSTPONED INDEFINITELY	03-10-97	
H 525	MORRIS	PARTY ALIGNMENT ROTATED	H -REF TO COM ON ELE-LAW	03-17-97	
H 578	ALLRED	SINGLE-MEMBER DISTRICTS	*H -RE-REF COM ON ELE-LAW	03-27-97	04-24-97
H 578	ALLRED	SINGLE-MEMBER DISTRICTS	*H -RE-REF COM ON ELE-LAW	04-30-97	
H 663	WOOD	GUBERNATORIAL TEAM TICKET	HF-POSTPONED INDEFINITELY	03-27-97	
H 709	ALEXANDER	ELECTION LAW AMENDMENTS	H -REF TO COM ON ELE-LAW	03-31-97	
H 736	JUSTUS	VOTER I.D.	H -REF TO COM ON ELE-LAW	04-01-97	
H 745	IVES	ELECTION NOTICES/ONE STOP	*H -RE-REF COM ON ELE-LAW	07-21-97	
H1014	NESBITT	SHORTER LINES AT POLLS	HF-POSTPONED INDEFINITELY	04-21-97	
H1145	CULPEPPER	JUDICIAL RETENTION	H -REF TO COM ON ELE-LAW	04-21-97	
H1700	MICHAUX	CAMPAIGN FINANCE CHANGES/FUNDS	HF-POSTPONED INDEFINITELY	06-01-98	
S 1	GULLEY W	FULL DISCLOSURE ACT OF 1997	*R -CH. SL 97-0515	02-12-97	04-14-97
S 199=	SOLES	TOWN MANAGERS/DUAL OFFICE HOLDING	*R -CH. SL 97-0025	03-04-97	03-06-97
S 553	ALLRAN	ELECTION NOTICES/ONE STOP-2	*R -CH. SL 97-0510	04-24-97	08-05-97
S 573=	GULLEY W	ELECTION LAW REFORM	*H -RE-REF COM ON ELE-LAW	05-01-97	08-05-97
S 573=	GULLEY W	ELECTION LAW REFORM	*H -RE-REF COM ON ELE-LAW	08-28-97	
S 663	RUCHO	ABSENTEE VOTING CHANGES	*H -REF TO COM ON ELE-LAW	05-01-97	
S 708	COOPER	ELECTION ACT OF 1998-2	*H -CAL PURSUANT RULE 36 (A)	04-29-97	09-24-98
S 825	PAGE	CANDIDATE ACCOUNTABILITY	*H -REF TO COM ON ELE-LAW	05-05-97	
S 904	HOYLE	IMPLEMENT SESSION LIMITS	H -REF TO COM ON ELE-LAW	05-01-97	

NOTES- = AFTER BILL NUMBER SHOWS THAT BILL IS IDENTICAL, AS INTRODUCED, TO ANOTHER BILL.

* AFTER NUMBERS INDICATES THAT TEXT OF BILL WAS ALTERED BY ACTION ON THE BILL.

BOLDED LINE INDICATES BILL INDEXED AS AFFECTING APPROPRIATIONS.

House Election Laws & Campaign Reform Committee

1997-98 Session

Co-Chairs



Larry T. Justus



Connie K. Wilson



William L. Wainwright
Ranking Minority Member

House Election Laws & Campaign Reform Committee

1997-98 Session

Members



Henry Aldridge



Martha Alexander



Gene Arnold



Phillip A. Baddour, Jr.



Cherie K. Berry



Donald A. Bonner



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Lanier M. Cansler



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Members



Edwin M. Hardy



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John M. Rayfield



Walter Church Sr.



Fern H. Shubert

House Election Laws & Campaign Reform Committee

1997-98 Session

Members



Timothy N. Tallent



Alex Warner



John H. Weatherly

ATTENDANCE

ELECTION LAWS & CAMPAIGN REFORM

(Name of Committee)

[illegible]

HOUSE COMMITTEE ON ELECTION LAW
AND
CAMPAIGN REFORM

September 23, 1998
Room 1327/1228

HOUSE MEMBERS PRESENT: [19] Representatives Justus, Wilson, Aldridge, Arnold, Baddour, Bonner Cansler, Church, Dedmon, Hardy, Hiatt, Insko, Kiser, Michaux, Rayfield, Shubert, Warner, Weatherly and Howard.

The House Committee on Election Laws and Campaign Reform met in Room 1327 of the Legislative Building on Wednesday, September 23, 1998. Representative Larry Justus called the meeting to order at 10:10 AM. Representative Justus explained that the two largest sections of this proposed committee substitute bill were approved by this committee last year [Stand By Your Ad and Ballot Access Changes]. Representative Kiser moved that proposed Committee Substitute -- S708-PCSRR-028 -- be placed before this committee for discussion. (Attachment 1) Motion carried.

Representative Justus recognized Bill Gilkeson, Legislative Staff, to explain the proposed committee substitute. Attachment 2 -- *PCS for Senate Bill 708 -- Election Act of 1998* - - was distributed. Mr. Gilkeson explained that this proposed committee substitute is divided into four parts:

1. Stand by Your Ad
2. Revisions to definitions in the Campaign Finance Act, "Issue advocacy"
3. Restoration of the schedule of campaign reports that existed before 1997 and an increase in the threshold for contributor identification from \$100 to \$250.
4. A revision of the ballot-access laws requiring new parties the same primary requirements and deadlines as the established parties in non-presidential contests.

Mr. Gilkeson continued that Section Three of this bill is similar to Senate Bill 579 which would bring campaign finance law into compliance with recent court cases. The ruling on these court cases has been stayed, and a decision is expected this fall.

Section 3 amends current law to narrow the definition of "political committee" so that it would be a group that has one or more of the following characteristics:

1. Is controlled by a candidate

2. Makes contributions to a candidate or political committee; or
3. Has as a non-incidental purpose making expenditures to expressly advocate the election or defeat of a clearly identified candidate.

This proposed section of the bill also adds a section carving out an exception to the corporate ban for independent expenditures by an entity that:

1. Was formed to promote political ideas and does not engage in business activities
2. Does not have shareholders or others having an economic interest in its assets or earning; and
3. Was not established by a business corporation, a business entity, a labor union or a professional association.

Mr. Gilkeson continued with Section 4 -- Restoration of 1996 reporting schedule; \$250 Identification. Threshold. Mr. Gilkeson stated that the name, address, occupation, and employer name of each contributor that gives more than \$250. would be required.

Representative Baddour stated that the Express Advocacy definition is broader than the Buckley decision. He asked to speak to the constitutionality of this. Representative Justus noted that this bill has a severability clause and as required the bill would be cleared by the Justice Department.

Representative Justus told committee members that this committee has permission to continue this meeting for another hour.

Representative Wilson asked that Susan Nichols, Attorney General's Office, be recognized. Ms. Nichols remarked that the Attorney General's Office missed most of the discussion of this bill. The Attorney General said it would be appropriate to let the legislature write the law rather than the court. Representative Wilson continued that she received a carbon copy of a letter from the Speaker to the Attorney General on this matter. Ms. Nichols responded that this letter deals mainly with disclosure.

Representative Wilson continued that Senate Bill 1 was discussed in subcommittee meetings for several months. This proposed bill takes us back dramatically in campaign disclosure. We need to let the voters know about campaign contributions in a timely fashion. Representative Wilson urged the chairman not to vote on Senate Bill 708 today.

Representative Justus stated that these comments are noted. He added that many members of the House have said that they cannot keep a campaign treasurer due to the increases in reporting. Representative Justus stated that the members of the General Assembly are not dishonest people.

Representative Baddour offered Amendment 1 -- "To restore 1996 Campaign Reporting Schedule with a \$250 Threshold for contributor Identification." After discussion the

vote on this amendment was taken by roll call (see attachment). The amendment failed. (Vote: 6 yes and 12 no).

Representative Michaux presented Amendment 2. (See Attachment) and asked for a roll call vote. Following discussion the roll call vote was taken. The amendment failed by a 12 no to 6 yes vote.(See attachment).

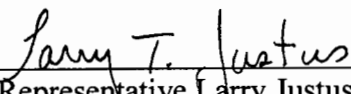
Representative Arnold offered Amendment 3 (see attachment) Representative Arnold's amendment changed the language in the preamble which asks that news media provide free time for candidates to candidates shall be charged the lowest available rate. Motion carried.

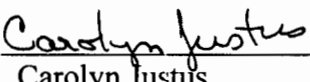
Representative Baddour presented Amendment 4 "To Stop the Flow of Prohibited Contributions into North Carolina" (See attachment). Representative Kiser moved to table this amendment. The tabling motion carried.

Representative Wilson offered Amendment 5 (no copies were available) which stated that no print media, or radio, or television station shall charge for the disclosure part of this bill (Stand By Your Ad). Motion failed.

Representative Kiser moved that the proposed committee substitute as amended for Senate Bill 708 be given a favorable report.

Motion carried. The meeting was adjourned at 11:50 AM.


Representative Larry Justus
Chairman


Carolyn Justus
Committee Clerk

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 708

Judiciary Committee Substitute Adopted 4/22/97

Third Edition Engrossed 4/24/97

House Proposed Committee Substitute -- S708-PCSRR-028

Short Title: Election Act of 1998.

(Public)

Sponsors:

Referred to:

April 7, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE CERTAIN DISCLOSURES ON POLITICAL ADVERTISEMENTS
3 TO BE MADE BY THEIR SPONSORS; TO REVISE THE DEFINITIONS OF
4 "POLITICAL COMMITTEE," "CONTRIBUTION," "EXPENDITURE," AND
5 "POLITICAL PURPOSE" TO CONFORM TO FEDERAL COURT DECISIONS AND
6 TO ADD DEFINITIONS OF "INDEPENDENT EXPENDITURE" AND "EXPRESS
7 ADVOCACY"; TO CONFORM STATE LAW TO FEDERAL COURT DECISIONS
8 CONCERNING INDEPENDENT EXPENDITURES BY CERTAIN TYPES OF
9 CORPORATIONS; TO RESTORE 1996 CAMPAIGN REPORTING SCHEDULE WITH
10 A \$250 THRESHOLD FOR CONTRIBUTOR IDENTIFICATION; AND TO CHANGE
11 THE DEADLINES AND PROCEDURES BY WHICH NEW PARTIES MAY GAIN
12 BALLOT ACCESS AND CHOOSE CANDIDATES, TO ALLOW VOTERS TO RETAIN
13 OFFICIAL AFFILIATION WITH AN EXPIRED PARTY, TO MAKE CERTAIN
14 CHANGES TO EQUALIZE CANDIDACY REQUIREMENTS, AND TO REMOVE
15 CERTAIN COURT-INVALIDATED REQUIREMENTS FROM THE PETITION
16 PROCEDURES FOR NEW PARTIES, UNAFFILIATED CANDIDATES, AND WRITE-
17 IN CANDIDATES.
18 The General Assembly of North Carolina enacts:
19 Section 1. This act shall be known as "The Election Act
20 of 1998." By the act, the General Assembly intends to provide for
21 reasonable regulation of election campaigns to the end that the

1 First Amendment is respected, candidates are given reasonable
2 standards of disclosure without being overburdened, and the
3 voters are given adequate information on which to base their
4 decisions. The General Assembly recognizes that the pressure upon
5 candidates to raise increasing amounts of money has a harmful
6 influence on the process of democracy. The principal reason for
7 the pressure is the rising costs of media advertising.
8 Accordingly, the General Assembly calls upon the corporations
9 that control the news media to provide significant amounts of
10 print space and prime air time to candidates to communicate with
11 the voters, free of charge.

12 --STAND BY YOUR AD.

13 Section 2. (a) Article 22A of Chapter 163 of the General
14 Statutes is amended by adding a new Part to read:

15 "Part 1A. Disclosure Requirements for Media Advertisements.

16 "§ 163-278.39. Basic disclosure requirements for all political
17 campaign advertisements.

18 (a) Basic Requirements. -- It shall be unlawful for any sponsor
19 to sponsor an advertisement in the print media or on radio or
20 television that constitutes an expenditure or contribution
21 required to be disclosed under this Article unless all the
22 following conditions are met:

23 (1) It bears the legend or includes the statement:
24 'Paid for by [Name of
25 candidate, candidate campaign committee, political
26 party organization, political action committee,
27 referendum committee, individual, or other
28 sponsor].' In television advertisements, this
29 disclosure shall be made by visual legend.

30 (2) The name used in the labeling required in
31 subdivision (1) of this subsection is the name that
32 appears on the statement of organization as
33 required in G.S. 163-278.7(b)(1).

34 (3) The sponsor states in the advertisement its
35 position for or against the candidate, provided
36 that this subdivision applies only if the
37 advertisement supports or opposes a specific
38 candidate or candidates.

39 (4) The sponsor states in the advertisement its
40 position for or against a ballot measure, provided
41 that this subdivision applies only if the
42 advertisement is made for or against a ballot
43 measure.

1 (5) In a print media advertisement supporting or
2 opposing a specific candidate or candidates, the
3 sponsor states whether it is authorized by a
4 candidate. The visual legend in the advertisement
5 shall state either 'Authorized by [name of
6 candidate], candidate for [name of office]' or 'Not
7 authorized by a candidate.' This subdivision does
8 not apply if the sponsor of the advertisement is
9 the candidate the advertisement supports or that
10 candidate's campaign committee.

11 (6) In a print media advertisement that identifies a
12 candidate the sponsor is opposing, the sponsor
13 discloses in the advertisement the name of the
14 candidate that is intended to benefit from the
15 advertisement.

16 If an advertisement described in this section is jointly
17 sponsored, the disclosure statement shall name all the sponsors.

18 (b) Size Requirements. -- In a print media advertisement
19 covered by subsection (a) of this section, the height of all
20 disclosure statements required by that subsection shall
21 constitute at least five percent (5%) of the height of the
22 printed space of the advertisement, provided that the type shall
23 in no event be less than 12 points in size. If a single
24 advertisement consists of multiple pages, folds, or faces, the
25 disclosure requirement of this section applies only to one page,
26 fold, or face. In a television advertisement covered by
27 subsection (a) of this section, the visual disclosure legend
28 shall constitute 32 scan lines in size. In a radio advertisement
29 covered by subsection (a) of this section, the disclosure
30 statement shall last at least three seconds.

31 (c) Misrepresentation of Authorization. -- Notwithstanding G.S.
32 163-278.27(a), any candidate, candidate campaign committee,
33 political party organization, political action committee,
34 referendum committee, individual, or other sponsor making an
35 advertisement in the print media or on radio or television
36 bearing any legend required by subsection (a) of this section
37 that misrepresents the sponsorship or authorization of the
38 advertisement is guilty of a Class 1 misdemeanor.

39 "§ 163-278.39A. Disclosure requirements for television and radio
40 advertisements supporting or opposing candidates.

41 (a) Expanded Disclosure Requirements. -- In addition to the
42 basic disclosure requirements in G.S. 163-278.39, any political
43 campaign advertisement on radio or television shall comply with
44 the expanded disclosure requirements set forth in this section.

(b) Disclosure Requirements for Television. --

(1) Candidate Advertisements on Television. --
Television advertisements purchased by a candidate or by a candidate campaign committee supporting or opposing a specific candidate or candidates shall include a disclosure statement spoken by the candidate and containing at least the following words: 'I am (or "This is...") [name of candidate], candidate for [name of office], and I (or "my campaign...") sponsored this ad.'

(2) Political Party Advertisements on Television. --
Television advertisements purchased by a political party organization supporting or opposing a specific candidate or candidates shall include a disclosure statement spoken by the chair, executive director, or treasurer of the political party organization and containing at least the following words: 'The [name of political party organization] sponsored this ad opposing/supporting [name of candidate] for [name of office].' The disclosed name of the political party organization shall include the name of the political party as it appears on the ballot.

(3) Political Action Committee Advertisements on Television. -- Television advertisements purchased by a political action committee supporting or opposing a specific candidate or candidates shall include a disclosure statement spoken by the chief executive officer or treasurer of the political action committee and containing at least the following words: 'The [name of political action committee] political action committee sponsored this ad opposing/supporting [name of candidate] for [name of office].' The name of the political action committee used in the advertisement shall be the name that appears on the statement of organization as required in G.S. 163-278.7(b)(1).

(4) Advertisements on Television by an Individual. --
Television advertisements purchased by an individual supporting or opposing a specific candidate or candidates shall include a disclosure statement spoken by the individual and containing at least the following words: 'I am [individual's name], and I sponsored this advertisement

1 opposing/sponsoring [name of candidate] for [name
2 of office].'

3 (5) Advertisements on Television by Another Sponsor. --
4 Television advertisements purchased by a sponsor
5 other than a candidate, a candidate campaign
6 committee, a political party organization, a
7 political action committee, or an individual which
8 mention the name of a specific candidate or
9 candidates and whose cost or value constitutes an
10 expenditure required to be disclosed under this
11 Article shall include a disclosure statement spoken
12 by the chief executive or principal decision maker
13 of the sponsor and containing at least the
14 following words: '[Name of sponsor] sponsored this
15 ad.'

16 (6) All Advertisements on Television. -- In any
17 television advertisement described in subdivisions
18 (1) through (5) of this subsection, an unobscured,
19 full-screen picture containing the disclosing
20 individual, either in photographic form or through
21 the actual appearance of the disclosing individual
22 on camera, shall be featured throughout the
23 duration of the disclosure statement.

24 (c) Disclosure Requirements for Radio. --

25 (1) Candidate Advertisements on Radio. -- Radio
26 advertisements purchased by a candidate or by a
27 candidate campaign committee supporting or opposing
28 a specific candidate or candidates shall include a
29 disclosure statement spoken by the candidate and
30 containing at least the following words: 'I am (or
31 "This is..") [name of candidate], candidate for
32 [name of office], and this ad was paid for (or
33 "sponsored" or "furnished") by [name of candidate
34 campaign committee that paid for the
35 advertisement].'

36 (2) Political Party Advertisements on Radio. -- Radio
37 advertisements purchased by a political party
38 organization supporting or opposing a specific
39 candidate or candidates shall include a disclosure
40 statement spoken by the chair, executive director,
41 or treasurer of the political party organization
42 and containing at least the following words: 'This
43 ad opposing/supporting [name of candidate] for
44 [name of office] was paid for (or "sponsored" or

"furnished") by [name of political party]. The disclosed name of the political party organization shall include the name of the political party as it appears on the ballot.

(3) Political Action Committee Advertisements on Radio. -- Radio advertisements purchased by a political action committee supporting or opposing a specific candidate or candidates shall include a disclosure statement spoken by the chief executive officer or treasurer of the political action committee and containing at least the following words: 'This ad opposing/supporting [name of candidate] for [name of office] was paid for (or "sponsored" or "furnished") by [name of political action committee] political action committee.' The name of the political action committee used in the advertisement shall be the name that appears on the statement of organization as required by G.S. 163-278.7(b)(1).

(4) Advertisements on Radio by an Individual. -- Radio advertisements purchased by an individual supporting or opposing a specific candidate or candidates shall include a disclosure statement spoken by the individual and containing at least the following words: 'I am [individual's name], and this ad opposing/supporting [name of candidate] for [name of office] was paid for (or "sponsored" or "furnished") by me.'

(5) Advertisements on Radio by Another Sponsor. -- Radio advertisements purchased by a sponsor other than a candidate, a candidate campaign committee, a political party organization, a political action committee, or an individual which mentions the name of a specific candidate or candidates and whose cost or value constitutes an expenditure or contribution required to be disclosed under this Article shall include a disclosure statement spoken by the chief executive or principal decision maker of the sponsor and containing at least the following words: '[Name of sponsor] paid for (or "sponsored" or "furnished") this ad.'

(d) Placement of Disclosure Statement in Television and Radio Advertisements. -- In advertisements on television, a sponsor may place the disclosure statement required by this section at any

1 point during the advertisement, except if the duration of the
2 advertisement is more than five minutes, the disclosure statement
3 shall be made both at the beginning and end of the advertisement.
4 The sponsor may provide the oral disclosure statement required by
5 this section at the same time as the visual disclosure required
6 under the Communications Act of 1934, 47 U.S.C. §§ 315 and 317,
7 is shown. But any visual disclosure legend shall be at least 32
8 scan lines in size. For advertisements on radio, the placement of
9 the oral disclosure statement shall comply with the requirements
10 of the Communications Act of 1934, 47 U.S.C. §§ 315 and 317.

