

GENERAL ASSEMBLY OF NORTH CAROLINA
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SENATE BILL 1263
Select Committee on Government and Election Reform Committee Substitute
Adopted 5/8/07
Third Edition Engrossed 5/10/07
House Committee Substitute Favorable 7/3/08

Short Title: Election Law Amendments.

(Public)

Sponsors:

Referred to:

March 26, 2007

A BILL TO BE ENTITLED

1 AN ACT TO APPROPRIATE FUNDS FOR THE JOINT LEGISLATIVE
2 ELECTIONS OVERSIGHT COMMITTEE AND TO ESTABLISH THAT
3 COMMITTEE; TO CLARIFY THE NEW ELECTION STATUTE AS IT APPLIES
4 TO MULTISEAT RACES; TO REAUTHORIZE THE PILOT PROGRAM FOR
5 INSTANT RUNOFF VOTING; TO AMEND THE STATUTE CONCERNING
6 NOTICE OF AN ELECTION-PROTEST ORDER AND THE TIMING OF
7 APPEAL; TO CLARIFY THE MEANING OF THE TERM "ELECTION" FOR
8 PURPOSES OF THE THIRTY-DAY RESIDENCE REQUIREMENT FOR
9 VOTING; TO RESPOND TO THE DECISION OF THE 4TH CIRCUIT U.S.
10 COURT OF APPEALS IN NORTH CAROLINA RIGHT TO LIFE V. BARTLETT;
11 TO REPLACE THE TWENTY-ONE-DAY CONTRIBUTION EMBARGO IN
12 THE JUDICIAL PUBLIC CAMPAIGN PROGRAM WITH AN EXPEDITED
13 RELEASE OF MATCHING FUNDS; TO EXEMPT CERTAIN SALES OF
14 GOODS OR SERVICES BY POLITICAL PARTY EXECUTIVE COMMITTEES
15 FROM CERTAIN CONTRIBUTION REQUIREMENTS; TO REQUIRE ALL
16 TREASURERS TO REPORT ACCORDING TO THE MUNICIPAL CAMPAIGN
17 REPORTING SCHEDULE IF THEIR CANDIDATES OR COMMITTEES
18 PARTICIPATE IN MUNICIPAL ELECTIONS; TO PROHIBIT COMMINGLING
19 OF CAMPAIGN FUNDS; TO REQUIRE THAT NEW-PARTY CANDIDATES BE
20 REGISTERED WITH THE PARTY; AND TO REQUIRE FORTY-EIGHT-HOUR
21 REPORTS FOR ANY CONTRIBUTION OF LATE CONTRIBUTIONS OF MORE
22 THAN ONE THOUSAND DOLLARS, REGARDLESS OF THE SOURCE.

23 The General Assembly of North Carolina enacts:

24 **SECTION 1.(a)** Chapter 120 of the General Statutes is amended by adding a
25 new Article to read:
26

1 "Article 12P.

2 "Joint Legislative Elections Oversight Committee.

3 **"§ 120-70.140. Creation and membership of Joint Legislative Elections Oversight**
4 **Committee.**

5 The Joint Legislative Elections Oversight Committee is established. The Committee
6 consists of 18 members as follows:

7 (1) Nine members of the Senate appointed by the President Pro Tempore
8 of the Senate. The President Pro Tempore shall appoint members in a
9 manner to reflect the partisan composition of the Senate.

10 (2) Nine members of the House of Representatives appointed by the
11 Speaker of the House of Representatives. The Speaker shall appoint
12 members in a manner to reflect the partisan composition of the House.

13 Terms on the Committee are for two years and begin on January 15 of each
14 odd-numbered year, except the terms of the initial members, which begin on
15 appointment and end on January 15 of the next odd-numbered year. Members may
16 complete a term of service on the Committee even if they do not seek reelection or are
17 not reelected to the General Assembly, but resignation or removal from service in the
18 General Assembly constitutes resignation or removal from service on the Committee.

19 A member continues to serve until his or her successor is appointed. A vacancy shall
20 be filled within 30 days by the officer who made the original appointment.

