

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 579  
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Senate Judiciary Committee Substitute Adopted 5/18/98  
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Short Title: Campaign Finance Changes.

(Public)

Sponsors:

Referred to:

March 20, 1997

A BILL TO BE ENTITLED  
AN ACT TO MAKE CHANGES IN THE CAMPAIGN FINANCE LAWS.  
The General Assembly of North Carolina enacts:  
--LOWER THE CONTRIBUTION LIMIT AND CLOSE THE LOOPHOLES FOR  
PARTY CONTRIBUTIONS AND FAMILY CONTRIBUTIONS.

Section 1. (a) G.S. 163-278.13 reads as rewritten:

"§ 163-278.13. Limitation on contributions.

(a) No individual or political committee shall contribute to any candidate or other political committee any money or make any other contribution in any election in excess of ~~four~~ two thousand dollars ~~(\$4,000)~~ (\$2,000) for that election.

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

(c) Notwithstanding the provisions of subsections (a) and (b) of this section, it shall be lawful for a candidate or a candidate's ~~spouse, parents, brothers and sisters~~ spouse to make a contribution to the candidate or to the candidate's treasurer of any amount of

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

3 (d) For the purposes of this section, the term 'an election' means any primary,  
4 second primary, or general election in which the candidate or political committee may be  
5 involved, without regard to whether the candidate is opposed or unopposed in the  
6 election, except that where a candidate is not on the ballot in a second primary, that  
7 second primary is not 'an election' with respect to that candidate.

8 (e) This section shall ~~not~~ apply to ~~any national, State, district or county district,~~  
9 ~~county, precinct, or other executive committee committees~~ of any political party. The  
10 limitation in this section on contributions to or from political party executive committees  
11 shall apply collectively to all executive committees of the same political party nationally  
12 or within the State. For the purposes of this section only, the term 'political party' means only  
13 those political parties officially recognized under G.S. 163-96. Contributions by political  
14 party executive committees under G.S. 163-278.42 are subject to the limitations of this  
15 section.

16 (e1) No referendum committee which received any contribution from a corporation,  
17 labor union, insurance company, business entity, or professional association may make  
18 any contribution to another referendum committee, to a candidate or to a political  
19 committee.

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

22 (b) This section becomes effective January 1, 1999, and applies to all elections  
23 occurring on or after that date.

24 -- CONFORM THE CAMPAIGN FINANCE LAW TO FEDERAL COURT  
25 OPINIONS.

26 Section 2. (a) G.S. 163-278.6(14) reads as rewritten:

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

33 a. Is controlled by a candidate;

34 b. Makes contributions to a candidate or political committee; or

35 c. Has as a nonincidental purpose making expenditures for the  
36 purpose of influencing or attempting to influence to support or  
37 oppose the nomination or election or defeat of any a clearly  
38 identified candidate at any election, election.

39 ~~or which~~ If the group qualifies as a 'political committee' under sub-  
40 subdivision a., b., or c. of this subdivision, it continues to be a political  
41 committee if it receives contributions to repay loans or cover a deficit,  
42 or which makes expenditures to satisfy obligations of an election already

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

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

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

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

39 "(9A) The term 'independently expend' or 'independent expenditure' mean an  
40 expenditure made without consultation or coordination with any  
41 candidate, political committee, or political party that benefits or would  
42 benefit electorally from the expenditure."

43 (e) G.S. 163-278.6(16) reads as rewritten:

- 1 "16) The term 'political purpose' means ~~any purpose in aid of seeking to~~  
2 ~~influence an election or a~~ to support or oppose the nomination or election  
3 or defeat of a clearly identified political party or candidate."  
4 (f) G.S. 163-269 and G.S. 163-270 are repealed.  
5 (g) G.S. 163-278.19 is amended by adding a new subsection to read:  
6 "(f) This section does not prohibit an independent expenditure by an entity that:  
7 (1) Was formed for the express purpose of promoting political ideas and  
8 does not engage in business activities;  
9 (2) Does not have shareholders or other persons which have an economic  
10 interest in its assets and earnings; and  
11 (3) Was not established by a business corporation, included, but not limited  
12 to, those chartered under Chapter 55 or Chapter 55A, by an insurance  
13 company, by a business entity, by a professional association, or by a  
14 labor union and does not receive a significant portion of its revenues  
15 from such entities."  
16 (h) G.S. 163-278.12 reads as rewritten:

17 "**§ 163-278.12. ~~Contributions and expenditures by an individual other than a~~**  
18 **~~candidate. Independent expenditures.~~**

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

- 30 (i) This section is effective when it becomes law.  
31 -- STRENGTHEN ENFORCEMENT PROVISIONS.

32 Section 3. (a) Article 22A of Chapter 163 of the General Statutes is amended  
33 by adding a new section to read:

34 "**§ 163-278.27A. Five-year statute of limitations.**

35 Prosecution for a misdemeanor brought under this Article shall be barred after five  
36 years have expired from the date the violation occurred."

- 37 (b) G.S. 15-1 reads as rewritten:  
38 "**§ 15-1. Statute of limitations for misdemeanors.**

39 The crimes of deceit and malicious mischief, and the crime of petit larceny where the  
40 value of the property does not exceed five dollars (\$5.00), and all misdemeanors except  
41 malicious ~~misdemeanors, misdemeanors and prosecutions under Article 22A of Chapter~~  
42 163 of the General Statutes, shall be presented or found by the grand jury within two  
43 years after the commission of the same, and not afterwards: Provided, that if any

1 indictment found within that time shall be defective, so that no judgment can be given  
2 thereon, another prosecution may be instituted for the same offense, within one year after  
3 the first shall have been abandoned by the State."

4 (c) This section becomes effective December 1, 1998, and applies to acts  
5 committed on or after that date.

6 Section 4. This act is effective when it becomes law.