11 (e) Choice of Supporting or Opposing a Candidate. -- In its
12 oral disclosure statement, a sponsoring political party
13 organization, political action committee, individual, or other
14 non-candidate sponsor shall choose either to identify an
15 advertisement as supporting a specific candidate or opposing a
16 specific candidate.

17 (el) Joint Sponsors. -- If an advertisement described in this
18 section is jointly sponsored, the disclosure statement shall name
19 all the sponsors and the disclosing individual shall be one of
20 those sponsors. If a candidate is one of the sponsors, that
21 candidate shall be the disclosing individual, and if more than
22 one candidate is the sponsor, at least one of the candidates
23 shall be the disclosing individual.

24 (f) Legal Remedy. -- Pursuant to the conditions established in
25 subdivisions (1), (2), and (3) of this subsection, a candidate
26 for an elective office who complied with the television and radio
27 disclosure requirements throughout that candidate's entire
28 campaign shall have a monetary remedy in a civil action against
29 (i) an opposing candidate or candidate committee whose television
30 or radio advertisement violates these disclosure requirements and
31 (ii) against any political party organization, political action
32 committee, individual, or other sponsor whose advertisement for
33 that elective office violates these disclosure requirements:

34 (1) Any plaintiff candidate in a statewide race in an
35 action under this section shall complete and file a
36 Notice of Complaint Regarding Failure to Disclose
37 on Television or Radio Campaign Advertising with
38 the State Board of Elections after the airing of
39 the advertisement but no later than the first
40 Friday after the Tuesday on which the election
41 occurred. Candidates in nonstatewide races may file
42 the notice during the same time period with one
43 county board of elections within the electoral area
44 in which they are candidates. The timely filing of

1 this notice preserves the candidate's right to
2 bring an action in superior court any time within
3 90 days after the election. A candidate shall bring
4 the civil action in the county where the candidate
5 filed the notice.

6 (2) Upon receiving a favorable verdict in accordance
7 with existing law, the plaintiff candidate shall
8 receive a monetary award of actual damages. The
9 price of actual damages shall be calculated as the
10 total dollar amount of television and radio
11 advertising time that was aired and that the
12 plaintiff candidate correctly identifies as being
13 in violation of the disclosure requirements of this
14 section.

15 The plaintiff candidate shall also receive an
16 award that trebles the amount of actual damages if:

17 a. The plaintiff candidate can establish having
18 notified or attempted to notify the sponsor of
19 the advertisement properly by return-receipt
20 mail about the failure of a particular
21 advertisement or advertisements to comply with
22 the disclosure requirements of this section,
23 and

24 b. After the notice or attempted notice, the
25 advertisement continued to be aired.

26 The treble damages shall be calculated from the
27 date on which the return-receipt notice was
28 accepted or rejected by a defendant sponsoring
29 candidate or candidate committee, political party
30 organization, political action committee, or
31 individual. The plaintiff candidate or candidate
32 committee shall send a copy of any return-receipt
33 mailing to the relevant board of elections as
34 provided in subdivision (1) of this subsection
35 within five days after the notice is returned to
36 the possession of the candidate or candidate
37 committee.

38 The court shall award reasonable attorneys'
39 fees to a plaintiff candidate who prevails in an
40 action under this section. The plaintiff candidate
41 may bring the civil action personally or authorize
42 his or her candidate campaign committee to bring
43 the civil action.

1 (3) A candidate who violates the disclosure
2 requirements of State law in this section and that
3 candidate's campaign committee shall be jointly and
4 severally liable for the payment of damages and
5 attorneys' fees. If the candidate is held
6 personally liable for any payment of damages or
7 attorneys' fees, the candidate shall not use or be
8 reimbursed by funds from the candidate's campaign
9 committee in paying any amount.

10 (g) Relation to the Communications Act of 1934. -- Television
11 advertisements by a sponsor supporting or opposing a specific
12 candidate or candidates shall comply with the oral disclosure
13 requirements under State law in this section. Those
14 advertisements shall also comply with disclosure requirements
15 under the Communications Act of 1934, 47 U.S.C. §§ 315 and 317 by
16 use of visual legends. The content of those visual legends is
17 specified by the Communications Act of 1934, 47 U.S.C. §§ 315 and
18 317, and G.S. 163-278.39(a)(1). The size of those visual legends
19 is determined by G.S. 163-278.39(b), which satisfies requirements
20 under the Communications Act of 1934, 47 U.S.C. §§ 315 and 317.
21 In the case of radio advertisements, the oral disclosure
22 requirements under State law in this section incorporate the
23 content requirements under the Communications Act of 1934, 47
24 U.S.C. §§ 315 and 317.

25 (h) No Additional Liability of Television or Radio Outlets. --
26 Television or radio outlets shall not be liable under this
27 section for carriage of political advertisements that fail to
28 include the disclosure requirements provided for in this section.

29 (i) No Criminal Liability. -- Nothing in this section regarding
30 the disclosure requirements in subsections (b) and (c) of this
31 section shall be relied upon or otherwise interpreted to create
32 criminal liability for any person.

33 "§ 163-278.39B. Definitions.

34 As used in this Part:

35 (1) 'Advertisement' means any message of advocacy
36 appearing in the print media, on television, or on
37 radio that constitutes a contribution or
38 expenditure under this Article.

39 (2) 'Candidate' means any individual who, with respect
40 to a public office listed in G.S. 163-278.6(18),
41 has filed a notice of candidacy or a petition
42 requesting to be a candidate, or has been certified
43 as a nominee of a political party for a vacancy, or
44 has otherwise qualified as a candidate in a manner

1 authorized by law, or has filed a statement of
2 organization under G.S. 163-278.7 and is required
3 to file periodic financial disclosure statements
4 under G.S. 163-278.9.

5 (3) 'Candidate campaign committee' means any political
6 committee organized by or under the direction of a
7 candidate.

8 (4) 'Full-screen' means the only picture appearing on
9 the television screen during the oral disclosure
10 statement contains the disclosing person, that the
11 picture occupies all visible space on the
12 television screen, and that the image of the
13 disclosing person occupies at least fifty percent
14 (50%) of the vertical height of the television
15 screen.

16 (5) 'Print media' means billboards, cards, newspapers,
17 newspaper inserts, magazines, mass mailings,
18 pamphlets, fliers, periodicals, and outdoor
19 advertising facilities. A 'mass mailing' is a
20 mailing with more than five hundred (500) pieces.

21 (6) 'Political action committee' has the same meaning
22 as 'political committee' in G.S. 163-278.6(14),
23 except that 'political action committee' does not
24 include any political party or political party
25 organization.

26 (7) 'Political party organization' means any political
27 party executive committee or any political
28 committee that operates under the direction of a
29 political party executive committee or political
30 party chair.

31 (8) 'Radio' means any radio broadcast station that is
32 subject to the provisions of 47 U.S.C. §§ 315 and
33 317.

34 (9) 'Scan line' means a standard term of measurement
35 used in the electronic media industry calculating a
36 certain area in a television advertisement.

37 (10) 'Sponsor' means a candidate, candidate committee,
38 political party organization, political action
39 committee, referendum committee, individual, or
40 other entity that purchases an advertisement.

41 (11) 'Supporting or Opposing' means an advertisement
42 that mentions the name of a candidate, elected
43 official, political party, or referendum issue and
44 whose cost or value constitutes an expenditure or

1 contribution required to be disclosed under this
2 Article.

3 (12) 'Television' means any television broadcast
4 station, cable television system, wireless-cable
5 multipoint distribution system, satellite company,
6 or telephone company transmitting video programming
7 that is subject to the provisions of 47 U.S.C. §§
8 315 and 317.

9 (13) 'Unobscured' means the only printed material that
10 may appear on the television screen is a visual
11 disclosure statement required by law, and nothing
12 is blocking the view of the disclosing person's
13 face.

14 "§ 163-278.39C. Scope of disclosure requirements.

15 The disclosure requirements of this Part apply to any sponsor
16 of an advertisement in the print media or on radio or television
17 the cost or value of which constitutes an expenditure or
18 contribution required to be disclosed under this Article, except
19 that the disclosure requirements of this Part:

20 (1) Do not apply to an individual who makes
21 uncoordinated independent expenditures aggregating
22 less than one thousand dollars (\$1,000) in a
23 political campaign;

24 (2) Do not apply to an individual who incurs expenses
25 with respect to a referendum."

26 (b) G.S. 163-278.16 reads as rewritten:

27 "§ 163-278.16. Regulations regarding ~~contributions, expenditures~~
28 ~~and media advertising.~~ timing of contributions and expenditures.

29 (a) Except as provided in G.S. 163-278.12, no contribution may
30 be received or expenditure made by or on behalf of a candidate,
31 political committee, or referendum committee:

32 (1) Until the candidate, political committee, or
33 referendum committee appoints a treasurer and
34 certifies the name and address of the treasurer to
35 the Board; and

36 (2) Unless the contribution is received or the
37 expenditure made by or through the treasurer of the
38 candidate, political committee, or referendum
39 committee.

40 (b) to (e) Repealed by Session Laws 1975, c. 565, s. 2.

41 ~~(f) No media advertisement of any kind may be made by a~~
42 ~~treasurer, candidate, political committee, referendum committee~~
43 ~~or individual unless~~

- ~~(1) It bears the legend or includes the statement:
"Paid _____ for _____ by _____ (or Sponsored
by) _____ (Name of candidate,
political committee, referendum committee,
individual)";~~
- ~~(2) The name used in the labeling required in
subdivision (1) of this subsection is the name that
appears on the statement of organization as
required in G.S. 163-278.7(b)(1), provided that
this subdivision applies only if the sponsor is a
political committee or referendum committee;~~
- ~~(3) The sponsor states in the media advertisement its
position:
a. For or against the candidate; or
b. For or against an opposing candidate
provided that this subdivision applies only if the
media advertisement is made for or against a
candidate; and~~
- ~~(4) The sponsor states in the media advertisement its
position for or against the ballot measure;
provided this subdivision applies only if the media
advertisement is made for or against a ballot
measure.~~
- ~~The requirements of subdivisions (3) and (4) of this subsection
do not apply to any print advertisement less than two inches by
two inches in size, or to any radio or television advertisement
of less than 20 seconds in length.~~
- ~~The media shall not publish or broadcast any political
advertisement unless it bears the legend or includes the
statement required herein. For purposes of this subsection,
"media" means broadcasting stations, carrier current stations,
newspapers, magazines, periodicals, outdoor advertising
facilities, billboards, and newspaper inserts.~~
- ~~(g) All printed matter for a political purpose from a political
party or political committee which identifies a candidate that
party or committee is opposing shall indicate in type no smaller
than 12 point the name of the political party or political
committee and the name of the candidate that is intended to
benefit from the printed matter."~~
- ~~(c) G.S. 163-278.27(a) reads as rewritten:
"(a) Any individual, candidate, political committee,
referendum committee, treasurer, person or media who violates the
applicable provisions of G.S. 163-278.7, 163-278.8, 163-278.9,
163-278.10, 163-278.11, 163-278.12, 163-278.14, 163-278.16,~~

1 163-278.17, 163-278.18, 163-278.39, 163-278.40A, 163-278.40B,
2 163-278.40C, 163-278.40D or 163-278.40E is guilty of a Class 2
3 misdemeanor."

4 --REVISED AND NEW DEFINITIONS IN THE CAMPAIGN FINANCE LAW;
5 COMPLIANCE WITH COURT DECISIONS.

6 Section 3. (a) G.S. 163-278.6(14) reads as rewritten:

7 "(14) The term 'political committee' means a
8 combination of two or more individuals, or any
9 person, committee, association, or
10 organization, ~~the primary or incidental~~
11 ~~purpose of which is to support or oppose any~~
12 ~~candidate or political party or to influence~~
13 ~~or attempt to influence the result of an~~
14 ~~election or which accepts contributions or~~
15 ~~makes~~ organization that has one or more of the
16 following characteristics:

17 a. Is controlled by a candidate;
18 b. Makes contributions to a candidate or
19 political committee; or
20 c. Has as a nonincidental purpose making
21 expenditures for the purpose of influencing
22 or attempting to influence to expressly
23 advocate the nomination or election or defeat
24 of any a clearly identified candidate at any
25 election, election.

26 ~~or which~~ If the group qualifies as a 'political
27 committee' under sub-subdivision a., b., or c. of
28 this subdivision, it continues to be a political
29 committee if it receives contributions to repay
30 loans or cover a deficit, or which makes
31 expenditures to satisfy obligations of an election
32 already held. The term includes, without
33 limitation, any political party's State, county or
34 district executive committee."

35 (b) G.S. 163-278.6(6) reads as rewritten:

36 "(6) The terms 'contribute' or 'contribution' mean any
37 advance, conveyance, deposit, distribution,
38 transfer of funds, loan, payment, gift, pledge or
39 subscription of money or anything of value
40 whatsoever, to a candidate, political committee,
41 political party, or referendum committee from any
42 person or individual, whether or not made in an
43 election year, and any contract, agreement, promise
44 or other obligation, whether or not legally

enforceable, to make a contribution, in support of or in opposition to any candidate, political committee, referendum committee, or political party. These terms include, without limitation, such contributions as labor or personal services, postage, publication of campaign literature or materials, in-kind transfers, loans or use of any supplies, office machinery, vehicles, aircraft, office space, or similar or related services, goods, or personal or real property. These terms also include, without limitation, the proceeds of sale of services, campaign literature and materials, wearing apparel, tickets or admission prices to campaign events such as rallies or dinners, and the proceeds of sale of any campaign-related services or ~~goods notwithstanding goods.~~ Notwithstanding the foregoing meanings of 'contribution,' the word shall not be construed to include services provided without compensation by individuals volunteering a portion or all of their time on behalf of a candidate, political committee, or referendum committee. The term 'contribution' does not include an 'independent expenditure.'"

(c) G.S. 163-278.6(9) reads as rewritten:

"(9) The terms 'expend' or 'expenditure' mean any contribution, purchase, advance, conveyance, deposit, distribution, transfer of funds, loan, payment, gift, pledge or subscription of money or anything of value whatsoever, from any person or individual, whether or not made in an election year, and any contract, agreement, promise or other obligation, whether or not legally enforceable, to make an expenditure, in support of or in opposition to to expressly advocate the nomination or election or defeat of any candidate, political committee, referendum committee, or political party. clearly identified candidate. The term 'expenditure' also includes any payment made by a candidate, political committee, or referendum committee."

(d) G.S. 163-278.6 is amended by adding a new subdivision to read:

"(9A) The term 'express advocacy' means a communication that advocates the election or defeat of a candidate by:

- 1 a. Containing a phrase such as 'vote for',
2 're-elect', 'support', 'cast your ballot
3 for', '(name of candidate) for (name of
4 office)', '(name of candidate) in
5 (year)', 'vote against', 'defeat',
6 'reject', or a campaign slogan or words
7 that in context can have no reasonable
8 meaning other than to advocate the
9 election or defeat of one or more clearly
10 identified candidates;
11 b. Referring to one or more clearly
12 identified candidates in a paid
13 advertisement that is broadcast by a
14 radio broadcast station or a television
15 broadcast station within sixty (60)
16 calendar days preceding the date of a
17 primary or election of the candidate; or
18 c. Expressing unmistakable and unambiguous
19 support for or opposition to one or more
20 clearly identified candidates when taken
21 as a whole and with limited reference to
22 external events, such as proximity to an
23 election.

24 The term 'express advocacy' does not include a
25 printed communication that (i) presents
26 information in an educational manner solely
27 about the voting record or position on a
28 campaign issue of two or more candidates; (ii)
29 is not made in coordination with a candidate,
30 political party, or agent of the candidate or
31 party; or a candidate's agent or a person who
32 is coordinating with a candidate or a
33 candidate's agent; and (iii) does not contain
34 a phrase such as 'vote for', 're-elect',
35 'support', 'cast your ballot for', '(name of
36 candidate) for Governor', '(name of candidate)
37 in 1998', 'vote against', 'defeat', 'reject',
38 or a campaign slogan or words that in context
39 can have no reasonable meaning other than to
40 urge the election or defeat of one or more
41 clearly identified candidates."

42 (e) G.S. 163-278.6 is amended by adding a new
43 subdivision to read:

1 "(9B) The term 'independently expend' or
2 'independent expenditure' mean an expenditure
3 made without consultation or coordination with
4 any candidate, political committee, or
5 political party that benefits or would benefit
6 electorally from the expenditure."

7 (f) G.S. 163-278.6(16) reads as rewritten:

8 "16) The term 'political purpose' means ~~any purpose in~~
9 ~~aid of seeking to influence an election or a to~~
10 expressly advocate the nomination or election or
11 defeat of a clearly identified political party or
12 candidate."

13 (g) G.S. 163-269 and G.S. 163-270 are repealed.

14 (h) G.S. 163-278.19 is amended by adding a new
15 subsection to read:

16 "(f) This section does not prohibit an independent expenditure
17 by an entity that:

18 (1) Was formed for the express purpose of promoting
19 political ideas and does not engage in business
20 activities;

21 (2) Does not have shareholders or other individuals or
22 persons which have an economic interest in its
23 assets and earnings; and

24 (3) Was not established by a business corporation,
25 including, but not limited to, those chartered
26 under Chapter 55 or Chapter 55A, by an insurance
27 company, by a business entity, by a professional
28 association, or by a labor union and does not
29 receive a significant portion of its revenues from
30 such entities."

31 (i) G.S. 163-278.12 reads as rewritten:

32 "§ 163-278.12. Contributions and expenditures by an individual
33 other than a candidate. Independent expenditures.

34 Subject to G.S. 163-278.16(f) and Part 1A of this Article and
35 to 163-278.14, it shall be permissible for an individual other
36 than a candidate to make contributions or expenditures in support
37 of, or in opposition to, any candidate, political committee, or
38 referendum committee other than by contribution to a candidate,
39 political committee, or referendum committee. independent
40 expenditures. In the event an individual or entity other than a
41 political committee permitted by law to do so makes contributions
42 or expenditures, other than by contribution to a candidate,
43 political committee, or referendum committee, independent
44 expenditures in excess of one hundred dollars (\$100.00), then,

1 within 10 days after making such ~~a contribution or an independent~~
2 expenditure, ~~he~~ that individual or entity shall file a statement
3 of such ~~contribution or independent~~ expenditure with the Board in
4 accordance with the terms and conditions of G.S. 163-278.11."

5 (j) G.S. 163-278.12A is repealed.

6 --RESTORATION OF REPORTING SCHEDULE; \$250 IDENTIFICATION
7 THRESHOLD.

8 Section 4. (a) G.S. 163-278.8(d) reads as rewritten:

9 "(d) A treasurer shall not be required to report the name of any
10 individual who is a resident of this State who makes a total
11 contribution of ~~one hundred~~ two hundred fifty dollars ~~(\$100.00)~~
12 (\$250.00) or less but he shall instead report the fact that he
13 has received a total contribution of ~~one hundred~~ two hundred
14 fifty dollars ~~(\$100.00)~~ (\$250.00) or less, the amount of the
15 contribution, and the date of receipt. If a treasurer receives
16 contributions of ~~one hundred~~ two hundred fifty dollars ~~(\$100.00)~~
17 (\$250.00) or less, each at a single event, he may account for and
18 report the total amount received at that event, the date and
19 place of the event, the nature of the event, and the approximate
20 number of people at the event. With respect to the proceeds of
21 sale of services, campaign literature and materials, wearing
22 apparel, tickets or admission prices to campaign events such as
23 rallies or dinners, and the proceeds of sale of any campaign-
24 related services or goods, if the price or value received for any
25 single service or goods exceeds ~~one hundred~~ two hundred fifty
26 dollars ~~(\$100.00)~~ (\$250.00), the treasurer shall account for
27 and report the name of the individual paying for such services or
28 goods, the amount received, and the date of receipt, but if the
29 price or value received for any single service or item of goods
30 does not exceed ~~one hundred~~ two hundred fifty dollars ~~(\$100.00)~~
31 (\$250.00) the treasurer may report only those services or goods
32 rendered or sold at a value that does not exceed ~~one hundred~~ two
33 hundred fifty dollars ~~(\$100.00)~~ (\$250.00), the nature of the
34 services or goods, the amount received in the aggregate for the
35 services or goods, and the date of the receipt."

