

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

H.B. 918  
Apr 11, 2013  
HOUSE PRINCIPAL CLERK

H

D

HOUSE DRH70274-ST-49 (03/21)

Short Title: Electioneering and IE Reporting Changes. (Public)

Sponsors: Representatives Lewis, D. Ross, and Luebke (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO ALTER THE REPORTING SCHEDULE FOR INDEPENDENT  
3 EXPENDITURES AND ELECTIONEERING COMMUNICATIONS TO PROVIDE  
4 INFORMATION IN A TIMELY FASHION.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 163-278.12 reads as rewritten:

7 "§ 163-278.12. **Special reporting of contributions and independent expenditures.**

8 (a) Subject to G.S. 163-278.39 and G.S. 163-278.14, individuals and other entities not  
9 otherwise prohibited from doing so may make independent expenditures. In the event an  
10 individual, person, or other entity incurs expenses in excess of three hundred dollars (\$300.00)  
11 for making independent expenditures but is not otherwise required to report them makes  
12 independent expenditures in excess of one hundred dollars (\$100.00), them, that individual,  
13 person, or entity shall file a statement of such independent expenditure with the appropriate  
14 board of elections in the manner prescribed by the State Board of ~~Elections~~Elections  
15 containing all of the following:

- 16 (1) The identification of the individual, person, or other entity incurring the  
17 expense, of any other entity sharing or exercising direction or control over  
18 the activities of that entity, and of the custodian of the books and accounts of  
19 the individual, person, or other entity incurring the expense.  
20 (2) The principal place of business of the person or entity incurring the expense,  
21 if not an individual.  
22 (3) The amount and date of each expense incurred during the period covered by  
23 the report and the identification of the individual, person, or other entity to  
24 whom the expense was incurred.  
25 (4) The elections to which the independent expenditures pertain and the names  
26 of the candidates supported or opposed by the independent expenditures.  
27 (5) The names and addresses of all entities that donated, to further an  
28 independent expenditure or independent expenditures, funds or anything of  
29 value whatsoever in an aggregate amount of more than one hundred dollars  
30 (\$100.00) during the reporting period, and the date and amount of the  
31 donation received. If the donor is an individual, the report shall also contain  
32 the principal occupation of the donor. The "principal occupation of the  
33 donor" shall mean the same as the "principal occupation of the contributor"  
34 in G.S. 163-278.11.

35 (b) ~~Any person or entity other than an individual that is permitted to make contributions~~  
36 ~~but is not otherwise required to report them shall report each contribution in excess of one~~



1 hundred dollars (\$100.00) with the appropriate board of elections in the manner prescribed by  
2 the State Board of Elections.

3 ~~(e) In assuring compliance with subsections (a) and (b) of this section, the State Board~~  
4 ~~of Elections shall require the identification of each person or entity making a donation of more~~  
5 ~~than one hundred dollars (\$100.00) to the entity filing the report if the donation was made to~~  
6 ~~further the reported independent expenditure or contribution. If the donor is an individual, the~~  
7 ~~statement shall also contain the principal occupation of the donor. The "principal occupation of~~  
8 ~~the donor" shall mean the same as the "principal occupation of the contributor" in~~  
9 ~~G.S. 163-278.11.~~

10 (d) ~~Contributions or~~ The initial report of independent expenditures required to be  
11 reported under this section shall be reported at the earliest of the following dates:

12 (1) ~~within 30~~ Within 10 days after they of incurring expenses that exceed one  
13 three hundred dollars ~~(\$100.00)~~(\$300.00) to further independent  
14 expenditures.

15 (2) Within 48 hours of incurring expenses that exceed three hundred dollars  
16 (\$300.00) to further initial independent expenditures that occur during the ~~or~~  
17 1030 days before an election the ~~contributions or~~ independent expenditures  
18 affect, whichever occurs earlier.

19 (3) Within 48 hours of incurring expenses or receiving donations that exceed  
20 one thousand dollars (\$1,000) to further independent expenditures.

21 (d1) An additional report shall be filed within 48 hours of the individual, person, or other  
22 entity incurring expenses or receiving donations to further independent expenditures that  
23 aggregate to more than five thousand dollars (\$5,000) during a period not covered by a  
24 previous report. A final report of donations and expenditures required to be reported but not  
25 included in a previous report shall be filed by 30 days after the election the independent  
26 expenditures affect.

27 (d2) Notwithstanding the requirements of subsections (b) and (c), an individual, person,  
28 or other entity required to report under this section to a county board of elections shall file an  
29 additional report within 48 hours of incurring expenses to further independent expenditures that  
30 aggregate to more than one thousand dollars (\$1,000) during a period not covered by a previous  
31 report in the 30 days before the election.

