

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 1040

Short Title: Positive Campaigns.

(Public)

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Sponsors: Senator Gulley.

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Referred to: Judiciary II/Election Laws

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May 4, 1995

1 A BILL TO BE ENTITLED  
2 AN ACT TO ESTABLISH NORTH CAROLINIANS FOR POSITIVE CAMPAIGNS  
3 AND MAKE RELATED CHANGES.

4 The General Assembly of North Carolina enacts:

5 Section 1. Article 22C of Chapter 163 is repealed.  
6 Sec. 2. Chapter 163 of the General Statutes is amended to add Article 22D to  
7 read as follows:

8 **"ARTICLE 22D.**

9 **"NORTH CAROLINIANS FOR POSITIVE CAMPAIGNS.**

10 **"§ 163-278.60. Definitions.**

- 11 (1) 'Board' means the Board of Directors for North Carolinians for Positive  
12 Campaigns.  
13 (2) 'Candidate' means that as defined in G.S. 163-278.6(4).  
14 (3) 'Communications media' means that as defined in G.S. 163-278.6(5).  
15 (4) 'Committee' means the Media Access Advisory Committee, as  
16 established in G.S. 163-278.66.  
17 (5) 'Competitive election' means a contested election for a political office in  
18 North Carolina in which two or more candidates received in excess of  
19 twenty-five percent (25%) of the votes cast in that election.

- 1           (6)   'Contribute' and 'contribution' means those as defined in G.S. 163-  
2                    278.6(6).
- 3           (7)   'Fund' means the Fund of North Carolinians for Positive Campaigns.
- 4           (8)   'Participating candidate' means a candidate who signs the affidavit and  
5                    the 'standard of conduct' pledge in G.S. 163-278.63(b) and G.S. 163-  
6                    278.64(b).
- 7           (9)   'Public office' means that as defined in G.S. 163-278.6(18).
- 8           (10) 'Qualifying candidate' means a participating candidate who meets the  
9                    requirements for public financing in a primary election in accordance  
10                   with G.S. 163-278.64 or in a general election in accordance with G.S.  
11                    163-278.63.
- 12          (11) 'Refusing candidate' means a candidate who refuses to follow the  
13                    campaign finance practices in G.S. 163-278.64.

14 **"§ 163-278.61. Establishment of North Carolinians for Positive Campaigns.**

15           (a)   Establishment of Corporation. – There is established North Carolinians for  
16 Positive Campaigns (NCPC). NCPC shall operate as a State-chartered, not-for-profit  
17 corporation and shall be governed by a Board of Directors.

18           (b)   Appointment of Membership. – The Board shall consist of 12 members as  
19 follows:

20           (1)   Three members appointed by the Majority Leader of the North Carolina  
21                    House of Representatives, of whom one member must be registered  
22                    'unaffiliated'.

23           (2)   Three members appointed by the Minority Leader of the North Carolina  
24                    House of Representatives, of whom one member must be registered  
25                    'unaffiliated'.

26           (3)   Three members appointed by the Majority Leader of the North Carolina  
27                    Senate, of whom one member must be registered 'unaffiliated'.

28           (4)   Three members appointed by the Minority Leader of the North Carolina  
29                    Senate, of whom one member must be registered 'unaffiliated'.

30           (c)   Terms. – Members shall serve four-year terms, except in the case of initial  
31 terms as follows:

32           (1)   Two members appointed by the Majority Leader of the House of  
33                    Representatives, two members appointed by the Minority Leader of the  
34                    Senate, one member appointed by the Minority Leader of the House of  
35                    Representatives, and one member appointed by the Majority Leader of  
36                    the Senate, shall expire July 1, 1997.

37           (2)   Two members appointed by the Minority Leader of the House of  
38                    Representatives, two members appointed by the Majority Leader of the  
39                    Senate, one member appointed by the Majority Leader of the House of  
40                    Representatives, and one member appointed by the Minority Leader of  
41                    the Senate, shall expire July 1, 1999.