36 (b) G.S. 163-278.9(a) reads as rewritten:

37 "\$ 163-278.9. Statements filed with Board.

38 (a) Except as provided in G.S. 163-278.10A, the treasurer of
39 each candidate and of each political committee shall file under
40 verification with the Board the following reports:

41 (1) Organizational Report. -- The appointment of the
42 treasurer as required by G.S. 163-278.7(a), the
43 statement of organization required by G.S. 163-
44 278.7(b), and a report of all contributions and

1 expenditures not previously reported shall be filed
2 with the Board no later than the tenth day
3 following the day the candidate files notice of
4 candidacy or the tenth day following the
5 organization of the political committee, whichever
6 occurs first. Any candidate whose campaign is being
7 conducted by a political committee which is
8 handling all contributions and expenditures for his
9 campaign shall file a statement with the Board
10 stating such fact at the time required herein for
11 the organizational report. Thereafter, the
12 candidate's political committee shall be
13 responsible for filing all reports required by law.

14 (2) Preprimary Report. -- The treasurer shall file a
15 report with the Board no later than the tenth day
16 preceding the primary election. ~~A candidate who is~~
17 ~~not on the ballot in the primary and who has filed~~
18 ~~a first quarter report pursuant to subdivision (5a)~~
19 ~~of this subsection shall not be required to file a~~
20 ~~separate preprimary report under this subdivision.~~

21 (3) Postprimary Report(s). -- The treasurer shall file
22 a report with the Board no later than the 30th day
23 after the primary election if the candidate was
24 eliminated in the primary. If there is a second
25 primary, the treasurer shall file a report with the
26 Board no later than the 30th day after the second
27 primary election if the candidate was eliminated in
28 the second primary.

29 (4) Preelection Report. -- The treasurer shall file a
30 report with the Board not later than the tenth day
31 preceding the general election.

32 ~~(4a) 48-Hour Report. -- A political committee or~~
33 ~~political party that receives a contribution or~~
34 ~~transfer of funds from any political committee~~
35 ~~shall disclose within 48 hours of receipt a~~
36 ~~contribution or transfer of one thousand dollars~~
37 ~~(\$1,000) or more received after the last~~
38 ~~preelection report but before an election. The~~
39 ~~disclosure shall be by report to the State Board of~~
40 ~~Elections identifying the source and amount of the~~
41 ~~funds. The State Board of Elections shall specify~~
42 ~~the form and manner of making the report.~~

43 (5) Repealed by Session Laws 1985, c. 164, s. 1.

- 1 ~~(5a) Quarterly Reports. -- During even-numbered years~~
2 ~~during which there is an election for that~~
3 ~~candidate or in which the campaign committee is~~
4 ~~supporting a candidate, the treasurer shall file a~~
5 ~~report by mailing or otherwise delivering it to the~~
6 ~~Board no later than seven working days after the~~
7 ~~end of each calendar quarter covering the prior~~
8 ~~calendar quarter, except that the report for the~~
9 ~~third quarter shall also cover the period in~~
10 ~~October through the seventeenth day before the~~
11 ~~election, the third quarter report shall be due~~
12 ~~seven days after that date, and the fourth quarter~~
13 ~~report shall not include that period if a third~~
14 ~~quarter report was required to be filed.~~
- 15 (6) ~~Semiannual~~ Annual Reports. -- If contributions are
16 received or expenditures made during a calendar
17 year for which no reports are otherwise required by
18 this Article, any and all such contributions and
19 expenditures shall be reported by the last Friday
20 in July, covering the period through the last day
21 of June, and shall be reported by the last Friday
22 in January, covering the period through the last
23 day of December. January of the following year.
- 24 (b) Except as otherwise provided in this Article, each report
25 shall be current within seven days prior to the date the report
26 is due and shall list all contributions received and expenditures
27 made which have not been previously reported.
- 28 (c) Repealed by Session Laws 1985, c. 164, s. 6.1.
- 29 (d) Candidates and committees for municipal offices are not
30 subject to subsections (a), (b) and (c) of this section. Reports
31 for those candidates and committees are covered by Part 2 of this
32 Article.
- 33 (e) Notwithstanding subsections (a) through (c) of this
34 section, any political party (including a State, district,
35 county, or precinct committee thereof) which is required to file
36 reports under those subsections and under the Federal Election
37 Campaign Act of 1971, as amended (2 U.S.C. 434), shall instead of
38 filing the reports required by those subsections, file with the
39 State Board of Elections:
- 40 (1) The organizational report required by subsection
41 (a)(1) of this section, and
- 42 (2) A copy of each report required to be filed under 2
43 U.S.C. 434, such copy to be filed on the same day
44 as the federal report is required to be filed.

1 (f) Any report filed under subsection (e) of this section may
2 include matter required by the federal law but not required by
3 this Article.

4 (g) Any report filed under subsection (e) of this section must
5 contain all the information required by G.S. 163-278.8 or G.S.
6 163-278.11, notwithstanding that the federal law may set a higher
7 reporting threshold.

8 (h) Any report filed under subsection (e) of this section may
9 reflect the cumulative totals required by G.S. 163-278.11 in an
10 attachment, if the federal law does not permit such information
11 in the body of the report.

12 (i) Any report or attachment filed under subsection (e) of
13 this section must be made under oath.

14 (j) Treasurers for the following entities shall electronically
15 file each report required by this section that shows in excess of
16 five thousand dollars (\$5,000) in contributions, in expenditures,
17 or in loans, according to rules adopted by the State Board of
18 Elections:

- 19 (1) A candidate for statewide office;
- 20 (2) A State, district, county, or precinct executive
21 committee of a political party, if the committee
22 makes contributions or independent expenditures in
23 excess of five thousand dollars (\$5,000) that
24 affect contests for statewide office;
- 25 (3) A political committee that makes contributions in
26 excess of five thousand dollars (\$5,000) to
27 candidates for statewide office or makes
28 independent expenditures in excess of five thousand
29 dollars (\$5,000) that affect contests for statewide
30 office.

31 The State Board of Elections shall provide the software necessary
32 to file an electronic report to a treasurer required to file an
33 electronic report at no cost to the treasurer."

34 (c) G.S. 163-278.9A(a)(2a) is repealed.

35 --BALLOT ACCESS CHANGES.

36 Section 5. (a) G.S. 163-96 reads as rewritten:

37 "§ 163-96. 'Political party' defined; creation of new party.

38 (a) Definition. -- A political party within the meaning of the
39 election laws of this State shall be either:

- 40 (1) Any group of voters which, at the last preceding
41 general State election, polled for its candidate
42 for Governor, or for presidential electors, at
43 least ten percent (10%) of the entire vote cast in

1 the State for Governor or for presidential
2 electors; or
3 (2) Any group of voters which shall have filed with the
4 State Board of Elections petitions for the
5 formulation of a new political party which are
6 signed by registered and qualified voters in this
7 State equal in number to two percent (2%) of the
8 total number of voters who voted in the most recent
9 general election for Governor. Also the petition
10 must be signed by at least 200 registered voters
11 from each of four congressional districts in North
12 Carolina. To be effective, the petitioners must
13 file their petitions with the State Board of
14 Elections before 12:00 noon on the ~~first day of~~
15 ~~June~~ thirty-first day of December preceding the
16 day on which is to be held the first general State
17 election in which the new political party desires
18 to participate. The State Board of Elections shall
19 forthwith determine the sufficiency of petitions
20 filed with it and shall immediately communicate its
21 determination to the State chairman of the proposed
22 new political party.

23 (b) Petitions for New Political Party. -- Petitions for the
24 creation of a new political party shall contain on the heading of
25 each page of the petition in bold print or all in capital letters
26 the words: 'THE UNDERSIGNED REGISTERED VOTERS IN
27 COUNTY HEREBY PETITION FOR THE FORMATION OF A NEW POLITICAL PARTY
28 TO BE NAMED AND WHOSE STATE CHAIRMAN IS
29, RESIDING AT..... AND WHO CAN BE
30 REACHED BY TELEPHONE AT..... THE SIGNERS OF THIS PETITION
31 INTEND TO ORGANIZE A NEW POLITICAL PARTY DESIRE THAT A NEW
32 POLITICAL PARTY BE ORGANIZED TO PARTICIPATE IN THE NEXT
33 SUCCEEDING GENERAL ELECTION.'

34 All printing required to appear on the heading of the petition
35 shall be in type no smaller than 10 point or in all capital
36 letters, double spaced typewriter size. In addition to the form
37 of the petition, the organizers and petition circulators shall
38 inform the signers of the general purpose and intent of the new
39 party.

40 The petitions must specify the name selected for the proposed
41 political party. The State Board of Elections shall reject
42 petitions for the formation of a new party if the name chosen
43 contains any word that appears in the name of any existing
44 political party recognized in this State or if, in the Board's

1 opinion, the name is so similar to that of an existing political
2 party recognized in this State as to confuse or mislead the
3 voters at an election.

4 The petitions must state the name and address of the State
5 chairman of the proposed new political party.

6 ~~The validity of the signatures on the petitions shall be proved~~
7 ~~in accordance with one of the following alternative procedures:~~

8 (1) ~~The signers may acknowledge their signatures before~~
9 ~~an officer authorized to take acknowledgments,~~
10 ~~after which that officer shall certify the validity~~
11 ~~of the signatures by appropriate notation attached~~
12 ~~to the petition, or~~

13 (2) ~~A person in whose presence a petition was signed~~
14 ~~may go before an officer authorized to take~~
15 ~~acknowledgments and, after being sworn, testify to~~
16 ~~the genuineness of the signatures on the petition,~~
17 ~~after which the officer before whom he has~~
18 ~~testified shall certify his testimony by~~
19 ~~appropriate notation attached to the petition.~~

20 Each petition shall be presented to the chairman of the board
21 of elections of the county in which the signatures were obtained,
22 and it shall be the chairman's duty:

23 (1) To examine the signatures on the petition and place
24 a check mark on the petition by the name of each
25 signer who is qualified and registered to vote in
26 his county.

27 (2) To attach to the petition his signed certificate
28 a. Stating that the signatures on the petition
29 have been checked against the registration
30 records and
31 b. Indicating the number found qualified and
32 registered to vote in his county.

33 (3) To return each petition, together with the
34 certificate required by the preceding subdivision,
35 to the person who presented it to him for checking.

36 The group of petitioners shall submit the petitions to the
37 chairman of the county board of elections in the county in which
38 the signatures were obtained no later than 5:00 P.M. on the
39 fifteenth business day preceding the date the petitions are due
40 to be filed with the State Board of Elections as provided in
41 subsection (a)(2) of this section. ~~Provided the petitions are~~
42 ~~timely submitted, the chairman of the county board of elections~~
43 ~~shall require a fee of five cents (5¢) for each signature~~
44 ~~appearing and shall proceed to examine and verify the signatures~~

1 ~~under the provisions of this subsection.~~ Verification shall be
2 completed within ~~two weeks~~ 15 business days from the date such
3 petitions are ~~presented and the required fee received.~~ presented.
4 Notwithstanding the previous sentence, the county board may
5 extend its deadline for verifying the signatures for a reasonable
6 length of time, if meeting the deadline is unduly burdensome and
7 extending it will not disadvantage the petitioners."

8 (b) G.S. 163-97.1 reads as rewritten:

9 "§ 163-97.1. Voters affiliated with expired political party.

10 ~~The State Board of Elections shall be authorized to promulgate~~
11 ~~appropriate procedures to order the county boards of elections to~~
12 ~~change the registration affiliation of all voters who are~~
13 ~~recorded on the voter registration books as being affiliated with~~
14 ~~a political party which has lost its legal status as provided in~~
15 ~~G.S. 163-97. The State Board of Elections shall not implement the~~
16 ~~authority contained in this section earlier than 90 days~~
17 ~~following the certification of the election in which the~~
18 ~~political party failed to continue its legal status as provided~~
19 ~~in G.S. 163-97. All voters affiliated with such expired political~~
20 ~~party shall be changed to "unaffiliated" designation by the State~~
21 ~~Board's order and all such registrants shall be entitled to~~
22 ~~declare a political party affiliation as provided in G.S.~~
23 ~~163-74(b). Any voter registered with a political party shall be~~
24 ~~allowed to retain that affiliation even if that party loses its~~
25 ~~status as a political party under the provisions of G.S. 163-97.~~
26 ~~Unless the voter indicates an intention otherwise, the county~~
27 ~~board of elections shall carry that voter on its registration~~
28 ~~lists as a member of the expired party."~~

29 (c) G.S. 163-97 reads as rewritten:

30 "§ 163-98. General election participation by new political party.

31 In the first general election following the date on which a new
32 political party qualifies under the provisions of G.S. 163-96, it
33 shall be entitled to have the names of its candidates for
34 municipal, county, district, State, congressional, and national
35 offices printed on the official ballots, but it shall not be
36 entitled to have the names of candidates for other offices
37 printed on State, district, or county ballots at that election.
38 ballots in accordance with the procedures in this section.

39 For the first general election following the date on which it
40 qualifies under G.S. 163-96, a new political party shall select
41 its candidates ~~by party convention.~~ Following adjournment of the
42 ~~nominating convention, but not later than the first day of July~~
43 ~~prior to the general election, the president of the convention~~
44 ~~shall certify to the State Board of Elections the names of~~

1 ~~persons chosen in the convention as the new party's candidates~~
2 ~~for State, congressional, and national offices in the ensuing~~
3 ~~general election. The State Board of Elections shall print names~~
4 ~~thus certified on the appropriate ballots as the nominees of the~~
5 ~~new party.~~ in accordance with Article 1 and Article 10 of this
6 Chapter."

7 (d) Article 9 of Chapter 163 of the General Statutes is
8 amended by adding a new section to read:

9 "163-100. Political party for presidential election only.

10 A party shall be recognized only for the purposes of nominating
11 candidates for presidential elector in a general election if the
12 party meets the other requirements of this Article except that
13 the petitioners for that party file their petitions as provided
14 in G.S. 163-96(a)(2) with the State Board of Elections before
15 12:00 noon on the second Thursday in July before that general
16 election. If that party so qualifies, it may nominate its
17 electors in convention no later than ninety (90) days before the
18 general election. Unless the party has met the petition deadline
19 of G.S. 163-96, it shall cease to be a political party within the
20 provisions of this Chapter."

21 (e) G.S. 163-106(b) reads as rewritten:

22 "(b) Eligibility to File. -- No person shall be permitted to
23 file as a candidate in a primary if, at the time he offers to
24 file notice of candidacy, he is registered on the appropriate
25 registration book or record as an affiliate of a political party
26 other than that in whose primary he is attempting to file. No
27 person who has changed his political party affiliation or who has
28 changed from unaffiliated status to party affiliation as
29 permitted in G.S. 163-82.17, shall be permitted to file as a
30 candidate in the primary of the party to which he changed unless
31 he has been affiliated with the political party in which he seeks
32 to be a candidate for at least 90 days prior to the filing date
33 for the office for which he desires to file his notice of
34 ~~candidacy.~~ candidacy, provided that the requirement of this
35 sentence shall not apply to a person filing a notice of candidacy
36 in the primary of a party holding its first primary since gaining
37 ballot access under the provisions of G.S. 163-96(a)(2).

38 A person registered as "unaffiliated" shall be ineligible to
39 file as a candidate in a party primary election."

40 (f) G.S. 163-107.1 reads as rewritten:

41 "§ 163-107.1. Petition in lieu of payment of filing fee.

42 (a) Any qualified voter who seeks nomination in the party
43 primary of the political party with which he affiliates may, in
44 lieu of payment of any filing fee required for the office he

1 seeks, file a written petition requesting him to be a candidate
2 for a specified office with the appropriate board of elections,
3 State, county or municipal.

4 (b) If the candidate is seeking the office of United States
5 Senator, Governor, Lieutenant Governor, any State executive
6 officer, Justice of the Supreme Court or Judge of the Court of
7 Appeals, the petition must be signed by ~~10,000 registered voters~~
8 ~~who are members of the political party in whose primary the~~
9 ~~candidate desires to run, except that in the case of a political~~
10 ~~party as defined by G.S. 163-96(a)(2) which will be making~~
11 ~~nominations by primary election, the petition must be signed by~~
12 ~~ten percent (10%) of the registered voters of the State who are~~
13 ~~affiliated with the same political party in whose primary the~~
14 ~~candidate desires to run, or in the alternative, the petition~~
15 ~~shall be signed by no less than 10,000 registered voters~~
16 ~~regardless of the voter's political party affiliation, whichever~~
17 ~~requirement is greater. registered voters of the State equal in~~
18 ~~number to two percent (2%) of the total number of registered~~
19 ~~voters in the State as reflected by the most recent statistical~~
20 ~~report issued by the State Board of Elections.~~ The petition must
21 be filed with the State Board of Elections not later than 12:00
22 noon on Monday preceding the filing deadline before the primary
23 in which he seeks to run. The names on the petition shall be
24 verified by the board of elections of the county where the signer
25 is registered, and the petition must be presented to the county
26 board of elections at least 15 days before the petition is due to
27 be filed with the State Board of Elections. When a proper
28 petition has been filed, the candidate's name shall be printed on
29 the primary ballot.

30 (c) County, Municipal and District Primaries. -- If the
31 candidate is seeking one of the offices set forth in G.S. 163-
32 106(c) but which is not listed in subsection (b) of this section,
33 or a municipal or any other office requiring a partisan primary
34 which is not set forth in G.S. 163-106(c) or (d), he shall file a
35 written petition with the appropriate board of elections no later
36 than 12:00 noon on Monday preceding the filing deadline before
37 the primary. The petition shall be signed by ~~ten percent (10%) of~~
38 ~~the registered voters of the election area in which the office~~
39 ~~will be voted for, who are affiliated with the same political~~
40 ~~party in whose primary the candidate desires to run, or in the~~
41 ~~alternative, the petition shall be signed by no less than 200~~
42 ~~registered voters regardless of said voter's political party~~
43 ~~affiliation, whichever requirement is greater. registered voters~~
44 ~~in the election area in which the office will be voted for equal~~

1 to four percent (4%) of the registered voters of that area, as
2 reflected by the latest statistical report issued by the
3 appropriate board of elections. The board of elections shall
4 verify the names on the petition, and if the petition is found to
5 be sufficient, the candidate's name shall be printed on the
6 appropriate primary ballot. Petitions for candidates for member
7 of the U.S. House of Representatives, District Attorney, and
8 judge of the District Court or members of the State House of
9 Representatives from multi-county districts or members of the
10 State Senate from multi-county districts must be presented to the
11 county board of elections for verification at least 15 days
12 before the petition is due to be filed with the State Board of
13 Elections, and such petition must be filed with the State Board
14 of Elections no later than 12:00 noon on Monday preceding the
15 filing deadline. The State Board of Elections may adopt rules to
16 implement this section and to provide standard petition forms.

17 (d) Nonpartisan Primaries and Elections. -- Any qualified
18 voter who seeks to be a candidate in any nonpartisan primary or
19 election may, in lieu of payment of the filing fee required, file
20 a written petition signed by ~~ten percent (10%) of the registered~~
21 ~~voters in the election area in which the office will be voted for~~
22 ~~with the appropriate board of elections.~~ registered voters in
23 the election area in which the office will be voted for equal to
24 four percent (4%) of the registered voters of that area, as
25 reflected by the latest statistical report issued by the
26 appropriate board of elections. Any qualified voter may sign the
27 petition. The petition shall state the candidate's name, address
28 and the office which he is seeking. The petition must be filed
29 with the appropriate board of elections no later than 60 days
30 prior to the filing deadline for the primary or election, and if
31 found to be sufficient, the candidate's name shall be printed on
32 the ballot. "

33 (g) G.S. 163-122 reads as rewritten:

34 "§ 163-122. Unaffiliated candidates nominated by petition.