21 **"§ 120-70.141. Purpose and powers of Committee.**

22 (a) The Joint Legislative Elections Oversight Committee shall examine, on a
23 continuing basis, election administration and campaign finance regulation in North
24 Carolina, in order to make ongoing recommendations to the General Assembly on ways
25 to improve elections administration and campaign finance regulation. In this
26 examination, the Committee shall do the following:

27 (1) Study the budgets, programs, and policies of the State Board of
28 Elections and the county boards of elections to determine ways in
29 which the General Assembly may improve election administration and
30 campaign finance regulation.

31 (2) Examine election statutes and court decisions to determine any
32 legislative changes that are needed to improve election administration
33 and campaign finance regulation.

34 (3) Study other states' initiatives in election administration and campaign
35 finance regulation to provide an ongoing commentary to the General
36 Assembly on these initiatives and to make recommendations for
37 implementing similar initiatives in North Carolina; and

38 (4) Study any other election matters that the Committee considers
39 necessary to fulfill its mandate.

40 (b) The Committee may make interim reports to the General Assembly on
41 matters for which it may report to a regular session of the General Assembly. A report
42 to the General Assembly may contain any legislation needed to implement a
43 recommendation of the Committee.

44 **"§ 120-70.142. Organization of Committee.**

1 (a) The President Pro Tempore of the Senate and the Speaker of the House of
2 Representatives shall each designate a cochair of the Joint Legislative Elections
3 Oversight Committee. The Committee shall meet at least once a quarter and may meet
4 at other times upon the joint call of the cochairs.

5 (b) A quorum of the Committee is 10 members. No action may be taken except
6 by a majority vote at a meeting at which a quorum is present. While in the discharge of
7 its official duties, the Committee has the powers of a joint committee under G.S. 120-19
8 and G.S. 120-19.1 through G.S. 120-19.4.

9 (c) Members of the Committee receive subsistence and travel expenses as
10 provided in G.S. 120-3.1. The Committee may contract for consultants or hire
11 employees in accordance with G.S. 120-32.02. The Legislative Services Commission,
12 through the Legislative Services Officer, shall assign professional staff to assist the
13 Committee in its work. Upon the direction of the Legislative Services Commission, the
14 Supervisors of Clerks of the Senate and of the House of Representatives shall assign
15 clerical staff to the Committee. The expenses for clerical employees shall be borne by
16 the Committee.

17 **"§ 120-70.143. Additional powers.**

18 The Joint Legislative Elections Oversight Committee, while in discharge of official
19 duties, shall have access to any paper or document and may compel the attendance of
20 any State official or employee before the Committee or secure any evidence under
21 G.S. 120.19. In addition, G.S. 120-19.1 through G.S. 120-19.4 shall apply to the
22 proceedings of the Committee as if it were a joint committee of the General Assembly."

23 **SECTION 1.(b)** There is appropriated from the General Fund to the General
24 Assembly the sum of one hundred thousand dollars (\$100,000) for the 2008-2009 fiscal
25 year for the implementation of this act.

26 **SECTION 1.(c)** This section becomes effective July 1, 2008.

27 **SECTION 2.(a)** G.S. 163-182.13(e) reads as rewritten:

28 "(e) Which Candidates to Be on Official Ballot. – All the candidates who were
29 listed on the official ballot in the original election shall be listed in the same order on
30 the official ballot for the new election, except in either of the following:

31 (1) If a candidate dies or otherwise becomes ineligible between the time of
32 the original election and the new election, that candidate may be
33 replaced in the same manner as if the vacancy occurred before the
34 original election.

35 (2) If the election is for a multiseat office, and the irregularities could not
36 have affected the election of one or more of the ~~leading vote getters,~~
37 candidates, the new election, upon agreement of at least four members
38 of the State Board, may be held among only those ~~remaining~~
39 candidates whose election could have been affected by the
40 irregularities."

41 **SECTION 2.(b)** This section is effective when it becomes law.

42 **SECTION 3.(a)** The State Board of Elections is authorized to select
43 elections for offices of local government in which to use instant runoff voting in up to
44 10 local jurisdictions in each of the following years: 2009, 2010, and 2011. The

1 selection of jurisdictions and administration of instant runoff voting shall follow the
2 provisions of Section 1(a) of Session Law 2006-192, except that in a multiseat contests,
3 the Board shall modify the method used for instant runoff voting in single-seat contests
4 to apply its essential principles suitably to that election. In the case of a board of
5 education election where the "local governing board" must be asked to authorize instant
6 runoff voting because nonpartisan plurality elections are normally used, the "local
7 governing board" is the board of education itself. If instant runoff voting is used in place
8 of the nonpartisan election and runoff method as described in G.S. 163-293, the county
9 board of elections, with the approval of the local governing board, may hold the election
10 on the first Tuesday after the first Monday in November.