42           (d)   Holding Over. – At the end of a term, a member shall continue to serve until a  
43 successor is appointed. A member who is appointed after a term has begun serves only

1 for the remainder of the term and until a successor is appointed. A member who serves  
2 two consecutive full four-year terms shall not be reappointed until four years after  
3 completion of those terms. A vacancy in a legislative appointment shall be filled in  
4 accordance with G.S. 120-122.

5 (e) Officers. – The Board shall elect officers biennially. Officers shall serve no  
6 more than two consecutive terms in an office.

7 (f) Executive-Director. – The Board shall appoint an executive director who shall  
8 serve at the pleasure of the Board. The executive director shall administer the affairs of  
9 the Board. The executive director may employ and direct staff necessary to carry out the  
10 provisions of this Article.

11 (g) Meetings. – The Board shall meet as needed at the times and places it  
12 determines. Such meetings and procedures shall be governed by the procedures and  
13 policies set forth in the North Carolina Open Meetings Law, Article 33C of Chapter 143  
14 of the General Statutes. A majority of the fully authorized membership of the Board is a  
15 quorum.

16 (h) Causes of Ineligibility. – An individual shall not be eligible to serve on the  
17 Board if the individual or the individual's spouse:

18 (1) Has contributed more than two hundred fifty dollars (\$250.00) to a  
19 single candidate for political office in North Carolina or any political  
20 action committee in North Carolina for a period of five years preceding  
21 the date of his or her appointment;

22 (2) Filed as a candidate for public office during the 10 years prior to  
23 appointment to the Board; or

24 (3) Is an employee of the federal or State government or any local  
25 government in North Carolina.

26 (i) Requirement That Candidates Resign. – Any Board member who files for  
27 public office or publicly declares an intent to run for public office shall resign or be  
28 removed from the Board.

29 **"§ 163-278.62. Candidate participation requirements in a general election.**

30 (a) Affidavit and Pledge. – All candidates who desire to qualify for the benefits of  
31 public financing provided by NCPC in a general election shall establish their willingness  
32 to participate by signing and submitting, at the same time that their campaign's initial  
33 organizational report is filed with the State Board of Elections, the following two  
34 documents:

35 (1) An affidavit prepared by the State Board of Elections, stating that the  
36 candidate agrees to follow the campaign finance practices established  
37 under G.S. 163-278.65 in exchange for receiving the media access  
38 services provided by NCPC. The affidavit shall be sworn and  
39 subscribed to by the candidate and notarized.

40 (2) A 'standard of conduct' pledge which shall read as follows:

41 'I will neither engage in or condone advertising or public statement that  
42 personally attacks my opponent. If such is promulgated by my  
43 supporters, I will promptly and publicly disavow it.'

1           The pledge will recognize that it is a moral obligation, and its terms are  
2           not legally enforceable. The pledge will also make the stated  
3           assumption that the candidate's opponent will follow the same standard  
4           of conduct.

5           Candidates who have existing campaign committees for public office shall be notified  
6           of the requirements of qualifying for the benefits of public financing provided by NCPC  
7           in a manner prescribed by the State Board of Elections.

8           (b) Threshold Showing of Support. – A participating candidate will be qualified to  
9           receive the benefits of public financing provided by the Board if the candidate:

10           (1) Is the nominee of a party whose nominee in the last gubernatorial  
11           election won at least thirty percent (30%) of the votes cast and agreed to  
12           participate in accordance with G.S. 163-278.64; or

13           (2) Demonstrates substantial popular support by filing with the State Board  
14           of Elections, on or before the thirtieth calendar day after the primary  
15           election day for the office, an officially authorized petition containing  
16           the signatures totaling no less than ten percent (10%) of the number of  
17           votes cast in the last competitive general election for the office.