35 (a) Procedure for Having Name Printed on Ballot as
36 Unaffiliated Candidate. -- Any qualified voter who seeks to have
37 his name printed on the general election ballot as an
38 unaffiliated candidate shall:

39 (1) If the office is a statewide office, file written
40 petitions with the State Board of Elections
41 supporting his candidacy for a specified office.
42 These petitions must be filed with the State Board
43 of Elections on or before 12:00 noon on the ~~last~~
44 ~~Friday in June~~ day of the first primary for the

office preceding the general election and must be signed by qualified voters of the State equal in number to two percent (2%) of the total number of registered voters in the State as reflected by the most recent statistical report issued by the State Board of Elections. Each petition shall be presented to the chairman of the board of elections of the county in which the signatures were obtained. The chairman shall examine the names on the petition and place a check mark on the petition by the name of each signer who is qualified and registered to vote in his county and shall attach to the petition his signed certificate. Said certificates shall state that the signatures on the petition have been checked against the registration records and shall indicate the number of signers to be qualified and registered to vote in his county. The chairman shall return each petition, together with the certificate required in this section, to the person who presented it to him for checking. Verification by the chairman of the county board of elections shall be completed within two weeks from the date such petitions are presented and a fee of five cents (5¢) for each name appearing on the petition has been received. presented.

- (2) If the office is a district office comprised of two or more counties, file written petitions with the State Board of Elections supporting his candidacy for a specified office. These petitions must be filed with the State Board of Elections on or before 12:00 noon on the ~~last Friday in June~~ day of the first primary for the office preceding the general election and must be signed by qualified voters of the district equal in number to four percent (4%) of the total number of registered voters in the district as reflected by the latest statistical report issued by the State Board of Elections. Each petition shall be presented to the chairman of the board of elections of the county in which the signatures were obtained. The chairman shall examine the names on the petition and the procedure for certification shall be the same as specified in (1) above.

(3) If the office is a county office or a single county legislative district, file written petitions with the chairman or director of the county board of elections supporting his candidacy for a specified county office. These petitions must be filed with the county board of elections on or before 12:00 noon on the ~~last Friday in June~~ day of the first primary for the office preceding the general election and must be signed by qualified voters of the county equal in number to four percent (4%) of the total number of registered voters in the county as reflected by the most recent statistical report issued by the State Board of Elections, except if the office is for a district consisting of less than the entire county and only the voters in that district vote for that office, the petitions must be signed by qualified voters of the district equal in number to four percent (4%) of the total number of voters in the district according to the most recent figures certified by the State Board of Elections. Each petition shall be presented to the chairman or director of the county board of elections. The chairman shall examine, or cause to be examined, the names on the petition and the procedure for certification shall be the same as specified in (1) above.

(4) If the office is a partisan municipal office, file written petitions with the chairman or director of the county board of elections in the county wherein the municipality is located supporting his candidacy for a specified municipal office. These petitions must be filed with the county board of elections on or before the time and date specified in G.S. 163-296 and must be signed by the number of qualified voters specified in G.S. 163-296. The procedure for certification shall be the same as specified in (1) above.

Upon compliance with the provisions of (1), (2), (3), or (4) of this subsection, the board of elections with which the petitions and affidavit have been timely filed shall cause the unaffiliated candidate's name to be printed on the general election ballots in accordance with G.S. 163-140.

An individual whose name appeared on the ballot in a primary election preliminary to the general election shall not be

1 eligible to have his name placed on the general election ballot
2 as an unaffiliated candidate for the same office in that year.

3 (b) Form of Petition. -- Petitions requesting an unaffiliated
4 candidate to be placed on the general election ballot shall
5 contain on the heading of each page of the petition in bold print
6 or in all capital letters the words: "THE UNDERSIGNED REGISTERED
7 VOTERS IN COUNTY HEREBY PETITION ON BEHALF OF
8 AS AN UNAFFILIATED CANDIDATE IN THE NEXT GENERAL
9 ELECTION. THE UNDERSIGNED HEREBY PETITION THAT SUBJECT CANDIDATE
10 BE PLACED ON THE APPROPRIATE BALLOT UPON COMPLIANCE WITH THE
11 PROVISIONS CONTAINED IN G.S. 163-122.

12 (c) This section does not apply to elections under Article 25
13 of this Chapter.

14 (d) Presidential Electors. -- Unaffiliated candidates for
15 presidential electors who comply with the other provisions of
16 this section shall qualify for the ballot if the petitions for
17 their candidacy is filed with the State Board of Elections at
18 least seventy-five (75) days before the general election."

19 (h) G.S. 163-123(c)(1) reads as rewritten:

20 "(1) If the office is a statewide office, file written
21 petitions with the State Board of Elections
22 supporting his candidacy for a specified office.
23 These petitions shall be filed on or before noon on
24 the 90th day before the general election. They
25 shall be signed by 500 qualified voters of the
26 State. Before being filed with the State Board of
27 Elections, each petition shall be presented to the
28 board of elections of the county in which the
29 signatures were obtained. A petition presented to a
30 county board of elections shall contain only names
31 of voters registered in that county. The chairman
32 of the county board of elections shall examine the
33 names on the petition and place a check mark by the
34 name of each signer who is qualified and registered
35 to vote in his county. The chairman of the county
36 board shall attach to the petition his signed
37 certificate. On his certificate the chairman shall
38 state that the signatures on the petition have been
39 checked against the registration records and shall
40 indicate the number of signers who are qualified
41 and registered to vote in his county and eligible
42 to vote for that office. The chairman shall return
43 each petition, together with the certificate
44 required in this section, to the person who

1 presented it to him for checking. The chairman of
2 the county board shall complete the verification
3 within two weeks from the date the petition is
4 presented. ~~At the time of submitting the petition,~~
5 ~~a fee of five cents (5¢) shall be paid for each~~
6 ~~name appearing on the petition. "~~

7 Section 6. Prosecutions for, or sentences based on,
8 offenses occurring before the effective date of this act are not
9 abated or affected by this act, and the statutes that would be
10 applicable to those prosecutions or sentences but for the
11 provisions of this act remain applicable to those prosecutions or
12 sentences.

13 Section 7. The provisions of this act are severable. If
14 any provision is held invalid by a court of competent
15 jurisdiction, the invalidity does not affect other provisions of
16 the act that can be given effect without the invalid provision.

17 Section 8. This act becomes effective February 1, 1999.



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September 23, 1998

TO: Members of the House Committee on Election Laws and Campaign Reform.

FROM: William R. Gilkeson, Staff Counsel.

RE: PCS for Senate Bill 708 – Election Act of 1998.

The Proposed Committee Substitute for Senate Bill 708 contains four major elements:

- A new system of disclosure by sponsors of political ads, featuring the requirement that on broadcast ads the sponsor must make a personal appearance claiming responsibility for the ad. The system goes by the nickname "Stand by Your Ad."
- Several revisions to definitions in the Campaign Finance Act, designed to conform the now-aging Act to 22 years of federal court decisions and to address what many view as the loophole of "issue advocacy." The approach is similar to that of the Shays-Meehan bill that passed Congress this summer.
- A restoration of the schedule of campaign reports that existed before 1997. In addition, the threshold for contributor identification would increase from \$100 to \$250.
- A revision of the ballot-access laws. It would give new parties the same primary requirements and deadlines as the established parties in non-presidential contests. It would move the qualifying deadline for non-presidential unaffiliated candidates back to the date of the parties' primaries.

Senate Bill 708 was introduced by Senators Cooper, Conder, Plyler, Horton, and Hartsell. Originally, it only contained Stand by Your Ad.

What follows is a sectional analysis of the new bill:

SECTIONS OF THE BILL	EXISTING STATUTES AFFECTED	HOW BILL AFFECTS THEM
Section 1 - Title and intent statement.		The bill is titled "The Election Act of 1998." Its intent is to provide reasonable campaign regulation so that the First Amendment is respected, candidates are given reasonable standards of disclosure without being overburdened, and voters are given adequate information. The bill recognizes that the pressure upon candidates to raise increasing amounts of money is harmful to the process of democracy. The principal reason for the pressure is the rising cost of media advertising. Accordingly, the General Assembly calls upon the corporations that control the news media to provide significant amounts of print space and prime air time to candidates to communicate with the voters, free of charge.
	Continued	

Sectional Analysis of the PCS for SB 708 (S708-PCSR-028)

SECTIONS OF THE BILL	EXISTING STATUTES AFFECTED	HOW BILL AFFECTS THEM
Section 2 – Stand by Your Ad.	<p>(a) Current state law stated in 163-278.16(f) and (g), which says every "media ad" must contain the label "Paid for by (the name of the sponsor)", and must reveal whether it supports or opposes the candidate or ballot measure. All printed matter done by a party or political committee in opposition to a candidate must identify in at least 12-pt. type the candidate the ad is intended to benefit. "Media" is defined to include broadcast, newspapers, magazines, periodicals, outdoor ad facilities, billboards, and newspaper inserts. Violation is a Class 2 misdemeanor.</p> <p>Federal law places the following disclosure restrictions on radio and TV outlets licensed by the FCC:</p> <ul style="list-style-type: none"> Any ad must disclose the name of the sponsor or the person on behalf of whom the ad is sponsored, fully and fairly disclosing the person's true identity. Any political ad on TV must show the sponsor ID for at least 4 seconds in letters that take up at least 4% of the vertical picture height. <p>In addition, a candidate is entitled to the "lowest unit charge" of a broadcast station if that candidate makes a personal appearance, by face or voice, during the ad.</p> <p>Through the Federal Communications Act, the federal government has pre-empted regulation of what TV and radio must do, although the 1983 5th Circuit case of <i>KVUE v. Moore</i> says there can be some aspects of the way TV and radio handle ads that federal law doesn't address and therefore States can regulate. What the federal law does not do is regulate the behavior of State candidates and political committees. They are under the jurisdiction of State law.</p> <p>(b) 163-278.16(f) and (g), described above.</p> <p>(c) 163-278.27(a), which lists the campaign finance sections whose violation is a Class 2 misdemeanor.</p>	<p>(a) Adds a new Part 1A to the Campaign Finance Act, putting together in one place the labeling requirements on political ads. This new part is divided into two basic sections:</p> <ul style="list-style-type: none"> 163-278.39. Basic requirements for all political ads. This requires any ad in print radio or TV that constitutes a contribution or expenditure to meet certain requirements. Most of the requirements repeat current law, but with these changes: Print media is defined to include pamphlets, fliers, and cards. The bill removes a statement in current law that makes the print media liable for what appears in its ads. If in print, the ad must reveal whether it is authorized by a candidate. In a print ad, the height of the disclosure statement must be at least 5% of the height of the printed space of the ad, but no smaller than 12 point type. In a TV ad, the visual disclosure legend must be 32 scan lines. In a radio ad, the statement must last at least 3 seconds. Misrepresentation of authorization is raised to a Class 1 misdemeanor. 163-278.39A. Disclosure statements for TV and Radio ads supporting or opposing candidates. This requires the sponsor of the ad to personally appear in the ad and acknowledge sponsoring the ad. If the sponsor is a candidate, the candidate must appear. If the sponsor is a political committee, or party, or individual, or other entity, the bill attempts to identify the individual most responsible and requires that person to appear in the ad. For violating these requirements, the bill does not place any liability in addition to federal law on TV or radio outlets. On sponsors, the bill places no criminal liability, but it establishes a monetary civil remedy for a candidate who has complied with the requirements against an opposing candidate or other sponsor who has violated them. Damages would be the value of the ads that were in violation. If the plaintiff can show that he or she notified the sponsor that an ad was in violation and the sponsor continued to run the ad, the damages can be trebled. <p>(b) Repeals 163-278.16(f) and (g).</p> <p>(c) Adds 163-278.39 to the misdemeanor list.</p>
Continued		

Sectional Analysis of the PCS for SB 708 (S708-PCSR-028)

SECTIONS OF THE BILL	EXISTING STATUTES AFFECTED	HOW BILL AFFECTS THEM
Section 3 – Revised and New Definitions/ Compliance With Court Decisions.	<p>(a) 163-278.6(14), which defines "political committee" by saying it is "two or more individuals, or any person, committee, association or organization, the primary or incidental purpose of which is to support or oppose any candidate or political party or to influence or attempt to influence the result of an election..." U.S. District Judge Terrence Boyle has ruled that this definition is an unconstitutionally overbroad burden on First Amendment rights. His order has been stayed pending an appeal to the U.S. 4th Circuit Court of Appeals in <u>N.C. Right to Life v. Bartlett</u>. Oral arguments are scheduled on that appeal in late October.</p> <p>(b) 163-278.6(6), which defines "contribution" by saying it is any thing of value paid "in support of or in opposition to any candidate, political committee, referendum committee, or political party..."</p> <p>(c) 163-278.6(9), which defines "expenditure" to mean any thing of value paid "in support of or in opposition to any candidate, political committee," etc.</p> <p>(d) No current law. The current N.C. campaign finance law was enacted in 1974, before the <u>Buckley</u> case introduced the concept of "express advocacy."</p>	<p>(a) Amends 163-278.6(14) to narrow the definition of "political committee," so that it would be a group that has one or more of the following characteristics:</p> <ul style="list-style-type: none"> • Is controlled by a candidate; • Makes contributions to a candidate or political committee; or • Has as a nonincidental purpose making expenditures to expressly advocate the election or defeat of a clearly identified candidate. <p>The U.S. Supreme Court has said, in <u>Buckley v. Valeo</u> (1976) and later cases, that campaign funding can be limited only if it constitutes "express advocacy of the election or defeat of clearly identified candidates." See the definition of "express advocacy" in (d) below. Judge Boyle's reasoning in invalidating the current definition involves its not being tied to express advocacy.</p> <p>(b) Amends 163-278.6(6) to make it clear that a "contribution" must be given to some political donee, rather than spent independently of that donee.</p> <p>(c) Amends 163-278.6(9) to limit the definition of "expenditure" to payments for express advocacy, or any payment made by a candidate, political committee, or referendum committee.</p> <p>(d) Adds 163-278.6(9A), which defines "express advocacy." This is the term that is key to the definitions of "expenditure" and "political committee." The term "express advocacy" means a communication that advocates the election or defeat of a candidate by:</p> <ul style="list-style-type: none"> • Using certain magic words such as "vote for" or "defeat" or words that in context have no reasonable meaning other than vote for or defeat. • Referring to one or more clearly identified candidates in a paid ad that is broadcast within 60 days of a primary or election of the candidate. • Expressing unmistakable and unambiguous support or opposition to one or more clearly identified candidates when taken as a whole and with limited reference to external events, such as proximity to an election. <p>The definition contains an exception for voter guides that set out a candidate's voting record in an educational manner.</p> <p>This definition of "express advocacy" is essentially the same as that contained in the Shays-Meehan bill that passed the U.S. House this summer.</p>

Sectional Analysis of the PCS for SB 708 (S708-PCSRR-028)

	<p>(e) No current law. The current N.C. campaign finance law was enacted in 1974, before the <u>Buckley</u> case ruled that independent expenditures could not be restricted under the First Amendment.</p> <p>(f) 163-278.6(16), which defines "political purpose" as any purpose in aid or seeking to influence an election or a political party or candidate.</p> <p>(g) 163-269 and 163-270, which were enacted in 1931 and prohibit political activity by corporations and insurance companies. The 1974 act repeated those prohibitions in 163-278.19, making the older sections redundant.</p> <p>(h) 163-278.19, which prohibits contributions by corporations, other business entities, labor unions, and professional associations. Judge Boyle ruled in the <u>N.C. Right to Life</u> case that this section was unconstitutionally overbroad because it failed to recognize a Supreme Court-proclaimed right of certain non-business corporations to make independent expenditures.</p> <p>(i) 163-278.12, which essentially requires any individual making independent expenditures in excess of \$100 to file a statement with the SBOE.</p> <p>(j) 163-278.12A, which requires a report of expenditures by any entity that makes an expenditure for an ad or printed material that names a candidate and goes over \$3,000. Exempted are news media and informational materials not intended to affect a candidate's election or defeat.</p>	<p>(e) Adds 163-278.6(9B), which defines "independent expenditure" to mean expenditures made without consultation or coordination with the beneficiary.</p> <p>(f) Changes 163-278.6(16) to tie "political purpose" to "express advocacy."</p> <p>(g) Repeals 163-269 and 163-270.</p> <p>(h) Adds to G.S. 163-278.19 a subsection (f), carving out an exception to the corporate ban for independent expenditures by an entity that:</p> <ul style="list-style-type: none"> • Was formed to promote political ideas and does not engage in business activities; • Does not have shareholders or others having an economic interest in its assets or earnings; and • Was not established by a business corporation, a business entity, a labor union or a professional association. <p>(i) Changes 163-278.12 to say that any entity making an independent expenditure—individual or group—must report if the amount goes over \$100.</p> <p>(j) Repeals 163-278.12A on the theory that the new definition of "express advocacy" does the same job.</p>
	Continued	

Sectional Analysis of the PCS for SB 708 (S708-PCSRR-028)

SECTIONS OF THE BILL	EXISTING STATUTES AFFECTED	HOW BILL AFFECTS THEM
Section 4 – Restoration of 1996 Reporting Schedule; \$250 I.D. Threshold.	<p>(a) 163-278.8(d), which sets a \$100 threshold on a treasurer's duty to report any identifying information about a contributor.</p> <p>(b) 163-278.9, which sets out the schedule of campaign finance reports. It says each candidate must file quarterly during an even-numbered year and twice a year during odd years. Requires that any political committee or party report within 48 hours any political committee contribution it receives after the last ore-election report.</p> <p>(c) 163-278.9A(a)(2a), which provides for 48-hour reports for referendum committees.</p>	<p>(a) Changes 163-278.8(b) to increase the threshold on reporting identifying information about contributors to \$250.</p> <p>(b) Changes 163-278.9 to restore the reporting schedule that existed in 1996: During even years, one organization statement, one pre-primary report, a post-primary report only if the candidate lost the primary, a pre-election report, and an annual report. No 48-hour reports. During odd years only an annual report.</p> <p>(c) Repeals 163-278.9A(a)(2a).</p>
Section 5 – Ballot Access Changes.	<p>(a) 163-96, which defines "political party" and specifies how a political party may gain and retain access to the ballot. To get on initially, a party must gather by June 1 prior to the general election signatures on a petition equal to 2% of the votes cast for Governor.</p> <p>-----</p> <p>(b) 163-97.1, which says what happens to a voter affiliated with a political party if that party loses its ballot status. Voter's registration is changed from that party to "Unaffiliated."</p> <p>-----</p> <p>(c) 163-98, which spells out how a new party may get candidates on the ballot. They are nominated in a convention, and the party must certify the nomination to the SBOE by July 1</p> <p>-----</p> <p>(d) No existing section affected. Adds a new 163-100.</p> <p>-----</p> <p>(e) 163-106, which deals generally with how someone becomes a candidate in a party primary. The bill only sets out subsection (b), which contains the eligibility requirements for a candidate to file in a primary. It contains the "90-day rule," which says a primary candidate must have been affiliated with a party for 90 days before filing.</p> <p>-----</p> <p>(f) 163-107.1, which says that, in lieu of paying a filing fee, a primary candidate may collect signatures on a petition. (This section was added because of a</p>	<p>(a) Changes 163-96 to:</p> <ul style="list-style-type: none"> • Move new pty petition-deadline from June 1 back to Dec. 31. • Reword petition so signing it seems less like a commitment. • Gives CBOEs 15 business days to check petitions – longer if no harm done to petitioners. • Cleans up court-invalidated 5 ct fee and notary requirements. <p>-----</p> <p>(b) Rewrites 163-97.1 so that voters may retain their affiliation with a party even if it has lost ballot status.</p> <p>-----</p> <p>(c) Rewrites 163-98 so that new parties, instead of nominating by convention, nominate through the same primary procedures as existing parties. Also cleans up the section by codifying court decision that new parties may run candidates for lower offices.</p> <p>-----</p> <p>(d) Would set up separate procedure for new party running only presidential candidates : petition deadline 2nd Thurs. in July; candidate deadline 90 days before election.</p> <p>-----</p> <p>(e) Amends 163-106(b) so that for new party candidates, the 90-day rule is waived.</p> <p>-----</p> <p>(f) Alters 163-107.1 so the petition-in-lieu-of-filing-fee for a primary candidate for any office requires the same number of signatures as are required for an unaffiliated candidate for the same office.</p>

Sectional Analysis of the PCS for SB 708 (S708-PCSRR-028)

	<p>federal court case.)</p> <p>(g) 163-122, which says how unaffiliated candidates can get their names on the general election ballot: how many signatures on the petition, the deadline, etc.</p> <p>(h) 163-123, which sets out how to qualify as write-in candidate. (Only the part about statewide candidates is set out; other parts incorporate its provisions by reference.)</p>	<p>(g) Amends 163-122 to move petition-filing deadline for unaffiliated candidates from last Friday in June back to the Tues. after 1st Mon. in May. Also removes 5¢. fee. Separately sets presidential deadline at 75 days before the election.</p> <p>(h) Removes the 5¢-per-name fee from the requirements for write-in candidates.</p>
Section 6. Nonabatement of Prosecutions Clause		Standard clause.
Section 7. Severability Clause		Standard clause.
Section 8. Effective Date		Effective February 1, 1999.