32 (e) The State Board of Elections shall require subsequent reporting of independent  
33 expenditures according to the same schedule required of political committees under  
34 G.S. 163-278.9(a). An individual or person that makes an independent expenditure shall  
35 disclose by report to the State Board of Elections within 48 hours of incurring an expense of  
36 five thousand dollars (\$5,000) or more or receiving a donation of one thousand dollars (\$1,000)  
37 or more for making an independent expenditure before an election but after the period covered  
38 by the last report due before that election.

39 (f) For the purposes ~~of subsection (e)~~ of this section, a donation to the person or entity  
40 making the independent expenditure is deemed to have been donated to further the independent  
41 expenditure if any of subdivisions (1) through (4) of this subsection apply. For purposes of this  
42 subsection, the "filer" is the person or entity making the independent expenditure and  
43 responsible for filing the report, or an agent of that person or entity. For purposes of this  
44 subsection, the "donor" is the person or entity donating to the filer the funds or other thing of  
45 value, or an agent of that person or entity.

46 (1) The donor designates, requests, or suggests that the donation be used for an  
47 independent expenditure or for multiple independent expenditures, and the  
48 filer agrees to use the donation for an independent expenditure.

49 (2) The filer expressly solicited the donor for a donation for making or paying  
50 for an independent expenditure.

1 (3) The donor and the filer engaged in substantial written or oral discussion  
2 regarding the donor's making, donating, or paying for an independent  
3 expenditure.

4 (4) The donor or the filer knew or had reason to know of the filer's intent to  
5 make independent expenditures with the donation.

6 A donation shall not be deemed to be made to further an independent expenditure if the  
7 donation was a commercial transaction occurring in the ordinary course of business between  
8 the donor and the filer unless there is affirmative evidence that the amounts were donated to  
9 further an independent expenditure. In determining the amount of a donation that was made to  
10 further any particular independent expenditure, there shall be excluded any amount that was  
11 designated by the donor with respect to a different election than the election that is the subject  
12 of the independent expenditure covered by the report.

13 ~~Subdivisions (1) through (4) of this subsection shall also apply to reports made under~~  
14 ~~subsection (c) of this section concerning contributions. However, nothing in this section shall~~  
15 ~~be interpreted to limit the effect of the prohibition on making contributions in the name of~~  
16 ~~another in G.S. 163-278.14.~~

17 (g) All reports required by this section shall be filed according to rules adopted by the  
18 State Board of Elections. If the ~~expense incurred is greater~~ reportable donations or expenses  
19 aggregate to more than five thousand dollars (\$5,000), the report shall be filed electronically.  
20 The State Board of Elections shall provide the software necessary to file the electronic report to  
21 any individual or person required to file an electronic report at no cost to that individual or  
22 person."

23 **SECTION 2.** Article 22A of Chapter 163 of the General Statutes is amended by  
24 adding a new section to read:

25 "**§ 163-278.12B. Special reporting independent expenditures made by registered political**  
26 **committees.**

27 (a) Any political committee that is required to file disclosure reports pursuant to  
28 G.S. 163-278.9 or Part 2 of this Article which incurs expenses to make independent  
29 expenditures in excess of one thousand dollars (\$1,000) shall also file informational reports  
30 with the appropriate board of elections on the same schedule set forth in G.S. 163-278.12 when  
31 such a report is not required by G.S. 163-278.9 or Part 2 of this Article. However, only  
32 contributions given to the political committee to further an independent expenditure must be  
33 included in the informational report. Nothing in this section shall be interpreted to limit the  
34 effect of the prohibition on making contributions in the name of another in G.S. 163-278.14.

35 (b) The political committee shall file the required informational reports electronically  
36 with the appropriate board of elections if the expenses incurred or contributions received to  
37 further independent expenditures aggregate to more than five thousand dollars (\$5,000).

38 (c) Any person or entity other than an individual that is permitted to make contributions  
39 but is not otherwise required to report them shall report each contribution in excess of three  
40 hundred dollars (\$300.00) with the appropriate board of elections in the manner prescribed by  
41 the State Board of Elections. Additionally, the person or entity that is required to report  
42 contributions shall also report any donation it receives to further that contribution if the  
43 donation was in excess of three hundred dollars (\$300.00).

44 (d) Contributions required to be reported under subsection (c) of this section shall be  
45 reported within 10 days of occurring or within 48 hours if they occur during the 30 days before  
46 an election the contributions affect."