18           **"§ 163-278.63. Candidate participation requirements in a primary election.**

19           (a) Affidavit and Pledge. – All candidates who want to qualify for the benefits of  
20           public financing provided by NCPC in a primary election shall establish their willingness  
21           to participate by signing and submitting, at the same time that their campaign's initial  
22           organizational report is filed with the State Board of Elections, the following two  
23           documents:

24           (1) An affidavit prepared by the State Board of Elections, stating that the  
25           candidate agrees to follow the campaign finance practices established  
26           under G.S. 163-278.67 in exchange for receiving the media access  
27           services provided by the NCPC. The affidavit shall be sworn and  
28           subscribed to by the candidate and notarized.

29           (2) A 'standard of conduct' pledge which shall read as follows:  
30           'I will neither engage in or condone advertising or public statement that  
31           personally attacks my opponent. If such is promulgated by my  
32           supporters, I will promptly and publicly disavow it.'

33           The pledge will recognize that it is a moral obligation, and its terms are  
34           not legally enforceable. The pledge will also make the stated  
35           assumption that the candidate's opponent will follow the same standard  
36           of conduct.

37           (b) Threshold Showing of Support. – A participating candidate will be qualified to  
38           receive the benefits of public financing provided by the Board if the candidate:

39           (1) Presents proof to the State Board of Elections, on or before the thirtieth  
40           day preceding the primary election day for the office, that he or she has  
41           met the threshold of raising ten percent (10%) of the expenditure limit  
42           for that office during the primary election from no less than 1,000  
43           individual residents of North Carolina. Only the first two hundred fifty

1           dollars (\$250.00) of a contribution shall be applicable for the purposes  
2           of meeting this threshold. Contributions from out-of-state residents,  
3           political committees, or any other person or entity besides an individual  
4           resident of North Carolina shall not count toward the purposes of  
5           meeting this threshold, or

- 6           (2) Demonstrates substantial popular support by filing with the Board of  
7           Elections, on or before the thirtieth calendar day after the primary  
8           election day for the office, an officially authorized petition containing  
9           the signatures totaling no less than ten percent (10%) of the number of  
10           votes cast in the last competitive primary election for the office.

11 **"§ 163-278.64. Designation of participating candidates.**

12           Within 15 days of the receipt of a participating candidate's contribution report or  
13           petitions pursuant to G.S. 163-278.62 or G.S. 163-278.63, the State Board of Elections  
14           shall review and, upon determining the report or petitions fulfill the appropriate  
15           requirement, shall designate such a candidate as qualified for NCPC benefits.

16 **"§ 163-278.65. Campaign finance practices of participating candidates.**

17           (a) Applicability to Election Races. – The provisions of this section pertaining to  
18           election races for Governor and Lieutenant Governor shall apply beginning in the year  
19           2000.

20           (b) Campaign Expenditures. –

- 21           (1) A participating candidate in a gubernatorial election (primary, second  
22           primary, or general election) shall agree to expend a base amount  
23           maximum equal to one dollar (\$1.00) per the total number of votes cast  
24           in the same type of election pertaining to that office which occurred  
25           most recently in time and qualifies as a competitive election. The base  
26           amount maximum shall be computed in the same way for races  
27           pertaining to the Office of Lieutenant Governor, except the per voter  
28           rate shall be fifty cents (50¢). For the purposes of this subsection, the  
29           following rules for computing total expenditures for an election shall be  
30           as follows:

- 31           a. Any expenditure to further the candidate's candidacy made  
32           before a first or only primary shall be counted toward the total  
33           expenditures for that primary, regardless of whether the  
34           expenditure was made before or after the candidate's notice of  
35           candidacy or before or after the beginning of the calendar year in  
36           which the election is held.
- 37           b. Any expenditure made on the day of any election shall be  
38           counted toward the total expenditures for that election.
- 39           c. Any expenditures made after a primary shall be counted toward  
40           that primary if the candidate was defeated in the primary and  
41           toward the next election in the election year if the candidate will  
42           be entitled to have votes counted in that election.

1           d.     Any expenditure made after the general election but before the  
2               end of that year shall be counted toward the total expenditures of  
3               the general election.

4           e.     An expenditure is made at the time a contractual obligation is  
5               reached between the candidate's campaign and the recipient that  
6               the expenditure will be made, regardless of when the payment is  
7               delivered.

