GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

S 1 SENATE BILL 1063 Short Title: Campaign Standards. (Public) Sponsors: Senator Metcalf. Referred to: Judiciary I. April 15, 1999 A BILL TO BE ENTITLED AN ACT TO ESTABLISH A CODE OF CAMPAIGN STANDARDS TO BE ENFORCED BY THE STATE BOARD OF ELECTIONS. The General Assembly of North Carolina enacts: Section 1. Chapter 163 of the General Statutes is amended by adding a new Article to read: "ARTICLE 22D. "CAMPAIGN STANDARDS. "<u>§ 163-278.60. Purpose of Article.</u> The purpose of this Article is to use constitutional means to encourage informative and civil political campaigning in North Carolina elections and to discourage false or misleading attacks. "§ 163-278.61. Powers and duties of the State Board of Elections. Adoption of Rules. - The State Board of Elections shall adopt any rules necessary for the effective administration of this Article, not inconsistent with the provisions of this Article. Receipt and Processing of Complaints. - The State Board of Elections shall prescribe the form of complaints alleging violation of G.S. 163-278.62. A complaint shall be made by affidavit under penalty of perjury. Upon the filing of a complaint with

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the State Board, the State Board shall process the complaint in accordance with G.S. 163-278.63.

Assembly by the convening of every regular session of the General Assembly. The report shall review the most recent campaign with respect to the purpose of this Article and the Code of Campaign Standards set out in G.S. 163-278.62. The State Board may recommend legislation.

"§ 163-278.62. Code of Campaign Standards.

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No person, during the course of any campaign for nomination or election to public office, by means of campaign materials, including sample ballots, an advertisement in radio or television or in a newspaper or periodical, a public speech, press release, or otherwise, shall knowingly and with intent to affect the outcome of the campaign do any of the following:

- (1) Make a false or misleading statement concerning the voting record of a candidate or public official. 'Voting record' under this subdivision means the recorded affirmative or negative on a bill, ordinance, resolution, motion, amendment, or confirmation. A 'misleading statement' under this subdivision includes taking votes or actions significantly out of context or distorting the opponent's record by the use of demonstrably unrepresentative votes or actions.
- Make a false or misleading statement that a candidate or public official has been indicted or convicted of a theft offense, extortion, or other crime involving financial corruption or moral turpitude.
- (3) Make a statement that a candidate has been indicted for any crime or has been the subject of a finding by the Campaign Standards Commission without disclosing the outcome of any legal proceedings resulting from the indictment or finding.
- (4) Make a false or misleading statement that a candidate or official has a record of treatment or confinement for mental disorder.
- (5) Make a false or misleading statement that a candidate or official has been subjected to military discipline for criminal misconduct or dishonorably discharged from the armed services.
- (6) Identify in a false or misleading way the source of a statement, issue statements under the name of another person without attribution, or state in a false or misleading way the endorsement of or opposition to a candidate by a person or publication.
- Use the title of an office not currently held by a candidate in a manner that implies that the candidate does currently hold that office or use the term 'reelect' when the candidate has never been elected at a primary, general, or special election to the office for which that person is a candidate.
- (8) Make a false or misleading statement concerning the formal schooling or training completed or attempted by a candidate; a degree, diploma,

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certificate, scholarship, grant, award, prize, or honor received, earned, or held by a candidate; or the period of time during which a candidate attended any school, college, community technical school, or institution.

Make a false or misleading statement concerning the professional, <u>(9)</u> occupational, or vocational licenses held by a candidate, or concerning any position the candidate held for which the candidate received a salary or wages.

"§ 163-278.63. Processing of complaint.

- Probable Cause Hearing. If a complaint is filed alleging a violation of the Code of Campaign Standards in G.S. 163-278.62, the Executive Secretary-Director of the State Board of Elections shall examine the complaint and make a determination if the complaint alleges a violation of the Code of Campaign Standards. If the Executive Secretary so determines, a panel of two members of the State Board shall determine whether there is probable cause to refer the matter to the full State Board. The two members of the panel shall not be of the same political party. The panel shall meet within three business days after the Executive Secretary-Director makes a determination that the complaint alleges a violation, unless the panel finds good cause to postpone the meeting. All members of the panel shall participate if the panel refers a complaint to the full State Board, provided that the panel's meeting may be conducted by conference call. The panel shall make only one of the following two findings:
 - (1) That there is no probable cause to believe that a violation of the Code has occurred. If the panel so finds, it shall dismiss the complaint.
 - That there is probable cause to believe that a violation of the Code has (2) occurred. If the panel so finds, it shall refer the complaint to the full Commission.

A finding of probable cause may be entered only by a unanimous vote of the panel.

- Hearing by Full State Board. If a panel of the State Board finds pursuant to (b) subsection (a) of this section that there is probable cause that a violation of the Code has taken place, the full State Board shall conduct a hearing within 10 business days after the panel makes its finding. At the hearing, the State Board shall determine whether or not a violation of the Code occurred and shall do one of the following:
 - Enter a finding that a violation of the Code has not been proven by clear (1) and convincing evidence and dismiss the complaint.
 - Enter a finding that a violation of the Code has occurred and issue a **(2)** letter of reprimand to the individual or entity that it determines is in violation.
- A finding that a violation has occurred may be entered only by a vote of at least four members of the State Board.
- Referral to District Attorney. If as a result of the evidence it has heard the State Board determines that there is probable cause that a violation of G.S. 163-274(8) has occurred in a matter that is before it, the State Board shall refer the matter to the appropriate district attorney. The referral may be made only upon a positive vote of a majority of all the members of the State Board."

1 Section 2. This act is effective when it becomes law.