Amendment 1

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 708

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 1 of _____

S708-ARR-011

Date _____, 1998

Comm. Sub. [YES]
Amends Title [YES]
S708-PCSRR-028

Representative

1 moves to amend the bill on page 1, lines 9 and 10,
2 by deleting the following language:
3
4 "TO RESTORE 1996 CAMPAIGN REPORTING SCHEDULE WITH A \$250 THRESHOLD
5 FOR CONTRIBUTOR IDENTIFICATION;"; and
6
7 on page 17, line 6, through page 20, line 34,
8 by deleting the language on those lines; and
9
10 by renumbering the section numbers of the bill accordingly.
11

SIGNED Phil A. Badger
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED X _____ TABLED _____

ROLL CALL VOTE

Date: 9-23-98

House Bill _____

Total: Yes 6 No 12

Senate Bill _____

Baddour amendment

1995-96 HOUSE OF REPRESENTATIVES
COMMITTEE ON ~~TRANSPORTATION~~ *E.L.*

<u>YES</u>	<u>NO</u>	<u>NAME</u>	<u>YES</u>	<u>NO</u>	<u>NAME</u>
<u> </u>	<u>✓</u>	JUSTUS, CHAIR	<u>✓</u>	<u> </u>	INSKO
<u>✓</u>	<u> </u>	WILSON C., CHAIR	<u> </u>	<u> </u>	JARRELL
<u> </u>	<u>✓</u>	ALDRIDGE	<u> </u>	<u>✓</u>	KISER
<u> </u>	<u> </u>	ALEXANDER	<u>✓</u>	<u> </u>	MICHAUX
<u> </u>	<u>✓</u>	ARNOLD	<u> </u>	<u>✓</u>	RAYFIELD
<u>✓</u>	<u> </u>	BADDOUR	<u> </u>	<u>✓</u>	SHUBERT
<u> </u>	<u> </u>	BERRY	<u> </u>	<u> </u>	TALLENT
<u>✓</u>	<u> </u>	BONNER	<u> </u>	<u> </u>	WAINRIGHT
<u> </u>	<u> </u>	BRASWELL	<u> </u>	<u>✓</u>	WARNER
<u> </u>	<u>✓</u>	CANSLER	<u> </u>	<u>✓</u>	WEATHERLY
<u> </u>	<u>✓</u>	CHURCH	<u> </u>	<u> </u>	
<u>✓</u>	<u> </u>	DEDMON	<u> </u>	<u> </u>	
<u> </u>	<u>✓</u>	HARDY	<u> </u>	<u> </u>	
<u> </u>	<u>✓</u>	HIATT	<u> </u>	<u> </u>	



Comm. 2

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 708

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)

S708-ARR-014

Page 1 of ____

Date _____, 1998

Comm. Sub. [YES]
Amends Title [YES]
S708-PCSR-028

Representative Michaux

- 1 moves to amend the bill on page 1, line 3,
- 2 by inserting after the term "SPONSORS;" the term "TO LOWER THE
- 3 CONTRIBUTION LIMIT AND CLOSE THE LOOPHOLES FOR PARTY CONTRIBUTIONS
- 4 AND FAMILY CONTRIBUTIONS; and
- 5
- 6 on page 1, lines 6 and 7,
- 7 by deleting the term "DEFINITIONS OF 'INDEPENDENT EXPENDITURE' AND
- 8 'EXPRESS ADVOCACY';" and substituting the term "A DEFINITION OF
- 9 'INDEPENDENT EXPENDITURE';" and
- 10
- 11 on page 1, line 9,
- 12 by inserting after the term "CORPORATIONS;" the term "TO STRENGTHEN
- 13 ENFORCEMENT PROVISIONS;" and
- 14
- 15 on page 1, line 17,
- 16 by inserting before the period the term "; AND TO APPROPRIATE FUNDS
- 17 FOR ADMINISTRATION" and
- 18
- 19 on page 13, line 4, through page 17, line 5,
- 20 by deleting the language on those lines and substituting the
- 21 following:
- 22
- 23 "----LOWER THE CONTRIBUTION LIMIT AND CLOSE THE LOOPHOLES FOR PARTY
- 24 CONTRIBUTIONS AND FAMILY CONTRIBUTIONS.
- 25 Section 3. (a) G.S. 163-278.13 reads as rewritten:
- 26 '§ 163-278.13. Limitation on contributions.
- 27 (a) No individual or political committee shall contribute to any
- 28 candidate or other political committee any money or make any other



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 708

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 2 of ____

S708-ARR-014

1 contribution in any election in excess of ~~four~~ two thousand dollars
2 ~~(\$4,000)~~ (\$2,000) for that election.

3 (b) No candidate or political committee shall accept or solicit
4 any contribution from any individual or other political committee of
5 any money or any other contribution in any election in excess of
6 ~~four two thousand dollars (\$4,000)~~ (\$2,000) for that election.

7 (c) Notwithstanding the provisions of subsections (a) and (b) of
8 this section, it shall be lawful for a candidate or a candidate's
9 ~~spouse, parents, brothers and sisters~~ spouse to make a contribution
10 to the candidate or to the candidate's treasurer of any amount of
11 money or to make any other contribution in any election in excess of
12 ~~four two thousand dollars (\$4,000)~~ (\$2,000) for that election.

13 (d) For the purposes of this section, the term "an election"
14 means any primary, second primary, or general election in which the
15 candidate or political committee may be involved, without regard to
16 whether the candidate is opposed or unopposed in the election,
17 except that where a candidate is not on the ballot in a second
18 primary, that second primary is not 'an election' with respect to
19 that candidate.

20 (e) This section shall ~~not~~ apply to any national, State, district
21 ~~or county district, county, precinct, or other executive committee~~
22 committees of any political party. The limitation in this section on
23 contributions to or from political party executive committees shall
24 apply collectively to all executive committees of the same political
25 party nationally or within the State. For the purposes of this
26 section only, the term 'political party' means only those political
27 parties officially recognized under G.S. 163-96. Contributions by
28 political party executive committees under G.S. 163-278.42 are
29 subject to the limitations of this section.

30 (el) No referendum committee which received any contribution from
31 a corporation, labor union, insurance company, business entity, or
32 professional association may make any contribution to another
33 referendum committee, to a candidate or to a political committee.

34 (f) Any individual, candidate, political committee, or referendum
35 committee who violates the provisions of this section is guilty of a
36 Class 2 misdemeanor.

37 --- CONFORM THE CAMPAIGN FINANCE LAW TO FEDERAL COURT OPINIONS.

38 Section 3.1. (a) G.S. 163-278.6(14) reads as rewritten:

39 (14) The term "political committee" means a
40 combination of two or more individuals, or any



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 708

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)

S708-ARR-014

Page 3 of ____

1 person, committee, association, or organization,
2 the primary or incidental purpose of which is to
3 support or oppose any candidate or political
4 party or to influence or attempt to influence the
5 result of an election or which accepts
6 contributions or makes organization that has one
7 or more of the following characteristics:

- 8 a. Is controlled by a candidate;
9 b. Makes contributions to a candidate or political
10 committee; or
11 c. Has as a nonincidental purpose making
12 expenditures for the purpose of influencing or
13 attempting to influence to support or oppose the
14 nomination or election or defeat of any a clearly
15 identified candidate at any election, election.
16 or which If the group qualifies as a "political
17 committee" under sub-subdivision a., b., or c. of this
18 subdivision, it continues to be a political committee
19 if it receives contributions to repay loans or cover a
20 deficit, or which makes expenditures to satisfy
21 obligations of an election already held. The term
22 includes, without limitation, any political party's
23 State, county or district executive committee.'

24 (b) G.S. 163-278.6(6) reads as rewritten:

- 25 '(6) The terms "contribute" or "contribution" mean any
26 advance, conveyance, deposit, distribution, transfer
27 of funds, loan, payment, gift, pledge or subscription
28 of money or anything of value whatsoever, to a
29 candidate, political committee, political party, or
30 referendum committee from any person or individual,
31 whether or not made in an election year, and any
32 contract, agreement, promise or other obligation,
33 whether or not legally enforceable, to make a
34 contribution, in support of or in opposition to any
35 candidate, political committee, referendum committee,
36 or political party. These terms include, without
37 limitation, such contributions as labor or personal
38 services, postage, publication of campaign literature
39 or materials, in-kind transfers, loans or use of any
40 supplies, office machinery, vehicles, aircraft, office



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 708

AMENDMENT NO. _____

(to be filled in by
Principal Clerk)

S708-ARR-014

Page 4 of ____

- 1 space, or similar or related services, goods, or
2 personal or real property. These terms also include,
3 without limitation, the proceeds of sale of services,
4 campaign literature and materials, wearing apparel,
5 tickets or admission prices to campaign events such as
6 rallies or dinners, and the proceeds of sale of any
7 campaign-related services or ~~goods notwithstanding~~
8 goods. Notwithstanding the foregoing meanings of
9 "contribution," the word shall not be construed to
10 include services provided without compensation by
11 individuals volunteering a portion or all of their
12 time on behalf of a candidate, political committee, or
13 referendum committee. The term "contribution" does not
14 include an "independent expenditure."
15 (c) G.S. 163-278.6(9) reads as rewritten:
16 '(9) The terms "expend" or "expenditure" mean any
17 contribution, purchase, advance, conveyance, deposit,
18 distribution, transfer of funds, loan, payment, gift,
19 pledge or subscription of money or anything of value
20 whatsoever, from any person or individual, whether or
21 not made in an election year, and any contract,
22 agreement, promise or other obligation, whether or not
23 legally enforceable, to make an expenditure, in
24 support of or in opposition to to support or oppose
25 the nomination or election or defeat of any candidate,
26 political committee, referendum committee, or
27 political party, clearly identified candidate. The
28 term "expenditure" also includes any payment made by a
29 candidate, political committee, or referendum
30 committee.'
31 (d) G.S. 163-278.6 is amended by adding a new subdivision
32 to read:
33 "(9A) The term "independently expend" or "independent
34 expenditure" mean an expenditure made without
35 consultation or coordination with any candidate,
36 political committee, or political party that
37 benefits or would benefit electorally from the
38 expenditure.'
39 (e) G.S. 163-278.6(16) reads as rewritten:



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 708

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 5 of ____

S708-ARR-014

- 1 '16) The term "political purpose" means ~~any purpose in aid~~
2 ~~of seeking to influence an election or a to support or~~
3 ~~oppose the nomination or election or defeat of a~~
4 ~~clearly identified political party or candidate.'~~
5 (f) G.S. 163-269 and G.S. 163-270 are repealed.
6 (g) G.S. 163-278.19 is amended by adding a new subsection
7 to read:
8 '(f) This section does not prohibit an independent expenditure by
9 an entity that:
10 (1) Was formed for the express purpose of promoting
11 political ideas and does not engage in business
12 activities;
13 (2) Does not have shareholders or other persons which have
14 an economic interest in its assets and earnings; and
15 (3) Was not established by a business corporation,
16 included, but not limited to, those chartered under
17 Chapter 55 or Chapter 55A, by an insurance company, by
18 a business entity, by a professional association, or
19 by a labor union and does not receive a significant
20 portion of its revenues from such entities.'
21 (h) G.S. 163-278.12 reads as rewritten:
22 '\$ 163-278.12. Contributions and expenditures by an individual
23 other than a candidate. Independent expenditures.
24 Subject to G.S. 163-278.16(f) and 163-278.14, it shall be
25 permissible for an individual other than a candidate to make
26 ~~contributions or expenditures in support of, or in opposition to,~~
27 ~~any candidate, political committee, or referendum committee other~~
28 ~~than by contribution to a candidate, political committee, or~~
29 ~~referendum committee. independent expenditures.~~ In the event an
30 individual or entity other than a political committee permitted by
31 law to do so makes ~~contributions or expenditures, other than by~~
32 ~~contribution to a candidate, political committee, or referendum~~
33 ~~committee, independent expenditures~~ in excess of one hundred dollars
34 (\$100.00), then, within 10 days after making such a ~~contribution or~~
35 ~~an independent expenditure, he~~ that individual or entity shall file
36 a statement of such ~~contribution or independent expenditure~~ with the
37 Board in accordance with the terms and conditions of G.S.
38 163-278.11.
39 --- STRENGTHEN ENFORCEMENT PROVISIONS.



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 708

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 6 of ____

S708-ARR-014

1 Section 3.2. (a) Article 22A of Chapter 163 of the General
2 Statutes is amended by adding a new section to read:
3 '§ 163-278.27A. Five-year statute of limitations.
4 Prosecution for a misdemeanor brought under this Article shall be
5 barred after five years have expired from the date the violation
6 occurred.'
7 (b) G.S. 15-1 reads as rewritten:
8 '§ 15-1. Statute of limitations for misdemeanors.
9 The crimes of deceit and malicious mischief, and the crime of
10 petit larceny where the value of the property does not exceed five
11 dollars (\$5.00), and all misdemeanors except malicious ~~misdemeanors,~~
12 misdemeanors and prosecutions under Article 22A of Chapter 163 of
13 the General Statutes, shall be presented or found by the grand jury
14 within two years after the commission of the same, and not
15 afterwards: Provided, that if any indictment found within that time
16 shall be defective, so that no judgment can be given thereon,
17 another prosecution may be instituted for the same offense, within
18 one year after the first shall have been abandoned by the State.'";
19 and
20
21 on page 30, line 6,
22 by inserting after that line the following:
23
24 "Section 5.1. There is appropriated from the General Fund
25 to the State Board of Elections for fiscal year 1998-99 the sum of
26 one hundred thousand dollars (\$100,000) to administer this act."
27

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

ROLL CALL VOTE

Michaux

Date: 9-23-98

House Bill _____

Total: Yes 6 No 12

Senate Bill _____

1995-96 HOUSE OF REPRESENTATIVES COMMITTEE ON ~~LEGISLATION~~ *E.L.*

<u>YES</u>	<u>NO</u>	<u>NAME</u>	<u>YES</u>	<u>NO</u>	<u>NAME</u>
	<input checked="" type="checkbox"/>	JUSTUS, CHAIR	<input checked="" type="checkbox"/>		INSKO
	<input checked="" type="checkbox"/>	WILSON C., CHAIR			JARRELL
	<input checked="" type="checkbox"/>	ALDRIDGE		<input checked="" type="checkbox"/>	KISER
		ALEXANDER	<input checked="" type="checkbox"/>		MICHAUX
	<input checked="" type="checkbox"/>	ARNOLD		<input checked="" type="checkbox"/>	RAYFIELD
<input checked="" type="checkbox"/>		BADDOUR		<input checked="" type="checkbox"/>	SHUBERT
		BERRY			TALLENT
<input checked="" type="checkbox"/>		BONNER			WAINRIGHT
		BRASWELL	<input checked="" type="checkbox"/>		WARNER
	<input checked="" type="checkbox"/>	CANSLER		<input checked="" type="checkbox"/>	WEATHERLY
	<input checked="" type="checkbox"/>	CHURCH			
<input checked="" type="checkbox"/>		DEDMON			
	<input checked="" type="checkbox"/>	HARDY			
	<input checked="" type="checkbox"/>	HIATT			

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. _____

DATE _____

S. B. No. 708

Amendment No. _____

(to be filled in by
Principal Clerk)

COMMITTEE SUBSTITUTE _____

Rep.) Arnold
)
Sen.)

1 moves to amend the bill on page 2, line 11

2 () WHICH CHANGES THE TITLE

3 by deleting the term "free of charge"
4 and substituting the term "at the
5 lowest practicable rate"
6
7

8

9

10

11

12

13

14

15

16

17

18

19

SIGNED

Gene Arnold

ADOPTED _____ FAILED _____ TABLED _____



A

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 708

AMENDMENT NO. 4
(to be filled in by
Principal Clerk)

S708-ARR-012

Page 1 of

Date , 1998

Comm. Sub. [YES]
Amends Title [YES]
S708-PCSRR-028

Representative Baddour

- 1 moves to amend the bill on page 1, line 9,
2 by inserting after the term "CORPORATIONS;" the following language:
3
4 "TO STOP THE FLOW OF PROHIBITED CONTRIBUTIONS INTO NORTH CAROLINA;";
5 and
6
7 on page 16, line 30,
8 by inserting after that line the following:
9
10 "(h1) G.S. 163-278.19 is amended by adding a new subsection
11 to read:
12 '(g) Any contribution by a corporation doing business in this
13 State, by either domestic or foreign charter, or by a business
14 entity, labor union, professional association or insurance company
15 is deemed to have been made for a political purpose if it is made
16 either (i) with the intent or purpose of expressly advocating the
17 election or defeat of any candidate in any election as defined in
18 this Article; or (ii) in response to a solicitation by a candidate
19 or committee as defined in this Article whether made directly or
20 indirectly, or by any representative thereof, by whom it is
21 represented that such contribution will be used directly or
22 indirectly to expressly advocate the election or defeat of any
23 candidate, or for the benefit of any political committee or
24 political party as defined in this Article.
25 The solicitation of any contribution from any corporation of
26 either domestic or foreign charter or from a business entity, labor
27 union, professional association or insurance company on the
28 representation that the funds contributed will be used, directly or



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 708

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 2 of ____

S708-ARR-012

1 indirectly, to expressly advocate the election or defeat of any
2 candidate shall be deemed to be a violation of this section.
3 A contribution shall be deemed to have been made indirectly if it
4 is made to any committee or political party account with the intent
5 or purpose of being exchanged in whole or in part for any other
6 funds to be contributed to any candidate or committee as defined in
7 this Article or to offset any other funds transferred or
8 contributed to any candidate, committee, or political party.
9 The State Board of Elections shall adopt rules for the
10 enforcement of this subsection, and those rules shall not be subject
11 to Chapter 150B of the General Statutes.'".
12

SIGNED *W. G. Baddy*
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED ☒ _____ TABLED _____

1998 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **JUSTUS/WILSON** for the Committee on **ELECTION LAWS & CAMPAIGN REFORM**.

☒ Committee Substitute for

S.B. 708 A BILL TO BE ENTITLED AN ACT TO REQUIRE CERTAIN DISCLOSURES
BY THE SPONSORS OF POLITICAL ADVERTISEMENTS.

- ☐ With a favorable report.
- ☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐
- ☐ With a favorable report, as amended.
- ☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐
- ☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to original bill (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)
- ☒ With a favorable report as to House committee substitute bill (#), ☒ which changes
the title, unfavorable as to Senate committee substitute bill.
- ☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
(PUBLIC BILLS ONLY)
- ☐ With an unfavorable report.
- ☐ With recommendation that the House concur.
- ☐ With recommendation that the House do not concur.
- ☐ With recommendation that the House do not concur; request conferees.
- ☐ With recommendation that the House concur; committee believes bill to be material.
- ☐ With an unfavorable report, with a Minority Report attached.
- ☐ Without prejudice.
- ☐ With an indefinite postponement report.
- ☐ With an indefinite postponement report, with a Minority Report attached.
- ☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

3/25/98

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

S

D

SENATE BILL 708

Judiciary Committee Substitute Adopted 4/22/97

Third Edition Engrossed 4/24/97

Proposed House Committee Substitute S708-PCS9622-RR030

Short Title: Election Act of 1998.