8           (2)    In addition to the base amount maximum, the actual maximum amount  
9               for the campaign of a participating candidate in an election race  
10              pertaining to the Governor or Lieutenant Governor shall be increased by  
11              a 'cost-of-election' index rate, which takes into account changes in the  
12              State's population, the actual maximum amount for previous elections  
13              and the consumer price index for North Carolina. The State Board of  
14              Elections shall be responsible for formulating this cost-of-election index  
15              and establishing the actual maximum amount for each election race,  
16              which shall be rounded to the nearest one thousand dollars (\$1,000).  
17              The State Board of Elections shall publish this maximum amount  
18              pertaining to each election race at least two years before the day of that  
19              election.

20       (c)    Contribution Amounts. –

21           (1)   A participating candidate shall agree that that candidate's campaign will  
22              accept a total of no more than two thousand dollars (\$2,000) per election  
23              in money or in-kind contributions from any individual (including  
24              members of the candidate's family, other than the candidate's spouse) or  
25              political committee, including a political party committee. Refusing  
26              candidates may not exceed contributions limits beyond those established  
27              in G.S. 163-278.13.

28           (2)   Participating candidates shall agree to contribute or loan a total of no  
29              more than thirty thousand dollars (\$30,000) per election in money or in-  
30              kind contributions to their own campaign.

31   **"§ 163-278.66. Reporting requirements.**

32       In order to fulfill the purposes of this act regarding expenditure and contribution  
33       practices in G.S. 163-278.66, the State Board of Elections shall promulgate rules  
34       regarding disclosure to the Board, State Board of Elections, and the public of  
35       contributions and expenditures, including special reporting during the final 15 days  
36       before an election.

37   **"§ 163-278.67. Financing.**

38       (a)    Receipt of Monies. –

39           (1)   The Fund is authorized to accept funds received through grants, private  
40              contributions, General Fund appropriations made by the General  
41              Assembly, General Fund monies earmarked by taxpayers as provided in  
42              G.S. 105-163-16(f) and G.S. 105-163.16(g), and through other  
43              appropriate and lawful means.

- 1           (2)    The Fund may accept grants or other contributions in any amount from  
2           corporations, labor unions, foundations, or any other person.
- 3           (3)    The State Board of Elections shall promulgate rules requiring on a  
4           periodic basis the Fund's disclosure of the source and amount of each  
5           grant and private contribution, in excess of one hundred dollars  
6           (\$100.00).
- 7       (b)   Expenditure of Monies. –
- 8           (1)    In the 1996 general election for Governor, NCPC is authorized to  
9           expend all monies transferred to the Fund from the North Carolina  
10           Candidates Financing Fund pursuant to G.S. 105-163-16(f) and monies  
11           that the Fund otherwise receives up to a maximum of five hundred  
12           thousand dollars (\$500,000) from its media account in order to purchase  
13           media access for participating candidates in the forms established  
14           pursuant to G.S. 163-278.68.
- 15           (2)    In elections for Governor and Lieutenant Governor after 1996, NCPC is  
16           authorized to expend monies from its media account to purchase media  
17           access for participating candidates in the forms established pursuant to  
18           G.S. 163-278.63 and G.S. 163-278.64 according to the following order  
19           of priority:
- 20           a.     The first two million dollars (\$2,000,000) in the general election  
21           cycle for Governor;
- 22           b.     The next four hundred thousand dollars (\$400,000) in the second  
23           primary for Governor if there are at least two second primary  
24           contests which both include one or more participating candidates,  
25           or two hundred thousand dollars (\$200,000) if there is only a  
26           single second primary including one or more participating  
27           candidates;
- 28           c.     The next one million dollars (\$1,000,000) in the primary cycle  
29           for Governor;
- 30           d.     The next one million dollars (\$1,000,000) in the general election  
31           cycle for Lieutenant Governor;
- 32           e.     The next two million dollars (\$2,000,000) in the second primary  
33           for Lieutenant Governor if there are at least two second primary  
34           contests which both include one or more participating candidates,  
35           or one hundred thousand dollars (\$100,000) if there is only a  
36           single second primary including one or more participating  
37           candidates; and
- 38           f.     The next five hundred thousand dollars (\$500,000) in the primary  
39           election cycle for Lieutenant Governor.
- 40           (3)    In each of the primary and general elections listed above in subdivision  
41           (2) of this subsection, NCPC shall allocate money value to all  
42           participating candidates for an office in equal proportions.