11 **SECTION 3.(b)** This section is effective when it becomes law.

12 **SECTION 4.(a)** G.S. 163-182.14 reads as rewritten:

13 **"§ 163-182.14. Appeal of a final decision to superior court; appeal to the General**
14 **Assembly or a house thereof.**

15 (a) Final Decision. – A copy of the final decision of the State Board of Elections
16 on an election protest shall be served on the parties personally or by ~~certified~~first-class
17 U.S. mail. A decision to order a new election is considered a final decision for purposes
18 of seeking review of the decision.

19 (b) Timing of Right of Appeal. – Except in the case of a general or special
20 election to either house of the General Assembly or to an office established by Article
21 III of the Constitution, an aggrieved party has the right to appeal the final decision to the
22 Superior Court of Wake County within 10 days of the date of service.

23 After the decision by the State Board of Elections has been served on the parties, the
24 certification of nomination or election or the results of the referendum shall issue
25 pursuant to G.S. 163-182.15 unless an appealing party obtains a stay of the certification
26 from the Superior Court of Wake County within 10 days after the date of service. The
27 court shall not issue a stay of certification unless the petitioner shows the court that the
28 petitioner has appealed the decision of the State Board of Elections, that the petitioner is
29 an aggrieved party, and that the petitioner is likely to prevail in the appeal.

30 If service is by first-class U.S. mail, the additional time after service by mail
31 provided in Rule 6(e) of the North Carolina Rules of Civil Procedure shall apply to both
32 the time for appeal and the time to obtain a stay under this subsection.

33 (c) Contests for General Assembly and Executive Branch Offices. – In the case
34 of a general or special election to either house of the General Assembly or to an office
35 established by Article III of the Constitution, an unsuccessful candidate has the right to
36 appeal the final decision to the General Assembly in accordance with Article 3 of
37 Chapter 120 and G.S. 163-182.13A, as appropriate.

38 After the decision by the State Board of Elections has been served on the parties, the
39 certification of nomination or election shall issue pursuant to G.S. 163-182.15 unless a
40 contest of the election is initiated pursuant to Article 3 of Chapter 120 or
41 G.S. 163-182.13A, as appropriate."

42 **SECTION 4.(b)** This section becomes effective October 1, 2008.

43 **SECTION 5.(a)** G.S. 163-55 is amended by adding a new subsection to

44 read:

1 "(c) Elections. – For purposes of the 30-day residence requirement to vote in an
2 election in subsection (a) of this section, the term "election" means the day of the
3 primary, second primary, general election, special election, or referendum."

4 **SECTION 5.(b)** G.S. 163-86 reads as rewritten:

5 "**§ 163-86. Hearing on challenge.**

6 (a) A challenge made under G.S. 163-85 shall be heard and decided before the
7 date of the next primary or election, except that if the board finds that because of the
8 number of challenges, it cannot hold all hearings before the date of the election, it may
9 order the challenges to be heard and decided at the next time the challenged person
10 appears and seeks to vote, as if the challenge had been filed under G.S. 163-87. Unless
11 the hearing is ordered held under G.S. 163-87, it shall be heard and decided by the
12 board of elections.

13 (b) At least 10 days prior to the hearing scheduled under G.S. 163-86(c), the
14 board of elections shall mail by first-class mail, a written notice of the challenge to the
15 challenged voter, to the address of the voter listed in the registration records of the
16 county. The notice shall state succinctly the grounds asserted, and shall state the time
17 and place of the hearing. If the hearing is to be held at the polls, the notice shall state
18 that fact and shall list the date of the next scheduled election, the location of the voter's
19 polling place, and the time the polls will be open. A copy of the notice shall be sent to
20 the person making the challenge and to the chairman of each political party in the
21 county.