(Public)

Sponsors:

Referred to:

April 7, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE CERTAIN DISCLOSURES ON POLITICAL
3 ADVERTISEMENTS TO BE MADE BY THEIR SPONSORS; TO REVISE THE
4 DEFINITIONS OF "POLITICAL COMMITTEE," "CONTRIBUTION,"
5 "EXPENDITURE," AND "POLITICAL PURPOSE" TO CONFORM TO
6 FEDERAL COURT DECISIONS AND TO ADD DEFINITIONS OF
7 "INDEPENDENT EXPENDITURE" AND "EXPRESS ADVOCACY"; TO
8 CONFORM STATE LAW TO FEDERAL COURT DECISIONS CONCERNING
9 INDEPENDENT EXPENDITURES BY CERTAIN TYPES OF
10 CORPORATIONS; TO RESTORE 1996 CAMPAIGN REPORTING SCHEDULE
11 WITH A \$250 THRESHOLD FOR CONTRIBUTOR IDENTIFICATION; AND
12 TO CHANGE THE DEADLINES AND PROCEDURES BY WHICH NEW
13 PARTIES MAY GAIN BALLOT ACCESS AND CHOOSE CANDIDATES, TO
14 ALLOW VOTERS TO RETAIN OFFICIAL AFFILIATION WITH AN
15 EXPIRED PARTY, TO MAKE CERTAIN CHANGES TO EQUALIZE
16 CANDIDACY REQUIREMENTS, AND TO REMOVE CERTAIN COURT-
17 INVALIDATED REQUIREMENTS FROM THE PETITION PROCEDURES
18 FOR NEW PARTIES, UNAFFILIATED CANDIDATES, AND WRITE-IN
19 CANDIDATES.
20 The General Assembly of North Carolina enacts:

Section 1. This act shall be known as "The Election Act of 1998." By the act, the General Assembly intends to provide for reasonable regulation of election campaigns to the end that the First Amendment is respected, candidates are given reasonable standards of disclosure without being overburdened, and the voters are given adequate information on which to base their decisions. The General Assembly recognizes that the pressure upon candidates to raise increasing amounts of money has a harmful influence on the process of democracy. The principal reason for the pressure is the rising costs of media advertising. Accordingly, the General Assembly calls upon the corporations that control the news media to provide significant amounts of print space and prime air time to candidates to communicate with the voters, at the lowest practicable rate.

--STAND BY YOUR AD.

Section 2. (a) Article 22A of Chapter 163 of the General Statutes is amended by adding a new Part to read:

"Part 1A. Disclosure Requirements for Media Advertisements.

"§ 163-278.39. Basic disclosure requirements for all political campaign advertisements.

(a) Basic Requirements. -- It shall be unlawful for any sponsor to sponsor an advertisement in the print media or on radio or television that constitutes an expenditure or contribution required to be disclosed under this Article unless all the following conditions are met:

- (1) It bears the legend or includes the statement: 'Paid for by [Name of candidate, candidate campaign committee, political party organization, political action committee, referendum committee, individual, or other sponsor].' In television advertisements, this disclosure shall be made by visual legend.
- (2) The name used in the labeling required in subdivision (1) of this subsection is the name that appears on the statement of organization as required in G.S. 163-278.7(b)(1).
- (3) The sponsor states in the advertisement its position for or against the candidate, provided that this subdivision applies only if the advertisement supports or opposes a specific candidate or candidates.
- (4) The sponsor states in the advertisement its position for or against a ballot measure, provided that this subdivision applies only if the advertisement is made for or against a ballot measure.
- (5) In a print media advertisement supporting or opposing a specific candidate or candidates, the sponsor states whether it is authorized by a candidate. The visual legend in the advertisement shall state either 'Authorized by [name of candidate], candidate for [name of office]' or 'Not authorized by a candidate.' This subdivision does not apply if the sponsor of the advertisement is the candidate the advertisement supports or that candidate's campaign committee.
- (6) In a print media advertisement that identifies a candidate the sponsor is opposing, the sponsor discloses in the advertisement the

1 name of the candidate that is intended to benefit from the
2 advertisement.

3 If an advertisement described in this section is jointly sponsored, the disclosure
4 statement shall name all the sponsors.

5 (b) Size Requirements. -- In a print media advertisement covered by subsection (a)
6 of this section, the height of all disclosure statements required by that subsection shall
7 constitute at least five percent (5%) of the height of the printed space of the
8 advertisement, provided that the type shall in no event be less than 12 points in size.
9 If a single advertisement consists of multiple pages, folds, or faces, the disclosure
10 requirement of this section applies only to one page, fold, or face. In a television
11 advertisement covered by subsection (a) of this section, the visual disclosure legend
12 shall constitute 32 scan lines in size. In a radio advertisement covered by subsection
13 (a) of this section, the disclosure statement shall last at least three seconds.

14 (c) Misrepresentation of Authorization. -- Notwithstanding G.S. 163-278.27(a), any
15 candidate, candidate campaign committee, political party organization, political
16 action committee, referendum committee, individual, or other sponsor making an
17 advertisement in the print media or on radio or television bearing any legend
18 required by subsection (a) of this section that misrepresents the sponsorship or
19 authorization of the advertisement is guilty of a Class 1 misdemeanor.

20 "§ 163-278.39A. Disclosure requirements for television and radio advertisements
21 supporting or opposing candidates.

22 (a) Expanded Disclosure Requirements. -- In addition to the basic disclosure
23 requirements in G.S. 163-278.39, any political campaign advertisement on radio or
24 television shall comply with the expanded disclosure requirements set forth in this
25 section.

26 (b) Disclosure Requirements for Television. --

27 (1) Candidate advertisements on television. -- Television
28 advertisements purchased by a candidate or by a candidate
29 campaign committee supporting or opposing a specific candidate
30 or candidates shall include a disclosure statement spoken by the
31 candidate and containing at least the following words: 'I am (or
32 "This is..." [name of candidate], candidate for [name of office],
33 and I (or "my campaign...") sponsored this ad.'

34 (2) Political party advertisements on television. -- Television
35 advertisements purchased by a political party organization
36 supporting or opposing a specific candidate or candidates shall
37 include a disclosure statement spoken by the chair, executive
38 director, or treasurer of the political party organization and
39 containing at least the following words: 'The [name of political
40 party organization] sponsored this ad opposing/supporting [name of
41 candidate] for [name of office].' The disclosed name of the
42 political party organization shall include the name of the political
43 party as it appears on the ballot.

- 1 (3) Political action committee advertisements on television. --
2 Television advertisements purchased by a political action
3 committee supporting or opposing a specific candidate or
4 candidates shall include a disclosure statement spoken by the chief
5 executive officer or treasurer of the political action committee and
6 containing at least the following words: 'The [name of political
7 action committee] political action committee sponsored this ad
8 opposing/supporting [name of candidate] for [name of office].' The
9 name of the political action committee used in the advertisement
10 shall be the name that appears on the statement of organization as
11 required in G.S. 163-278.7(b)(1).
- 12 (4) Advertisements on television by an individual. -- Television
13 advertisements purchased by an individual supporting or opposing
14 a specific candidate or candidates shall include a disclosure
15 statement spoken by the individual and containing at least the
16 following words: 'I am [individual's name], and I sponsored this
17 advertisement opposing/sponsoring [name of candidate] for [name
18 of office].'
- 19 (5) Advertisements on television by another sponsor. -- Television
20 advertisements purchased by a sponsor other than a candidate, a
21 candidate campaign committee, a political party organization, a
22 political action committee, or an individual which mention the
23 name of a specific candidate or candidates and whose cost or value
24 constitutes an expenditure required to be disclosed under this
25 Article shall include a disclosure statement spoken by the chief
26 executive or principal decision maker of the sponsor and
27 containing at least the following words: '[Name of sponsor]
28 sponsored this ad.'
- 29 (6) All advertisements on television. -- In any television advertisement
30 described in subdivisions (1) through (5) of this subsection, an
31 unobscured, full-screen picture containing the disclosing individual,
32 either in photographic form or through the actual appearance of
33 the disclosing individual on camera, shall be featured throughout
34 the duration of the disclosure statement.
- 35 (c) Disclosure Requirements for Radio. --
- 36 (1) Candidate advertisements on radio. -- Radio advertisements
37 purchased by a candidate or by a candidate campaign committee
38 supporting or opposing a specific candidate or candidates shall
39 include a disclosure statement spoken by the candidate and
40 containing at least the following words: 'I am (or "This is..") [name
41 of candidate], candidate for [name of office], and this ad was paid
42 for (or "sponsored" or "furnished") by [name of candidate
43 campaign committee that paid for the advertisement].'

- 1 (2) Political party advertisements on radio. -- Radio advertisements
2 purchased by a political party organization supporting or opposing
3 a specific candidate or candidates shall include a disclosure
4 statement spoken by the chair, executive director, or treasurer of
5 the political party organization and containing at least the
6 following words: 'This ad opposing/supporting [name of candidate]
7 for [name of office] was paid for (or "sponsored" or "furnished")
8 by [name of political party].' The disclosed name of the political
9 party organization shall include the name of the political party as it
10 appears on the ballot.
- 11 (3) Political action committee advertisements on radio. -- Radio
12 advertisements purchased by a political action committee
13 supporting or opposing a specific candidate or candidates shall
14 include a disclosure statement spoken by the chief executive officer
15 or treasurer of the political action committee and containing at
16 least the following words: 'This ad opposing/supporting [name of
17 candidate] for [name of office] was paid for (or "sponsored" or
18 "furnished") by [name of political action committee] political
19 action committee.' The name of the political action committee
20 used in the advertisement shall be the name that appears on the
21 statement of organization as required by G.S. 163-278.7(b)(1).
- 22 (4) Advertisements on radio by an individual. -- Radio advertisements
23 purchased by an individual supporting or opposing a specific
24 candidate or candidates shall include a disclosure statement spoken
25 by the individual and containing at least the following words: 'I am
26 [individual's name], and this ad opposing/supporting [name of
27 candidate] for [name of office] was paid for (or "sponsored" or
28 "furnished") by me.'
- 29 (5) Advertisements on radio by another sponsor. -- Radio
30 advertisements purchased by a sponsor other than a candidate, a
31 candidate campaign committee, a political party organization, a
32 political action committee, or an individual, which mentions the
33 name of a specific candidate or candidates and whose cost or value
34 constitutes an expenditure or contribution required to be disclosed
35 under this Article, shall include a disclosure statement spoken by
36 the chief executive or principal decision maker of the sponsor and
37 containing at least the following words: '[Name of sponsor] paid
38 for (or "sponsored" or "furnished") this ad.'
- 39 (d) Placement of Disclosure Statement in Television and Radio Advertisements. --
40 In advertisements on television, a sponsor may place the disclosure statement
41 required by this section at any point during the advertisement, except if the duration
42 of the advertisement is more than five minutes, the disclosure statement shall be
43 made both at the beginning and end of the advertisement. The sponsor may provide
44 the oral disclosure statement required by this section at the same time as the visual

disclosure required under the Communications Act of 1934, 47 U.S.C. §§ 315 and 317, is shown. But any visual disclosure legend shall be at least 32 scan lines in size. For advertisements on radio, the placement of the oral disclosure statement shall comply with the requirements of the Communications Act of 1934, 47 U.S.C. §§ 315 and 317.

(e) Choice of Supporting or Opposing a Candidate. -- In its oral disclosure statement, a sponsoring political party organization, political action committee, individual, or other noncandidate sponsor shall choose either to identify an advertisement as supporting a specific candidate or opposing a specific candidate.

(e1) Joint Sponsors. -- If an advertisement described in this section is jointly sponsored, the disclosure statement shall name all the sponsors and the disclosing individual shall be one of those sponsors. If a candidate is one of the sponsors, that candidate shall be the disclosing individual, and if more than one candidate is the sponsor, at least one of the candidates shall be the disclosing individual.

(f) Legal Remedy. -- Pursuant to the conditions established in subdivisions (1), (2), and (3) of this subsection, a candidate for an elective office who complied with the television and radio disclosure requirements throughout that candidate's entire campaign shall have a monetary remedy in a civil action against (i) an opposing candidate or candidate committee whose television or radio advertisement violates these disclosure requirements and (ii) against any political party organization, political action committee, individual, or other sponsor whose advertisement for that elective office violates these disclosure requirements:

(1) Any plaintiff candidate in a statewide race in an action under this section shall complete and file a Notice of Complaint Regarding Failure to Disclose on Television or Radio Campaign Advertising with the State Board of Elections after the airing of the advertisement but no later than the first Friday after the Tuesday on which the election occurred. Candidates in nonstatewide races may file the notice during the same time period with one county board of elections within the electoral area in which they are candidates. The timely filing of this notice preserves the candidate's right to bring an action in superior court any time within 90 days after the election. A candidate shall bring the civil action in the county where the candidate filed the notice.

(2) Upon receiving a favorable verdict in accordance with existing law, the plaintiff candidate shall receive a monetary award of actual damages. The price of actual damages shall be calculated as the total dollar amount of television and radio advertising time that was aired and that the plaintiff candidate correctly identifies as being in violation of the disclosure requirements of this section.

The plaintiff candidate shall also receive an award that trebles the amount of actual damages if:

a. The plaintiff candidate can establish having notified or attempted to notify the sponsor of the advertisement

properly by return-receipt mail about the failure of a particular advertisement or advertisements to comply with the disclosure requirements of this section, and

b. After the notice or attempted notice, the advertisement continued to be aired.

The treble damages shall be calculated from the date on which the return-receipt notice was accepted or rejected by a defendant sponsoring candidate or candidate committee, political party organization, political action committee, or individual. The plaintiff candidate or candidate committee shall send a copy of any return-receipt mailing to the relevant board of elections as provided in subdivision (1) of this subsection within five days after the notice is returned to the possession of the candidate or candidate committee.

The court shall award reasonable attorneys' fees to a plaintiff candidate who prevails in an action under this section. The plaintiff candidate may bring the civil action personally or authorize his or her candidate campaign committee to bring the civil action.

(3) A candidate who violates the disclosure requirements of State law in this section and that candidate's campaign committee shall be jointly and severally liable for the payment of damages and attorneys' fees. If the candidate is held personally liable for any payment of damages or attorneys' fees, the candidate shall not use or be reimbursed by funds from the candidate's campaign committee in paying any amount.

(g) Relation to the Communications Act of 1934. -- Television advertisements by a sponsor supporting or opposing a specific candidate or candidates shall comply with the oral disclosure requirements under State law in this section. Those advertisements shall also comply with disclosure requirements under the Communications Act of 1934, 47 U.S.C. §§ 315 and 317 by use of visual legends. The content of those visual legends is specified by the Communications Act of 1934, 47 U.S.C. §§ 315 and 317, and G.S. 163-278.39(a)(1). The size of those visual legends is determined by G.S. 163-278.39(b), which satisfies requirements under the Communications Act of 1934, 47 U.S.C. §§ 315 and 317. In the case of radio advertisements, the oral disclosure requirements under State law in this section incorporate the content requirements under the Communications Act of 1934, 47 U.S.C. §§ 315 and 317.

(h) No Additional Liability of Television or Radio Outlets. -- Television or radio outlets shall not be liable under this section for carriage of political advertisements that fail to include the disclosure requirements provided for in this section.

(i) No Criminal Liability. -- Nothing in this section regarding the disclosure requirements in subsections (b) and (c) of this section shall be relied upon or otherwise interpreted to create criminal liability for any person.

"§ 163-278.39B. Definitions.

1 As used in this Part:

- 2 (1) 'Advertisement' means any message of advocacy appearing in the
3 print media, on television, or on radio that constitutes a
4 contribution or expenditure under this Article.
- 5 (2) 'Candidate' means any individual who, with respect to a public
6 office listed in G.S. 163-278.6(18), has filed a notice of candidacy
7 or a petition requesting to be a candidate, or has been certified as
8 a nominee of a political party for a vacancy, or has otherwise
9 qualified as a candidate in a manner authorized by law, or has
10 filed a statement of organization under G.S. 163-278.7 and is
11 required to file periodic financial disclosure statements under G.S.
12 163-278.9.
- 13 (3) 'Candidate campaign committee' means any political committee
14 organized by or under the direction of a candidate.
- 15 (4) 'Full-screen' means the only picture appearing on the television
16 screen during the oral disclosure statement contains the disclosing
17 person, that the picture occupies all visible space on the television
18 screen, and that the image of the disclosing person occupies at least
19 fifty percent (50%) of the vertical height of the television screen.
- 20 (5) 'Print media' means billboards, cards, newspapers, newspaper
21 inserts, magazines, mass mailings, pamphlets, fliers, periodicals, and
22 outdoor advertising facilities. A 'mass mailing' is a mailing with
23 more than five hundred (500) pieces.
- 24 (6) 'Political action committee' has the same meaning as 'political
25 committee' in G.S. 163-278.6(14), except that 'political action
26 committee' does not include any political party or political party
27 organization.
- 28 (7) 'Political party organization' means any political party executive
29 committee or any political committee that operates under the
30 direction of a political party executive committee or political party
31 chair.
- 32 (8) 'Radio' means any radio broadcast station that is subject to the
33 provisions of 47 U.S.C. §§ 315 and 317.
- 34 (9) 'Scan line' means a standard term of measurement used in the
35 electronic media industry calculating a certain area in a television
36 advertisement.
- 37 (10) 'Sponsor' means a candidate, candidate committee, political party
38 organization, political action committee, referendum committee,
39 individual, or other entity that purchases an advertisement.
- 40 (11) 'Supporting or Opposing' means an advertisement that mentions
41 the name of a candidate, elected official, political party, or
42 referendum issue, and whose cost or value constitutes an
43 expenditure or contribution required to be disclosed under this
44 Article.

1 (12) 'Television' means any television broadcast station, cable television
2 system, wireless-cable multipoint distribution system, satellite
3 company, or telephone company transmitting video programming
4 that is subject to the provisions of 47 U.S.C. §§ 315 and 317.

5 (13) 'Unobscured' means the only printed material that may appear on
6 the television screen is a visual disclosure statement required by
7 law, and nothing is blocking the view of the disclosing person's
8 face.

9 **"§ 163-278.39C. Scope of disclosure requirements.**

10 The disclosure requirements of this Part apply to any sponsor of an advertisement
11 in the print media or on radio or television the cost or value of which constitutes an
12 expenditure or contribution required to be disclosed under this Article, except that
13 the disclosure requirements of this Part:

14 (1) Do not apply to an individual who makes uncoordinated
15 independent expenditures aggregating less than one thousand
16 dollars (\$1,000) in a political campaign; and

17 (2) Do not apply to an individual who incurs expenses with respect to
18 a referendum."

19 (b) G.S. 163-278.16 reads as rewritten:

20 **"§ 163-278.16. Regulations regarding ~~contributions, expenditures and media~~**
21 **~~advertising; timing of contributions and expenditures.~~**

22 (a) Except as provided in G.S. 163-278.12, no contribution may be received or
23 expenditure made by or on behalf of a candidate, political committee, or referendum
24 committee:

25 (1) Until the candidate, political committee, or referendum committee
26 appoints a treasurer and certifies the name and address of the
27 treasurer to the Board; and

28 (2) Unless the contribution is received or the expenditure made by or
29 through the treasurer of the candidate, political committee, or
30 referendum committee.

31 (b) to (e) Repealed by Session Laws 1975, c. 565, s. 2.

32 ~~(f) No media advertisement of any kind may be made by a treasurer, candidate,~~
33 ~~political committee, referendum committee or individual unless~~

34 ~~(1) It bears the legend or includes the statement: "Paid for by (or~~
35 ~~Sponsored by)..... (Name of candidate, political~~
36 ~~committee, referendum committee, individual)";~~

37 ~~(2) The name used in the labeling required in subdivision (1) of this~~
38 ~~subsection is the name that appears on the statement of~~
39 ~~organization as required in G.S. 163-278.7(b)(1), provided that this~~
40 ~~subdivision applies only if the sponsor is a political committee or~~
41 ~~referendum committee;~~

42 ~~(3) The sponsor states in the media advertisement its position:~~

43 ~~a. For or against the candidate; or~~

44 ~~b. For or against an opposing candidate~~

1 provided that this subdivision applies only if the media
2 advertisement is made for or against a candidate; and
3 (4) The sponsor states in the media advertisement its position for or
4 against the ballot measure; provided this subdivision applies only if
5 the media advertisement is made for or against a ballot measure.