47 **SECTION 3.** G.S. 163-278.12C reads as rewritten:

48 "**§ 163-278.12C. Special reporting of electioneering communications.**

49 (a) ~~Every individual or person~~ individual, person, or other entity that incurs ~~an expense~~  
50 expenses or receives donations in excess of five thousand dollars (\$5,000) for the direct costs of  
51 producing or airing electioneering communications aggregating in excess of five thousand

1 ~~dollars (\$5,000)~~ shall file ~~the following reports~~ a report with the appropriate board of elections  
2 in the manner prescribed by the State Board of Elections: Elections containing all of the  
3 following:

- 4 (1) The identification of the ~~individual or person~~ individual, person, or entity  
5 incurring the expense, of any ~~individual or person~~ individual, person, or  
6 entity sharing or exercising direction or control over the activities of that  
7 ~~individual or person~~ individual, person, or entity, and of the custodian of the  
8 books and accounts of the ~~individual or person~~ individual, person, or entity  
9 incurring the expense.
- 10 (2) The principal place of business of the person or entity incurring the expense,  
11 if not an individual.
- 12 (3) The amount and date of each expense incurred during the period covered by  
13 the ~~statement~~ report and the identification of the ~~individual or person~~  
14 individual, person, or entity to whom the expense was incurred.
- 15 (4) The elections to which the electioneering communications pertain, if any,  
16 and the names, if known, of the candidates identified or to be identified.
- 17 (5) The names and addresses of all entities that donated, to further an  
18 electioneering communication or electioneering communications, funds or  
19 anything of value whatsoever in an aggregate amount of more than one  
20 thousand dollars (\$1,000) during the reporting ~~period~~ period and the date and  
21 amount of the donation received. If the donor is an individual, the ~~statement~~  
22 report shall also contain the principal occupation of the donor. The "principal  
23 occupation of the donor" shall mean the same as the "principal occupation of  
24 the contributor" in G.S. 163-278.11.

25 (b) The initial report required by this section shall be filed with the ~~State Board~~ no later  
26 than the 10th day following the day the individual or person incurs an expense for the direct  
27 costs of producing or airing an electioneering communication. appropriate board of elections  
28 within 48 hours of expenditure or receipt of the amount in subsection (a) of this section. The  
29 State Board shall require subsequent reporting according to the same schedule required of  
30 political committees under G.S. 163-278.9(a). An individual or person that produces or airs an  
31 electioneering communication shall disclose by report to the State Board within 48 hours of  
32 incurring an expense of five thousand dollars (\$5,000) or more or receiving a donation of one  
33 thousand dollars (\$1,000) or more for making an electioneering communication before an  
34 election but after the period covered by the last report due before that election. An additional  
35 report shall be filed within 48 hours of the entity incurring expenses or receiving donations to  
36 further electioneering communications that aggregate to more than five thousand dollars  
37 (\$5,000) during a period not covered by a previous report. A final report of expenses and  
38 donations required to be reported but not included in a previous report shall be filed by 30 days  
39 after the election the electioneering communications affect.

40 (c) For the purposes of ~~subdivision (a)(5)~~ of this section, a donation to the person or  
41 entity making the electioneering communication is deemed to have been donated to further the  
42 electioneering communication if any of subdivisions (1) through (4) of this subsection apply.  
43 For purposes of this subsection, the "filer" is the person or entity making the electioneering  
44 communication and responsible for filing the report, or an agent of that person or entity. For  
45 purposes of this subsection, the "donor" is the person or entity donating to the filer the funds or  
46 other thing of value, or an agent of that person or entity.

- 47 (1) The donor designates, requests, or suggests that the donation be used for an  
48 electioneering communication or electioneering communications, and the  
49 filer agrees to use the donation for that purpose.
- 50 (2) The filer expressly solicited the donor for a donation for making or paying  
51 for an electioneering communication.

- 1           (3)    The donor and the filer engaged in substantial written or oral discussion  
2                    regarding the donor's making, donating, or paying for an electioneering  
3                    communication.  
4           (4)    The donor or the filer knew or had reason to know of the filer's intent to  
5                    make electioneering communication with the donation.

6           A donation shall not be deemed to be made to further an electioneering communication if  
7           the donation was a commercial transaction occurring in the ordinary course of business  
8           between the donor and the filer unless there is affirmative evidence that the amounts were  
9           donated to further an electioneering communication. In determining the amount of a donation  
10          that was made to further any particular electioneering communication, there shall be excluded  
11          any amount that was designated by the donor with respect to a different election than the  
12          election that is the subject of the electioneering communication covered by the report.

13          (d)    All reports required by this section shall be filed ~~according to rules adopted by the~~  
14          ~~State Board. If the expense incurred is greater than five thousand dollars (\$5,000), the report~~  
15          ~~shall be filed electronically.~~ The State Board shall provide the software necessary to file the  
16          electronic report to any individual or person required to file an electronic report at no cost to  
17          that individual or person."

18          **SECTION 4.** This act becomes effective September 1, 2013, and applies to  
19          donations, contributions, and expenditures made on or after that date.