22 (c) At the time and place set for the hearing on a challenge entered prior to the
23 date of a primary or election, the county board of elections shall explain to the
24 challenged registrant the qualifications for registration and voting in this State. The
25 board chairman, or in his absence the board secretary, shall then administer the
26 following oath to the challenged registrant:

27 "You swear (or affirm) that the statements and information you shall give in this
28 hearing with respect to your identity and qualifications to be registered and to vote shall
29 be the truth, the whole truth, and nothing but the truth, so help you, God."

30 After swearing the challenged registrant, the board shall examine him as to his
31 qualifications to be registered and to vote. If the challenged registrant insists that he is
32 qualified, the board shall tender to him the following oath or affirmation:

33 "You do solemnly swear (or affirm) that you are a citizen of the United States; that
34 you are at least 18 years of age or will become 18 by the date of the next general
35 election; that you have or will have resided in this State and in the precinct for which
36 registered for 30 days by the date of the next ~~general~~primary or election; that you are
37 not disqualified from voting by the Constitution or the laws of this State; that your name
38 is _____, and that in such name you were duly registered as a voter of _____
39 precinct; and that you are the person you represent yourself to be, so help you, God."

40 If the challenged registrant refuses to take the tendered oath, or submit to the board the
41 affidavit required by subsection (d), below, the challenge shall be sustained. If the
42 challenged registrant takes the tendered oath, the board may, nevertheless, sustain the
43 challenge if it finds the challenged registrant is not a legal voter.

1 The board, in conducting hearings on challenges, shall have authority to subpoena
2 any witnesses it may deem appropriate, and administer the necessary oaths or
3 affirmations to all witnesses brought before it to testify to the qualifications of the
4 persons challenged.

5 (d) Appearance by Challenged Registrant. – The challenged registrant shall
6 appear in person at the challenge hearing. If he is unable to appear in person, he may be
7 represented by another person and must tender to the county board of elections an
8 affidavit that he is a citizen of the United States, is at least 18 years of age or will
9 become 18 by the date of the next general election, has or will have resided in this State
10 and in the precinct for which registered for 30 days by the date of the next general
11 primary or election, is not disqualified from voting by the Constitution or laws of this
12 State, is named _____ and was duly registered as a voter of _____ precinct in such
13 name, and is the person represented to be by the affidavit."

14 **SECTION 5.(c)** G.S. 163-283 reads as rewritten:

15 "**§ 163-283. Right to participate or vote in party primary.**

16 No person shall be entitled to vote or otherwise participate in the primary election of
17 any political party unless he

- 18 (1) Is a registered voter, and
- 19 (2) Has declared and has had recorded on the registration book or record
20 the fact that he affiliates with the political party in whose primary he
21 proposes to vote or participate, and
- 22 (3) Is in good faith a member of that party.

23 Notwithstanding the previous paragraph, any unaffiliated voter who is authorized
24 under G.S. ~~163-116-163-119~~ may also vote in the primary if the voter is otherwise
25 eligible to vote in that primary except for subdivisions (2) and (3) of the previous
26 paragraph.

27 Any person who will become qualified by age ~~or residence~~ to register and vote in the
28 general election for which the primary is held, even though not so qualified by the date
29 of the primary election, shall be entitled to register while the registration books are open
30 during the regular registration period prior to the primary and then to vote in the
31 primary after being registered, provided however, under full-time and permanent
32 registration, such an individual may register not earlier than 60 days nor later than the
33 last day for making application to register under G.S. 163-82.6(c) prior to the primary.
34 In addition, persons who will become qualified by age to register and vote in the general
35 election for which the primary is held, who do not register during the special period may
36 register to vote after such period as if they were qualified on the basis of age, but until
37 they are qualified by age to vote, they may vote only in primary elections."

38 **SECTION 5.(d)** G.S. 163-82.6(c) reads as rewritten:

39 "(c) Registration Deadlines for ~~an~~ a Primary or Election. – In order to be valid for
40 ~~an~~ a primary or election, except as provided in G.S. 163-82.6A, the form:

- 41 (1) If submitted by mail, must be postmarked at least 25 days before the
42 primary or election, except that any mailed application on which the
43 postmark is missing or unclear is validly submitted if received in the
44 mail not later than 20 days before the primary or election,

1 (2) If submitted in person, by facsimile transmission, or by transmission of
2 a scanned document, must be received by the county board of elections
3 by a time established by that board, but no earlier than 5:00 P.M., on
4 the twenty-fifth day before the primary or election,

5 (3) If submitted through a delegatee who violates the duty set forth in
6 subsection (a) of this section, must be signed by the applicant and
7 given to the delegatee not later than 25 days before the primary or
8 election, except as provided in subsection (d) of this section."