6 The requirements of subdivisions (3) and (4) of this subsection do not apply to any
7 print advertisement less than two inches by two inches in size, or to any radio or
8 television advertisement of less than 20 seconds in length.

9 The media shall not publish or broadcast any political advertisement unless it bears
10 the legend or includes the statement required herein. For purposes of this subsection,
11 "media" means broadcasting stations, carrier current stations, newspapers, magazines,
12 periodicals, outdoor advertising facilities, billboards, and newspaper inserts.

13 (g) All printed matter for a political purpose from a political party or political
14 committee which identifies a candidate that party or committee is opposing shall
15 indicate in type no smaller than 12 point the name of the political party or political
16 committee and the name of the candidate that is intended to benefit from the printed
17 matter."

18 (c) G.S. 163-278.27(a) reads as rewritten:

19 "(a) Any individual, candidate, political committee, referendum committee,
20 treasurer, person or media who violates the applicable provisions of G.S. 163-278.7,
21 163-278.8, 163-278.9, 163-278.10, 163-278.11, 163-278.12, 163-278.14, 163-278.16,
22 163-278.17, 163-278.18, 163-278.39, 163-278.40A, 163-278.40B, 163-278.40C,
23 163-278.40D or 163-278.40E is guilty of a Class 2 misdemeanor."

24 --REVISED AND NEW DEFINITIONS IN THE CAMPAIGN FINANCE LAW;
25 COMPLIANCE WITH COURT DECISIONS.

26 Section 3. (a) G.S. 163-278.6(14) reads as rewritten:

27 "(14) The term 'political committee' means a combination of two or
28 more individuals, or any person, committee, association, or
29 organization, ~~the primary or incidental purpose of which is to~~
30 ~~support or oppose any candidate or political party or to influence~~
31 ~~or attempt to influence the result of an election or which accepts~~
32 ~~contributions or makes~~ organization that has one or more of the
33 following characteristics:

- 34 a. Is controlled by a candidate;
35 b. Makes contributions to a candidate or political committee;
36 or
37 c. Has as a nonincidental purpose, making expenditures for the
38 purpose of influencing or attempting to influence to
39 expressly advocate the nomination or election or defeat of
40 any a clearly identified candidate at any election, election,
41 or which If the group qualifies as a 'political committee' under
42 sub-subdivision a., b., or c. of this subdivision, it continues to be a
43 political committee if it receives contributions to repay loans or
44 cover a deficit, or which makes expenditures to satisfy obligations

1 of an election already held. The term includes, without limitation,
2 any political party's State, county or district executive committee."

3 (b) G.S. 163-278.6(6) reads as rewritten:

4 "(6) The terms 'contribute' or 'contribution' mean any advance,
5 conveyance, deposit, distribution, transfer of funds, loan, payment,
6 gift, pledge or subscription of money or anything of value
7 whatsoever, to a candidate, political committee, political party, or
8 referendum committee from any person or individual, whether or
9 not made in an election year, and any contract, agreement, promise
10 or other obligation, whether or not legally enforceable, to make a
11 contribution, in support of or in opposition to any candidate,
12 political committee, referendum committee, or political party.
13 These terms include, without limitation, such contributions as labor
14 or personal services, postage, publication of campaign literature or
15 materials, in-kind transfers, loans or use of any supplies, office
16 machinery, vehicles, aircraft, office space, or similar or related
17 services, goods, or personal or real property. These terms also
18 include, without limitation, the proceeds of sale of services,
19 campaign literature and materials, wearing apparel, tickets or
20 admission prices to campaign events such as rallies or dinners, and
21 the proceeds of sale of any campaign-related services or ~~goods~~
22 ~~notwithstanding goods~~. Notwithstanding the foregoing meanings of
23 'contribution,' the word shall not be construed to include services
24 provided without compensation by individuals volunteering a
25 portion or all of their time on behalf of a candidate, political
26 committee, or referendum committee. The term 'contribution' does
27 not include an 'independent expenditure.'"

28 (c) G.S. 163-278.6(9) reads as rewritten:

29 "(9) The terms 'expend' or 'expenditure' mean any contribution,
30 purchase, advance, conveyance, deposit, distribution, transfer of
31 funds, loan, payment, gift, pledge or subscription of money or
32 anything of value whatsoever, from any person or individual,
33 whether or not made in an election year, and any contract,
34 agreement, promise or other obligation, whether or not legally
35 enforceable, to make an expenditure, ~~in support of or in opposition~~
36 ~~to~~ to expressly advocate the nomination or election or defeat of
37 any candidate, political committee, referendum committee, or
38 political party. clearly identified candidate. The term
39 'expenditure' also includes any payment made by a candidate,
40 political committee, or referendum committee."

41 (d) G.S. 163-278.6 is amended by adding a new subdivision to read:

42 "(9A) The term 'express advocacy' means a communication that
43 advocates the election or defeat of a candidate by:

- 1 a. Containing a phrase such as 'vote for', 're-elect',
2 'support', 'cast your ballot for', '(name of candidate)
3 for (name of office)', '(name of candidate) in (year)',
4 'vote against', 'defeat', 'reject', or a campaign slogan
5 or words that in context can have no reasonable
6 meaning other than to advocate the election or defeat
7 of one or more clearly identified candidates;
8 b. Referring to one or more clearly identified candidates
9 in a paid advertisement that is broadcast by a radio
10 broadcast station or a television broadcast station
11 within sixty (60) calendar days preceding the date of
12 a primary or election of the candidate; or
13 c. Expressing unmistakable and unambiguous support
14 for or opposition to one or more clearly identified
15 candidates when taken as a whole and with limited
16 reference to external events, such as proximity to an
17 election.

18 The term 'express advocacy' does not include a printed
19 communication that (i) presents information in an
20 educational manner solely about the voting record or
21 position on a campaign issue of two or more candidates; (ii)
22 is not made in coordination with a candidate, political party,
23 or agent of the candidate or party; or a candidate's agent or
24 a person who is coordinating with a candidate or a
25 candidate's agent; and (iii) does not contain a phrase such as
26 'vote for', 're-elect', 'support', 'cast your ballot for', '(name
27 of candidate) for Governor', '(name of candidate) in 1998',
28 'vote against', 'defeat', 'reject', or a campaign slogan or
29 words that in context can have no reasonable meaning other
30 than to urge the election or defeat of one or more clearly
31 identified candidates."

32 (e) G.S. 163-278.6 is amended by adding a new subdivision to read:

33 "(9B) The term 'independently expend' or 'independent expenditure'
34 means an expenditure made without consultation or coordination
35 with any candidate, political committee, or political party that
36 benefits or would benefit electorally from the expenditure."

37 (f) G.S. 163-278.6(16) reads as rewritten:

38 "(16) The term 'political purpose' means ~~any purpose in aid of seeking~~
39 ~~to influence an election or a~~ to expressly advocate the nomination
40 or election or defeat of a clearly identified political party or
41 candidate."

42 (g) G.S. 163-269 and G.S. 163-270 are repealed.

43 (h) G.S. 163-278.19 is amended by adding a new subsection to read:

44 "(f) This section does not prohibit an independent expenditure by an entity that:

- 1 (1) Was formed for the express purpose of promoting political ideas
2 and does not engage in business activities;
3 (2) Does not have shareholders or other individuals or persons which
4 have an economic interest in its assets and earnings; and
5 (3) Was not established by a business corporation, including, but not
6 limited to, those chartered under Chapter 55 or Chapter 55A, by
7 an insurance company, by a business entity, by a professional
8 association, or by a labor union and does not receive a significant
9 portion of its revenues from such entities."

10 (i) G.S. 163-278.12 reads as rewritten:

11 **"§ 163-278.12. ~~Contributions and expenditures by an individual other than a~~**
12 **~~candidate. Independent expenditures.~~**

13 Subject to ~~G.S. 163-278.16(f)~~ and Part 1A of this Article and to G.S. 163-278.14, it
14 shall be permissible for an individual other than a candidate to make ~~contributions or~~
15 ~~expenditures in support of, or in opposition to, any candidate, political committee, or~~
16 ~~referendum committee other than by contribution to a candidate, political committee,~~
17 ~~or referendum committee. independent expenditures.~~ In the event an individual or
18 ~~entity other than a political committee permitted by law to do so makes contributions~~
19 ~~or expenditures, other than by contribution to a candidate, political committee, or~~
20 ~~referendum committee, independent expenditures~~ in excess of one hundred dollars
21 (\$100.00), then, within 10 days after making such ~~a contribution or an independent~~
22 expenditure, ~~he~~ that individual or entity shall file a statement of such ~~contribution or~~
23 independent expenditure with the Board in accordance with the terms and conditions
24 of G.S. 163-278.11."

25 (j) G.S. 163-278.12A is repealed.

26 --RESTORATION OF REPORTING SCHEDULE; \$250 IDENTIFICATION
27 THRESHOLD.

28 Section 4. (a) G.S. 163-278.8(d) reads as rewritten:

29 "(d) A treasurer shall not be required to report the name of any individual who is
30 a resident of this State who makes a total contribution of ~~one hundred two hundred~~
31 fifty dollars ~~(\$100.00)~~ (\$250.00) or less but he shall instead report the fact that he has
32 received a total contribution of ~~one hundred two hundred fifty~~ dollars ~~(\$100.00)~~
33 (\$250.00) or less, the amount of the contribution, and the date of receipt. If a
34 treasurer receives contributions of ~~one hundred two hundred fifty~~ dollars ~~(\$100.00)~~
35 (\$250.00) or less, each at a single event, he may account for and report the total
36 amount received at that event, the date and place of the event, the nature of the
37 event, and the approximate number of people at the event. With respect to the
38 proceeds of sale of services, campaign literature and materials, wearing apparel,
39 tickets or admission prices to campaign events such as rallies or dinners, and the
40 proceeds of sale of any campaign-related services or goods, if the price or value
41 received for any single service or goods exceeds ~~one hundred two hundred fifty~~
42 dollars ~~(\$100.00)~~ (\$250.00), the treasurer shall account for and report the name of
43 the individual paying for such services or goods, the amount received, and the date of
44 receipt, but if the price or value received for any single service or item of goods does

1 not exceed ~~one hundred~~ two hundred fifty dollars ~~(\$100.00)~~, (\$250.00) the treasurer
2 may report only those services or goods rendered or sold at a value that does not
3 exceed ~~one hundred~~ two hundred fifty dollars ~~(\$100.00)~~, (\$250.00), the nature of the
4 services or goods, the amount received in the aggregate for the services or goods, and
5 the date of the receipt."

6 (b) G.S. 163-278.9 reads as rewritten:

7 "**§ 163-278.9. Statements filed with Board.**

8 (a) Except as provided in G.S. 163-278.10A, the treasurer of each candidate and
9 of each political committee shall file under verification with the Board the following
10 reports:

11 (1) Organizational Report. -- The appointment of the treasurer as
12 required by G.S. 163-278.7(a), the statement of organization
13 required by G.S. 163-278.7(b), and a report of all contributions and
14 expenditures not previously reported shall be filed with the Board
15 no later than the tenth day following the day the candidate files
16 notice of candidacy or the tenth day following the organization of
17 the political committee, whichever occurs first. Any candidate
18 whose campaign is being conducted by a political committee which
19 is handling all contributions and expenditures for his campaign
20 shall file a statement with the Board stating such fact at the time
21 required herein for the organizational report. Thereafter, the
22 candidate's political committee shall be responsible for filing all
23 reports required by law.

24 (2) Preprimary Report. -- The treasurer shall file a report with the
25 Board no later than the tenth day preceding the primary election.
26 ~~A candidate who is not on the ballot in the primary and who has~~
27 ~~filed a first quarter report pursuant to subdivision (5a) of this~~
28 ~~subsection shall not be required to file a separate preprimary~~
29 ~~report under this subdivision.~~

30 (3) Postprimary Report(s). -- The treasurer shall file a report with the
31 Board no later than the 30th day after the primary election if the
32 candidate was eliminated in the primary. If there is a second
33 primary, the treasurer shall file a report with the Board no later
34 than the 30th day after the second primary election if the candidate
35 was eliminated in the second primary.

36 (4) Preelection Report. -- The treasurer shall file a report with the
37 Board not later than the tenth day preceding the general election.

38 (4a) ~~48 Hour Report.~~ -- ~~A political committee or political party that~~
39 ~~receives a contribution or transfer of funds from any political~~
40 ~~committee shall disclose within 48 hours of receipt a contribution~~
41 ~~or transfer of one thousand dollars (\$1,000) or more received after~~
42 ~~the last preelection report but before an election. The disclosure~~
43 ~~shall be by report to the State Board of Elections identifying the~~

- 1 source and amount of the funds. The State Board of Elections shall
2 specify the form and manner of making the report.
- 3 (5) Repealed by Session Laws 1985, c. 164, s. 1.
- 4 (5a) ~~Quarterly Reports. -- During even-numbered years during which~~
5 ~~there is an election for that candidate or in which the campaign~~
6 ~~committee is supporting a candidate, the treasurer shall file a~~
7 ~~report by mailing or otherwise delivering it to the Board no later~~
8 ~~than seven working days after the end of each calendar quarter~~
9 ~~covering the prior calendar quarter, except that the report for the~~
10 ~~third quarter shall also cover the period in October through the~~
11 ~~seventeenth day before the election, the third quarter report shall~~
12 ~~be due seven days after that date, and the fourth quarter report~~
13 ~~shall not include that period if a third quarter report was required~~
14 ~~to be filed.~~
- 15 (6) Semiannual Annual Reports. -- If contributions are received or
16 expenditures made during a calendar year for which no reports are
17 otherwise required by this Article, any and all such contributions
18 and expenditures shall be reported by the last Friday in July,
19 ~~covering the period through the last day of June, and shall be~~
20 ~~reported by the last Friday in January, covering the period through~~
21 ~~the last day of December.~~ January of the following year.
- 22 (b) Except as otherwise provided in this Article, each report shall be current
23 within seven days prior to the date the report is due and shall list all contributions
24 received and expenditures made which have not been previously reported.
- 25 (c) Repealed by Session Laws 1985, c. 164, s. 6.1.
- 26 (d) Candidates and committees for municipal offices are not subject to subsections
27 (a), (b) and (c) of this section. Reports for those candidates and committees are
28 covered by Part 2 of this Article.
- 29 (e) Notwithstanding subsections (a) through (c) of this section, any political party
30 (including a State, district, county, or precinct committee thereof) which is required
31 to file reports under those subsections and under the Federal Election Campaign Act
32 of 1971, as amended (2 U.S.C. 434), shall instead of filing the reports required by
33 those subsections, file with the State Board of Elections:
- 34 (1) The organizational report required by subsection (a)(1) of this
35 section, and
- 36 (2) A copy of each report required to be filed under 2 U.S.C. 434,
37 such copy to be filed on the same day as the federal report is
38 required to be filed.
- 39 (f) Any report filed under subsection (e) of this section may include matter
40 required by the federal law but not required by this Article.
- 41 (g) Any report filed under subsection (e) of this section must contain all the
42 information required by G.S. 163-278.8 or G.S. 163-278.11, notwithstanding that the
43 federal law may set a higher reporting threshold.

(h) Any report filed under subsection (e) of this section may reflect the cumulative totals required by G.S. 163-278.11 in an attachment, if the federal law does not permit such information in the body of the report.

(i) Any report or attachment filed under subsection (e) of this section must be made under oath.

(j) Treasurers for the following entities shall electronically file each report required by this section that shows in excess of five thousand dollars (\$5,000) in contributions, in expenditures, or in loans, according to rules adopted by the State Board of Elections:

(1) A candidate for statewide office;

(2) A State, district, county, or precinct executive committee of a political party, if the committee makes contributions or independent expenditures in excess of five thousand dollars (\$5,000) that affect contests for statewide office;

(3) A political committee that makes contributions in excess of five thousand dollars (\$5,000) to candidates for statewide office or makes independent expenditures in excess of five thousand dollars (\$5,000) that affect contests for statewide office.

The State Board of Elections shall provide the software necessary to file an electronic report to a treasurer required to file an electronic report at no cost to the treasurer."

(c) G.S. 163-278.9A(a)(2a) is repealed.

--BALLOT ACCESS CHANGES.

Section 5. (a) G.S. 163-96 reads as rewritten:

"§ 163-96. 'Political party' defined; creation of new party.

(a) Definition. -- A political party within the meaning of the election laws of this State shall be either:

(1) Any group of voters which, at the last preceding general State election, polled for its candidate for Governor, or for presidential electors, at least ten percent (10%) of the entire vote cast in the State for Governor or for presidential electors; or

(2) Any group of voters which shall have filed with the State Board of Elections petitions for the formulation of a new political party which are signed by registered and qualified voters in this State equal in number to two percent (2%) of the total number of voters who voted in the most recent general election for Governor. Also the petition must be signed by at least 200 registered voters from each of four congressional districts in North Carolina. To be effective, the petitioners must file their petitions with the State Board of Elections before 12:00 noon on the ~~first day of June~~ thirty-first day of December preceding the day on which is to be held the first general State election in which the new political party desires to participate. The State Board of Elections shall forthwith determine the sufficiency of petitions filed with it and

1 shall immediately communicate its determination to the State
2 chairman of the proposed new political party.

3 (b) Petitions for New Political Party. -- Petitions for the creation of a new political
4 party shall contain on the heading of each page of the petition in bold print or all in
5 capital letters the words: 'THE UNDERSIGNED REGISTERED VOTERS IN
6 COUNTY HEREBY PETITION FOR THE FORMATION OF A NEW POLITICAL
7 PARTY TO BE NAMED AND WHOSE STATE CHAIRMAN IS,
8 RESIDING AT..... AND WHO CAN BE REACHED BY TELEPHONE
9 AT..... THE SIGNERS OF THIS PETITION ~~INTEND TO ORGANIZE A NEW~~
10 ~~POLITICAL PARTY~~ DESIRE THAT A NEW POLITICAL PARTY BE
11 ORGANIZED TO PARTICIPATE IN THE NEXT SUCCEEDING GENERAL
12 ELECTION.'

13 All printing required to appear on the heading of the petition shall be in type no
14 smaller than 10 point or in all capital letters, double spaced typewriter size. In
15 addition to the form of the petition, the organizers and petition circulators shall
16 inform the signers of the general purpose and intent of the new party.

17 The petitions must specify the name selected for the proposed political party. The
18 State Board of Elections shall reject petitions for the formation of a new party if the
19 name chosen contains any word that appears in the name of any existing political
20 party recognized in this State or if, in the Board's opinion, the name is so similar to
21 that of an existing political party recognized in this State as to confuse or mislead the
22 voters at an election.

23 The petitions must state the name and address of the State chairman of the
24 proposed new political party.

25 ~~The validity of the signatures on the petitions shall be proved in accordance with~~
26 ~~one of the following alternative procedures:~~

27 (1) ~~The signers may acknowledge their signatures before an officer~~
28 ~~authorized to take acknowledgments, after which that officer shall~~
29 ~~certify the validity of the signatures by appropriate notation~~
30 ~~attached to the petition, or~~

31 (2) ~~A person in whose presence a petition was signed may go before~~
32 ~~an officer authorized to take acknowledgments and, after being~~
33 ~~sworn, testify to the genuineness of the signatures on the petition,~~
34 ~~after which the officer before whom he has testified shall certify his~~
35 ~~testimony by appropriate notation attached to the petition.~~

36 Each petition shall be presented to the chairman of the board of elections of the
37 county in which the signatures were obtained, and it shall be the chairman's duty:

38 (1) To examine the signatures on the petition and place a check mark
39 on the petition by the name of each signer who is qualified and
40 registered to vote in his county.