- 1           (4) None of the money value that NCPC allocates to participating  
2 candidates shall be included in the expenditure limits under G.S. 163-  
3 278.66(b).
- 4           (5) In addition to its media account, NCPC shall establish a separate  
5 administrative account for all monies to be used for operation of the  
6 NCPC. The amount of money placed in the administrative account shall  
7 not exceed one hundred fifty thousand dollars (\$150,000) in the  
8 aggregate during a calendar year through 1999. In the year 2000, the  
9 Board may vote to increase this maximum amount up to three hundred  
10 thousand dollars (\$300,000). No taxpayer money allocated to the Fund  
11 under G.S. 105-269.6 and G.S. 105-269.7 nor any appropriations from  
12 the General Fund shall be placed in the administrative account.
- 13          (6) Upon request by NCPC after 2000, the State Board of Elections shall  
14 recommend to the General Assembly an expansion of the elections for  
15 offices in which NCPC should provide media access for eligible  
16 candidates. The recommendations of the State Board of Elections shall  
17 specify the offices, the base amount maximum, the maximum  
18 expenditure amount, and each office's position in NCPC's spending  
19 priority.
- 20          (7) In any election cycle for an office listed in subdivision (2) of this  
21 subsection, NCPC shall expend at least one-half of the spending  
22 maximum or forego spending any monies in that election cycle for the  
23 office.
- 24          (8) For the election cycle in the year 2000, NCPC shall disclose to the State  
25 Board of Elections by July 1, 1999, the elections for office and the  
26 specific amounts in which it shall provide media access services for  
27 participating candidates pursuant to subdivision (2) of this subsection.  
28 At the same time, the NCPC shall also establish its financial capacity to  
29 expend these amounts by demonstrating that its media account contains  
30 at least one hundred fifty percent (150%) of the total amount to be  
31 expended pursuant to subdivision (2) of this subsection. The State  
32 Board of Elections shall establish a reasonable date for these same  
33 disclosures by NCPC in subsequent election cycles.

34 **"§ 163-278.68. NCPC sponsored activities.**

35       (a) 1996 General Election for Governor. –

- 36           (1) NCPC shall concentrate its purchase of media access for participating  
37 candidates exclusively during the 15 days immediately preceding the  
38 day of the general election.
- 39           (2) NCPC shall purchase or otherwise negotiate access to television time  
40 for a one-hour debate involving all participating candidates.
- 41           (3) With any additional monies remaining after expenditure for the debate  
42 in subdivision (2) of this subsection, NCPC shall purchase or otherwise  
43 negotiate access for as many one-minute positive advertisement



- 1                    opportunities as possible pursuant to the expenditure maximums  
2                    outlined in G.S. 163-278.67 for eligible candidates.
- 3            (4)    The format of the debate as well as positive advertisements, their  
4                    purchase and placement, and other aspects of the debate and positive-  
5                    issue advertisements will follow the rules established in subsections (c)  
6                    and (d) of this section respectively.
- 7    (b)    Elections After 1996. –
- 8            (1)    NCPC shall concentrate its purchase of media access or other negotiated  
9                    access for qualifying candidates for Governor and Lieutenant Governor  
10                   exclusively during the last 30 calendar days preceding the day of  
11                   election.
- 12           (2)    NCPC shall purchase or otherwise negotiate access to television time  
13                   for two one-hour debates involving all qualifying candidates in the  
14                   general election for Lieutenant Governor, and one debate between the  
15                   eligible candidates in each primary for Governor and Lieutenant  
16                   Governor.
- 17           (3)    Regarding any subsequent election for any other office that the General  
18                   Assembly authorizes money value to be allocated, NCPC shall purchase  
19                   or otherwise negotiate access for one debate per each primary and  
20                   general election contest involving qualifying candidates.
- 21           (4)    The format of the debates as well as positive advertisements, the  
22                   purchase and placement of the debates, and other aspects will follow the  
23                   rules established in subsections (c) and (d) of this section.
- 24    (c)    Debate Rules. –
- 25           (1)    NCPC may cosponsor any election debate with any nonprofit  
26                   organization that it deems to be appropriate.
- 27           (2)    During each debate, it shall be announced to the television audience that  
28                   each candidate has been requested to refrain from mentioning an  
29                   opponent's name or engage in any critical reference to an opponent.  
30                   This information shall be announced at the beginning and end of each  
31                   debate as well as at least three additional times during each debate.
- 32           (3)    NCPC shall make its best effort to gain live television coverage of each  
33                   debate on the affiliate of at least one national television network in  
34                   every television market in the State. NCPC shall seek negotiations with  
35                   all such network affiliates and other television stations to carry live  
36                   coverage of each debate at the least possible rate of change.
- 37           (4)    NCPC may decide to announce the names of particular financial  
38                   supporters of the funding for any debate.
- 39           (5)    Qualifying candidates are not precluded from participating in a debate  
40                   other than one not sponsored by NCPC.
- 41           (6)    For recommendations regarding debate format, NCPC shall seek to  
42                   appoint an advisory committee composed of two designees of the  
43                   president of the North Carolina Association of Broadcasters (NCAB),

1           and two designees of the North Carolina Press Association (NCPA). If  
2           the President of either organization fails to make such designations, the  
3           Board shall make its own designations from members of these  
4           organizations. NCPC shall either accept or reject a recommended  
5           debate format of the advisory committee in total. NCPC shall adopt  
6           format(s) for debates between qualifying candidates in the 1996 general  
7           election for Governor within 10 calendar days of the date of the primary  
8           election. NCPC shall request the Presidents of NCAB and NCPA on  
9           October 1, 1995, to designate members of the 1996 advisory committee.  
10          For subsequent election cycles, NCPC shall adopt debate formats for  
11          elections at least two years in advance of the date of the general election  
12          for that election cycle.

13          (7) Regarding any election for which NCPC allocates money value to  
14          qualifying candidates, and which contains only one qualifying  
15          candidate, NCPC shall forego the format of a debate and purchase or  
16          otherwise negotiate access for the qualifying candidate to obtain two 30-  
17          minute advertising segments.

18          (d) Positive Issue Advertisement Rules. –

19          (1) The advertisements for which NCPC purchases or otherwise negotiates  
20          access shall be one minute in length. Such advertisements shall contain  
21          the following:

22           a. An introduction lasting up to 10 seconds in which an issue  
23           question shall be posed to a candidate and it shall be announced  
24           that the candidate has been requested to answer the question  
25           without mentioning an opponent or otherwise making any critical  
26           reference to an opponent or an opponent's supporter;

27           b. A middle segment lasting at least 30 seconds casting a  
28           candidate's answer whose content and format shall be produced  
29           according to the candidate's discretion; and

30           c. A conclusion lasting up to five seconds in which the issue  
31           question is repeated and it is announced again that the candidate  
32           was requested to avoid any criticism of an opponent or an  
33           opponent's supporters.

34          (2) The advisory committee designated to recommend debate rules shall  
35          also recommend the content of the questions and other specific aspects  
36          of the format outlined above in subdivision (1) of this subsection.

37          (3) NCPC shall contract with a single corporate organization experienced in  
38          purchasing access for advertisements on television in North Carolina.  
39          The contracting process shall occur on an open and competitive basis.  
40          The selected organization shall prepare a plan which will recommend a  
41          statewide schedule for the broadcast of the positive-issue advertisements  
42          in each election. NCPC shall accept or reject a recommended plan in  
43          total. A plan recommended by the selection organization and adopted

1 by the Board shall require the placement of some but not all positive-  
2 issue advertisements featuring an eligible candidate in particular time  
3 periods and in particular media markets. The plan shall provide some  
4 options so that the campaigns of qualifying candidates can choose some  
5 time slots in particular markets for certain positive issue advertisements.