41 (2) To attach to the petition his signed certificate
42 a. Stating that the signatures on the petition have been
43 checked against the registration records and

b. Indicating the number found qualified and registered to vote in his county.

(3) To return each petition, together with the certificate required by the preceding subdivision, to the person who presented it to him for checking.

The group of petitioners shall submit the petitions to the chairman of the county board of elections in the county in which the signatures were obtained no later than 5:00 P.M. on the fifteenth business day preceding the date the petitions are due to be filed with the State Board of Elections as provided in subsection (a)(2) of this section.

~~Provided the petitions are timely submitted, the chairman of the county board of elections shall require a fee of five cents (5¢) for each signature appearing and shall proceed to examine and verify the signatures under the provisions of this subsection. Verification shall be completed within two weeks~~ 15 business days from the date such petitions are ~~presented and the required fee received.~~ presented. Notwithstanding the previous sentence, the county board may extend its deadline for verifying the signatures for a reasonable length of time, if meeting the deadline is unduly burdensome and extending it will not disadvantage the petitioners."

(b) G.S. 163-97.1 reads as rewritten:

"§ 163-97.1. Voters affiliated with expired political party.

~~The State Board of Elections shall be authorized to promulgate appropriate procedures to order the county boards of elections to change the registration affiliation of all voters who are recorded on the voter registration books as being affiliated with a political party which has lost its legal status as provided in G.S. 163-97. The State Board of Elections shall not implement the authority contained in this section earlier than 90 days following the certification of the election in which the political party failed to continue its legal status as provided in G.S. 163-97. All voters affiliated with such expired political party shall be changed to "unaffiliated" designation by the State Board's order and all such registrants shall be entitled to declare a political party affiliation as provided in G.S. 163-74(b). Any voter registered with a political party shall be allowed to retain that affiliation even if that party loses its status as a political party under the provisions of G.S. 163-97. Unless the voter indicates an intention otherwise, the county board of elections shall carry that voter on its registration lists as a member of the expired party."~~

(c) G.S. 163-98 reads as rewritten:

"§ 163-98. General election participation by new political party.

In the first general election following the date on which a new political party qualifies under the provisions of G.S. 163-96, it shall be entitled to have the names of its candidates for municipal, county, district, State, congressional, and national offices printed on the official ballots, ~~but it shall not be entitled to have the names of candidates for other offices printed on State, district, or county ballots at that election.~~ ballots in accordance with the procedures in this section.

For the first general election following the date on which it qualifies under G.S. 163-96, a new political party shall select its candidates ~~by party convention. Following adjournment of the nominating convention, but not later than the first day of July~~

~~1 prior to the general election, the president of the convention shall certify to the State
2 Board of Elections the names of persons chosen in the convention as the new party's
3 candidates for State, congressional, and national offices in the ensuing general
4 election. The State Board of Elections shall print names thus certified on the
5 appropriate ballots as the nominees of the new party. in accordance with Article 1
6 and Article 10 of this Chapter."~~

7 (d) Article 9 of Chapter 163 of the General Statutes is amended by
8 adding a new section to read:

9 **"§ 163-100. Political party for presidential election only.**

10 A party shall be recognized only for the purposes of nominating candidates for
11 presidential electors in a general election if the party meets the other requirements of
12 this Article except that the petitioners for that party file their petitions as provided in
13 G.S. 163-96(a)(2) with the State Board of Elections before 12:00 noon on the second
14 Thursday in July before that general election. If that party so qualifies, it may
15 nominate its electors in convention no later than 90 days before the general election.
16 Unless the party has met the petition deadline of G.S. 163-96, it shall cease to be a
17 political party within the provisions of this Chapter."

18 (e) G.S. 163-106(b) reads as rewritten:

19 "(b) Eligibility to File. -- No person shall be permitted to file as a candidate in a
20 primary if, at the time he offers to file notice of candidacy, he is registered on the
21 appropriate registration book or record as an affiliate of a political party other than
22 that in whose primary he is attempting to file. No person who has changed his
23 political party affiliation or who has changed from unaffiliated status to party
24 affiliation as permitted in G.S. 163-82.17, shall be permitted to file as a candidate in
25 the primary of the party to which he changed unless he has been affiliated with the
26 political party in which he seeks to be a candidate for at least 90 days prior to the
27 filing date for the office for which he desires to file his notice of ~~candidacy.~~
28 candidacy, provided that the requirement of this sentence shall not apply to a person
29 filing a notice of candidacy in the primary of a party holding its first primary since
30 gaining ballot access under the provisions of G.S. 163-96(a)(2).

31 A person registered as 'unaffiliated' shall be ineligible to file as a candidate in a
32 party primary election."

33 (f) G.S. 163-107.1 reads as rewritten:

34 **"§ 163-107.1. Petition in lieu of payment of filing fee.**

35 (a) Any qualified voter who seeks nomination in the party primary of the political
36 party with which he affiliates may, in lieu of payment of any filing fee required for
37 the office he seeks, file a written petition requesting him to be a candidate for a
38 specified office with the appropriate board of elections, State, county or municipal.

39 (b) If the candidate is seeking the office of United States Senator, Governor,
40 Lieutenant Governor, any State executive officer, Justice of the Supreme Court or
41 Judge of the Court of Appeals, the petition must be signed by ~~10,000 registered voters~~
42 ~~who are members of the political party in whose primary the candidate desires to~~
43 ~~run, except that in the case of a political party as defined by G.S. 163-96(a)(2) which~~
44 ~~will be making nominations by primary election, the petition must be signed by ten~~

1 ~~percent (10%) of the registered voters of the State who are affiliated with the same~~
2 ~~political party in whose primary the candidate desires to run, or in the alternative,~~
3 ~~the petition shall be signed by no less than 10,000 registered voters regardless of the~~
4 ~~voter's political party affiliation, whichever requirement is greater. registered voters~~
5 ~~of the State equal in number to two percent (2%) of the total number of registered~~
6 ~~voters in the State as reflected by the most recent statistical report issued by the State~~
7 ~~Board of Elections.~~ The petition must be filed with the State Board of Elections not
8 later than 12:00 noon on Monday preceding the filing deadline before the primary in
9 which he seeks to run. The names on the petition shall be verified by the board of
10 elections of the county where the signer is registered, and the petition must be
11 presented to the county board of elections at least 15 days before the petition is due
12 to be filed with the State Board of Elections. When a proper petition has been filed,
13 the candidate's name shall be printed on the primary ballot.

14 (c) County, Municipal and District Primaries. -- If the candidate is seeking one of
15 the offices set forth in G.S. 163-106(c) but which is not listed in subsection (b) of this
16 section, or a municipal or any other office requiring a partisan primary which is not
17 set forth in G.S. 163-106(c) or (d), he shall file a written petition with the appropriate
18 board of elections no later than 12:00 noon on Monday preceding the filing deadline
19 before the primary. The petition shall be signed by ~~ten percent (10%) of the~~
20 ~~registered voters of the election area in which the office will be voted for, who are~~
21 ~~affiliated with the same political party in whose primary the candidate desires to run,~~
22 ~~or in the alternative, the petition shall be signed by no less than 200 registered voters~~
23 ~~regardless of said voter's political party affiliation, whichever requirement is greater.~~
24 ~~registered voters in the election area in which the office will be voted for equal to~~
25 ~~four percent (4%) of the registered voters of that area as reflected by the latest~~
26 ~~statistical report issued by the appropriate board of elections.~~ The board of elections
27 shall verify the names on the petition, and if the petition is found to be sufficient, the
28 candidate's name shall be printed on the appropriate primary ballot. Petitions for
29 candidates for member of the U.S. House of Representatives, District Attorney, and
30 judge of the District Court or members of the State House of Representatives from
31 multi-county districts or members of the State Senate from multi-county districts must
32 be presented to the county board of elections for verification at least 15 days before
33 the petition is due to be filed with the State Board of Elections, and such petition
34 must be filed with the State Board of Elections no later than 12:00 noon on Monday
35 preceding the filing deadline. The State Board of Elections may adopt rules to
36 implement this section and to provide standard petition forms.

37 (d) Nonpartisan Primaries and Elections. -- Any qualified voter who seeks to be a
38 candidate in any nonpartisan primary or election may, in lieu of payment of the filing
39 fee required, file a written petition signed by ~~ten percent (10%) of the registered~~
40 ~~voters in the election area in which the office will be voted for with the appropriate~~
41 ~~board of elections. registered voters in the election area in which the office will be~~
42 ~~voted for equal to four percent (4%) of the registered voters of that area as reflected~~
43 ~~by the latest statistical report issued by the appropriate board of elections.~~ Any
44 qualified voter may sign the petition. The petition shall state the candidate's name,

1 address and the office which he is seeking. The petition must be filed with the
2 appropriate board of elections no later than 60 days prior to the filing deadline for
3 the primary or election, and if found to be sufficient, the candidate's name shall be
4 printed on the ballot."

5 (g) G.S. 163-122 reads as rewritten:

6 **"§ 163-122. Unaffiliated candidates nominated by petition.**

7 (a) Procedure for Having Name Printed on Ballot as Unaffiliated Candidate. --
8 Any qualified voter who seeks to have his name printed on the general election ballot
9 as an unaffiliated candidate shall:

- 10 (1) If the office is a statewide office, file written petitions with the
11 State Board of Elections supporting his candidacy for a specified
12 office. These petitions must be filed with the State Board of
13 Elections on or before 12:00 noon on the ~~last Friday in June~~ day
14 of the first primary for the office preceding the general election
15 and must be signed by qualified voters of the State equal in
16 number to two percent (2%) of the total number of registered
17 voters in the State as reflected by the most recent statistical report
18 issued by the State Board of Elections. Each petition shall be
19 presented to the chairman of the board of elections of the county
20 in which the signatures were obtained. The chairman shall examine
21 the names on the petition and place a check mark on the petition
22 by the name of each signer who is qualified and registered to vote
23 in his county and shall attach to the petition his signed certificate.
24 Said certificates shall state that the signatures on the petition have
25 been checked against the registration records and shall indicate the
26 number of signers to be qualified and registered to vote in his
27 county. The chairman shall return each petition, together with the
28 certificate required in this section, to the person who presented it
29 to him for checking. Verification by the chairman of the county
30 board of elections shall be completed within two weeks from the
31 date such petitions are ~~presented and a fee of five cents (5¢) for~~
32 ~~each name appearing on the petition has been received.~~ presented.
33 (2) If the office is a district office comprised of two or more counties,
34 file written petitions with the State Board of Elections supporting
35 his candidacy for a specified office. These petitions must be filed
36 with the State Board of Elections on or before 12:00 noon on the
37 ~~last Friday in June~~ day of the first primary for the office preceding
38 the general election and must be signed by qualified voters of the
39 district equal in number to four percent (4%) of the total number
40 of registered voters in the district as reflected by the latest
41 statistical report issued by the State Board of Elections. Each
42 petition shall be presented to the chairman of the board of
43 elections of the county in which the signatures were obtained. The
44 chairman shall examine the names on the petition and the

1 procedure for certification shall be the same as specified in (1)
2 above.

3 (3) If the office is a county office or a single county legislative district,
4 file written petitions with the chairman or director of the county
5 board of elections supporting his candidacy for a specified county
6 office. These petitions must be filed with the county board of
7 elections on or before 12:00 noon on the ~~last Friday in June~~ day
8 of the first primary for the office preceding the general election
9 and must be signed by qualified voters of the county equal in
10 number to four percent (4%) of the total number of registered
11 voters in the county as reflected by the most recent statistical
12 report issued by the State Board of Elections, except if the office is
13 for a district consisting of less than the entire county and only the
14 voters in that district vote for that office, the petitions must be
15 signed by qualified voters of the district equal in number to four
16 percent (4%) of the total number of voters in the district according
17 to the most recent figures certified by the State Board of Elections.
18 Each petition shall be presented to the chairman or director of the
19 county board of elections. The chairman shall examine, or cause to
20 be examined, the names on the petition and the procedure for
21 certification shall be the same as specified in (1) above.

22 (4) If the office is a partisan municipal office, file written petitions
23 with the chairman or director of the county board of elections in
24 the county wherein the municipality is located supporting his
25 candidacy for a specified municipal office. These petitions must be
26 filed with the county board of elections on or before the time and
27 date specified in G.S. 163-296 and must be signed by the number
28 of qualified voters specified in G.S. 163-296. The procedure for
29 certification shall be the same as specified in (1) above.

30 Upon compliance with the provisions of (1), (2), (3), or (4) of this subsection, the
31 board of elections with which the petitions and affidavit have been timely filed shall
32 cause the unaffiliated candidate's name to be printed on the general election ballots
33 in accordance with G.S. 163-140.

34 An individual whose name appeared on the ballot in a primary election
35 preliminary to the general election shall not be eligible to have his name placed on
36 the general election ballot as an unaffiliated candidate for the same office in that
37 year.

38 (b) Form of Petition. -- Petitions requesting an unaffiliated candidate to be placed
39 on the general election ballot shall contain on the heading of each page of the
40 petition in bold print or in all capital letters the words: 'THE UNDERSIGNED
41 REGISTERED VOTERS IN COUNTY HEREBY PETITION ON BEHALF
42 OF AS AN UNAFFILIATED CANDIDATE IN THE NEXT GENERAL
43 ELECTION. THE UNDERSIGNED HEREBY PETITION THAT SUBJECT

1 CANDIDATE BE PLACED ON THE APPROPRIATE BALLOT UPON
2 COMPLIANCE WITH THE PROVISIONS CONTAINED IN G.S. 163-122.'

3 (c) This section does not apply to elections under Article 25 of this Chapter.

4 (d) Presidential Electors. -- Unaffiliated candidates for presidential electors who
5 comply with the other provisions of this section shall qualify for the ballot if the
6 petitions for their candidacy are filed with the State Board of Elections at least 75
7 days before the general election."

8 (h) G.S. 163-123(c)(1) reads as rewritten:

9 "(1) If the office is a statewide office, file written petitions with the
10 State Board of Elections supporting his candidacy for a specified
11 office. These petitions shall be filed on or before noon on the 90th
12 day before the general election. They shall be signed by 500
13 qualified voters of the State. Before being filed with the State
14 Board of Elections, each petition shall be presented to the board of
15 elections of the county in which the signatures were obtained. A
16 petition presented to a county board of elections shall contain only
17 names of voters registered in that county. The chairman of the
18 county board of elections shall examine the names on the petition
19 and place a check mark by the name of each signer who is
20 qualified and registered to vote in his county. The chairman of the
21 county board shall attach to the petition his signed certificate. On
22 his certificate the chairman shall state that the signatures on the
23 petition have been checked against the registration records and
24 shall indicate the number of signers who are qualified and
25 registered to vote in his county and eligible to vote for that office.
26 The chairman shall return each petition, together with the
27 certificate required in this section, to the person who presented it
28 to him for checking. The chairman of the county board shall
29 complete the verification within two weeks from the date the
30 petition is presented. ~~At the time of submitting the petition, a fee~~
31 ~~of five cents (5¢) shall be paid for each name appearing on the~~
32 ~~petition."~~

33 Section 6. Prosecutions for, or sentences based on, offenses occurring
34 before the effective date of this act are not abated or affected by this act, and the
35 statutes that would be applicable to those prosecutions or sentences but for the
36 provisions of this act remain applicable to those prosecutions or sentences.

37 Section 7. The provisions of this act are severable. If any provision is held
38 invalid by a court of competent jurisdiction, the invalidity does not affect other
39 provisions of the act that can be given effect without the invalid provision.

40 Section 8. This act becomes effective February 1, 1999.

VISITOR REGISTRATION SHEET

ELECTION LAWS & CAMPAIGN REFORM

September 23, 1998

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Pauline Hanel

Gov Office

Ken Hanel

NCBA

Logan Bon

Bove & Assoc.

Joseph Phumel

CP&L

John Galindo

AT&T

Bob Miller

LT. Gov.

Chris Fitzsimon

Common Sense Foundation

Bob Smith

LT. Gov.

Abdul Ross

ALICE

Jane P. Gray

DOJ

John Smith

NCPC

Mr. Ann Coe

FFF

Norma Mills

Senate

Marion Dodd

League of Women Voters NC

Jan L. L. L.

WCSR

Cam Cover

BPM HL

Dr. Summers

NCE Equity

J. Nichols

N.C. Atty Gen.

HOUSE COMMITTEE ON ELECTION LAW

AND

CAMPAIGN REFORM

October 27, 1998

The House Committee on Election Laws and Campaign met around Representative Justus's desk immediately following the 3:31 recess. The following bills were postponed indefinitely following a motion by Representative Cansler:

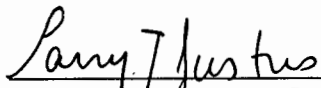
HB 663 A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT THE GOVERNOR AND LIEUTENANT GOVERNOR RUN AS A JOINT TICKET IN THE GENERAL ELECTION

HB 481 A BILL TO BE ENTITLED AN ACT TO REQUIRE THAT ANY DISCLAIMERS REQUIRED BY LAW ON ELECTION ADVERTISING BE LARGE, LEGIBLE, AND NOT MISLEADING

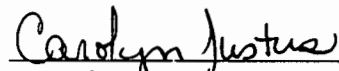
HB 1014 A BILL TO BE ENTITLED AN ACT TO MAKE CHANGES IN THE ELECTION LAWS DESIGNED TO PREVENT LONG LINES AT THE POLLS ON ELECTION DAY

HB 1700 A BILL TO BE ENTITLED AN ACT TO MAKE CHANGES IN THE CAMPAIGN FINANCE LAWS AND TO APPROPRIATE FUNDS FOR ADMINISTRATION

These bills were reported postponed indefinitely.



Representative Larry Justus
Chairman



Carolyn Justus
Committee Clerk

1998 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Justus and Wilson** for the Committee on **Election Law and Campaign Reform**.

☐ Committee Substitute for

H.B. 481 A BILL TO BE ENTITLED AN ACT TO REQUIRE THAT ANY
DISCLAIMERS REQUIRED BY LAW ON ELECTION ADVERTISING BE LARGE,
LEGIBLE, AND NOT MISLEADING

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐ .

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to original bill (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
(PUBLIC BILLS ONLY)

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☒ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

3/25/98

**1998 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Justus and Wilson** for the Committee on **Election Law and Campaign Reform.**

☐ Committee Substitute for

H.B. 663 A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT THE GOVERNOR AND LIEUTENANT GOVERNOR RUN AS A JOINT TICKET IN THE GENERAL ELECTION

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on ☐ Appropriations ☐ Finance ☐

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title, unfavorable as to original bill (Committee Substitute Bill #), (and recommendation that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
(PUBLIC BILLS ONLY)

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☒ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

3/25/98

**1998 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **JUSTUS & WILSON** for the Committee on **ELECTION LAWS
AND CAMPAIGN REFORM.**

- ☐ Committee Substitute for
H.B. 1014 A BILL TO BE ENTITLED AN ACT TO MAKE CHANGES IN THE
ELECTION LAWS DESIGNED TO PREVENT LONG LINES AT THE POLLS ON
ELECTION DAY
- ☐ With a favorable report.
- ☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐
- ☐ With a favorable report, as amended.
- ☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐
- ☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to original bill (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)
- ☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.
- ☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
(PUBLIC BILLS ONLY)
- ☐ With an unfavorable report.
- ☐ With recommendation that the House concur.
- ☐ With recommendation that the House do not concur.
- ☐ With recommendation that the House do not concur; request conferees.
- ☐ With recommendation that the House concur; committee believes bill to be material.
- ☐ With an unfavorable report, with a Minority Report attached.
- ☐ Without prejudice.
- ☒ With an indefinite postponement report.
- ☐ With an indefinite postponement report, with a Minority Report attached.
- ☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

**1998 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Justus and Wilson** for the Committee on **Election Law and Campaign Reform.**

☐ Committee Substitute for

H.B. 1700 A BILL TO BE ENTITLED AN ACT TO MAKE CHANGES IN THE
CAMPAIGN FINANCE LAWS AND TO APPROPRIATE FUNDS FOR
ADMINISTRATION

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to original bill (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
(PUBLIC BILLS ONLY)

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☒ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

3/25/98