6 **"§ 163-278.69. Withdrawal.**

7 (a) Early Withdrawal. – Participating and qualified candidates may withdraw from  
8 participation without penalty within 10 days of the candidate filing period. Any  
9 contributions received in excess of one thousand dollars (\$1,000) from individuals or  
10 political committees shall be returned within 25 days of the candidate's withdrawal.

11 (b) Withdrawal by Participating Candidates. – A participating candidate who has  
12 not qualified for NCPC benefits may withdraw from participation by filing a notice of  
13 withdrawal with the State Board of Elections, provided no violations of G.S. 163-278.65  
14 have occurred. Any contributions received in excess of one thousand dollars (\$1,000)  
15 from individuals or political committees shall be returned to the State Board of Elections  
16 for distributions within 24 hours of the candidate's withdrawal with a complete listing of  
17 contributors who would receive the refunded contributions.

18 (c) Withdrawal by Qualified Candidates. – A qualified candidate may withdraw  
19 from participation by filing a notice of withdrawal with the State Board of Elections,  
20 provided no violations of G.S. 163-278.65 have occurred. Any contributions received in  
21 excess of one thousand dollars (\$1,000) from individuals or political committees shall be  
22 returned to the State Board of Elections for distributions within 24 hours of the  
23 candidate's withdrawal with a complete listing of contributors who would receive the  
24 refunded contributions. In the event benefits were received by the candidate from the  
25 Fund, the Board shall determine the monetary value of those benefits. Following  
26 determination of the cost of these benefits, the candidate shall submit to the Board a  
27 cashier's check for the amount determined by the Board within 24 hours of the Board's  
28 determination.

29 **"§ 163-278.70. Enforcement.**

30 (a) Felonies. – For candidates and campaign committees that sign an affidavit as  
31 outlined in G.S. 163-278.64, any individual, person, candidate, political committee, or  
32 treasurer who willfully and intentionally violates any of the provisions of this Article,  
33 shall be guilty of a Class I felony.

34 (b) Misdemeanors. – For participating and qualifying candidates who choose to  
35 withdraw under G.S. 163-278.69, violation of the provisions of G.S. 163-278.65 prior to  
36 their withdrawal shall be punishable as a Class 1 misdemeanor."

37 Sec. 3. G.S. 105-269.6 is amended to read as follows:

38 **"§ 105-269.6. Contribution of individual income tax refund to ~~Candidates Financing~~**  
39 **Fund, ~~the Fund of North Carolinians for Positive Campaigns Fund.~~**

40 An individual entitled to a refund of income taxes under Division II of Article 4 of  
41 this Chapter may elect to contribute all or part of the refund to the ~~North Carolina~~  
42 ~~Candidates Financing Fund~~ for the use of political campaigns as provided in Article 22C of  
43 Chapter 163 of the General Statutes. Fund of North Carolinians for Positive Campaigns as

1 provided in Article 22D of Chapter 163 of the General Statutes. The Secretary of  
2 Revenue shall provide appropriate language and space on the individual income tax form  
3 in which make the election. The election becomes irrevocable upon filing the  
4 individual's income tax return for the taxable year. The Secretary of Revenue shall, on a  
5 quarterly basis, transmit the contributions made pursuant to this section to the State  
6 Treasurer for credit to the ~~North Carolina Candidates Financing Fund.~~ Fund of North  
7 Carolinians for Positive Campaigns. Any interest earned on funds so credited shall be  
8 credited to the ~~Fund.~~ Fund of North Carolinians for Positive Campaigns. Any monies  
9 transferred to the North Carolina Candidates Financing Fund shall be transferred to the  
10 North Carolinians for Positive Campaigns Fund."

11 Sec. 4. Chapter 105 of the General Statutes is amended to create a section to  
12 read as follows:

13 **"§ 105-269.7. Designation of tax by individual to the Fund of North Carolinians for**  
14 **Positive Campaigns.**

15 (a) Every individual whose income tax liability for the taxable year is five dollars  
16 (\$5.00) or more may designate on his or her income tax return that five dollars (\$5.00) of  
17 the tax shall be credited to the Fund of North Carolinians for Positive Campaigns. In the  
18 case of a married couple filing a joint return whose income tax liability for the taxable  
19 year is ten dollars (\$10.00) or more, each spouse may designate on the income tax return  
20 that five dollars (\$5.00) of the tax shall be credited to the Fund of North Carolinians for  
21 Positive Campaigns.

22 (b) Amounts designated under subsection (a) of this section shall be credited to the  
23 Fund of North Carolinians for Positive Campaigns on a quarterly basis. Interest earned  
24 by the Fund shall be credited to the Fund. The Board of Directors of North Carolinians  
25 for Positive Campaigns, which administers the Fund, shall make a quarterly report to the  
26 State Board of Elections and the Joint Legislative Commission on Governmental  
27 Operations stating the amount of funds received by the Fund for that quarter, the  
28 cumulative total of funds received to date for the year, and an estimate of the probable  
29 total amount to be received for that calendar year.

30 (c) The Secretary shall amend the income tax return in order that all taxpayers  
31 desiring to make the political contributions authorized in this section may do so by  
32 designating on the front face of the tax return. The line of authorization for the  
33 designation shall be color contrasted with the color scheme of the remainder of the  
34 income tax return. The return or its accompanying explanatory instruction shall readily  
35 indicate that any such designations neither increases nor decreases an individual's tax  
36 liability.

37 (d) A paid preparer of tax returns may not designate on a return that the taxpayer  
38 does or does not desire to make the political contribution authorized in this section unless  
39 the taxpayer or the taxpayer's spouse has consented to the designation."

40 Sec. 5. G.S. 163-278.13 reads as rewritten:

41 **"§ 163-278.13. Limitation on contributions.**

42 (a) No individual or political committee shall contribute to any candidate or other  
43 political committee any money or make any other contribution in any election in excess

1 of ~~four~~one thousand dollars ~~(\$4,000)~~(\$1,000) for that election. For participating  
2 candidates as defined in G.S. 163-278.60(8) no individual or political committee shall  
3 contribute any money or make any other contribution in any election in excess of two  
4 thousand dollars ~~(\$2,000)~~ for that election.

5 (b) No candidate or political committee shall accept or solicit any contribution  
6 from any individual or other political committee of any money or any other contribution  
7 in any election in excess of ~~four~~one thousand dollars ~~(\$4,000)~~(\$1,000) for that election.  
8 No participating candidate, as defined in G.S. 163-278.60(8) shall accept or solicit any  
9 contribution from any individual or political committee of any money or any other  
10 contribution in excess of two thousand dollars (\$2,000) for that election.

11 (c) Notwithstanding the provisions of subsections (a) and (b) of this section, it  
12 shall be lawful for a candidate or a candidate's ~~spouse, parents, brothers and sisters~~spouse  
13 to make a contribution to the candidate or to the candidate's treasurer of any amount of  
14 money or to make any other contribution in any election in excess of ~~four~~one thousand  
15 dollars ~~(\$4,000)~~(\$1,000) for that election. A participating candidate as defined in G.S.  
16 163-278.60(8) or participating candidate's spouse may not make a contribution to the  
17 candidate or to the candidate's treasurer of any amount of money or to make any other  
18 contribution or loan in excess of thirty thousand dollars (\$30,000) for that election.

19 (d) For the purposes of this section, the term 'an election' means any primary,  
20 second primary, or general election in which the candidate or political committee may be  
21 involved, without regard to whether the candidate is opposed or unopposed in the  
22 election.

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

30 (e1) No referendum committee which received any contribution from a corporation,  
31 labor union, insurance company, business entity, or professional association may make  
32 any contribution to another referendum committee, to a candidate or to a political  
33 committee.

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

36 Sec. 6. This act is effective upon ratification.