9 **SECTION 5.(e)** G.S. 163-82.6(d) reads as rewritten:

10 "(d) Instances When Person May Register and Vote on Primary or Election Day. –
11 If a person has become qualified to register and vote between the twenty-fifth day
12 before ~~an~~ a primary or election and primary or election day, then that person may apply
13 to register on primary or election day by submitting an application form described in
14 G.S. 163-82.3(a) or (b) to:

15 (1) A member of the county board of elections;

16 (2) The county director of elections; or

17 (3) The chief judge or a judge of the precinct in which the person is
18 eligible to vote,

19 and, if the application is approved, that person may vote the same day. The official in
20 subdivisions (1) through (3) of this subsection to whom the application is submitted
21 shall decide whether the applicant is eligible to vote. The applicant shall present to the
22 official written or documentary evidence that the applicant is the person he represents
23 himself to be. The official, if in doubt as to the right of the applicant to register, may
24 require other evidence satisfactory to that official as to the applicant's qualifications. If
25 the official determines that the person is eligible, the person shall be permitted to vote in
26 the primary or election and the county board shall add the person's name to the list of
27 registered voters. If the official denies the application, the person shall be permitted to
28 vote a challenged ballot under the provisions of G.S. 163-88.1, and may appeal the
29 denial to the full county board of elections. The State Board of Elections shall
30 promulgate rules for the county boards of elections to follow in hearing appeals for
31 denial of primary or election day applications to register. No person shall be permitted
32 to register on the day of a second primary unless he shall have become qualified to
33 register and vote between the date of the first primary and the date of the succeeding
34 second primary."

35 **SECTION 6.(a)** G.S. 163-278.6(14) reads as rewritten:

36 "(14) The term "political committee" means a combination of two or more
37 individuals, such as any person, committee, association, organization,
38 or other entity that makes, or accepts anything of value to make,
39 contributions or expenditures and has one or more of the following
40 characteristics:

41 a. Is controlled by a candidate;

42 b. Is a political party or executive committee of a political party or
43 is controlled by a political party or executive committee of a
44 political party;

- 1 c. Is created by a corporation, business entity, insurance company,
 2 labor union, or professional association pursuant to
 3 G.S. 163-278.19(b); or
 4 d. Has as ~~a~~the major purpose to support or oppose the nomination
 5 or election of one or more clearly identified candidates.

6 Supporting or opposing the election of clearly identified candidates
 7 includes supporting or opposing the candidates of a clearly identified
 8 political party.

9 If the entity qualifies as a "political committee" under
 10 sub-subdivision a., b., c., or d. of this subdivision, it continues to be a
 11 political committee if it receives contributions or makes expenditures
 12 or maintains assets or liabilities. A political committee ceases to exist
 13 when it winds up its operations, disposes of its assets, and files its final
 14 report.

15 Special definitions of "political action committee" and "candidate
 16 campaign committee" that apply only in Part 1A of this Article are set
 17 forth in G.S. 163-278.38Z."

18 **SECTION 6.(b)** G.S. 163-278.14A(a) reads as rewritten:

19 "(a) ~~Either of the~~The following shall be ~~means, but not necessarily the exclusive~~
 20 ~~or conclusive means, means~~ of proving that an individual or other entity acted "to
 21 support or oppose the nomination or election of one or more clearly identified
 22 candidates":

23 (1) ~~Evidence candidates~~: presenting evidence of financial sponsorship
 24 of"; and communications to the general public that use phrases such as
 25 "vote for", "reelect", "support", "cast your ballot for", "(name of
 26 candidate) for (name of office)", "(name of candidate) in (year)", "vote
 27 against", "defeat", "reject", "vote pro-(policy position)" or "vote
 28 anti-(policy position)" accompanied by a list of candidates clearly
 29 labeled "pro-(policy position)" or "anti-(policy position)", or
 30 communications of campaign words or slogans, such as posters,
 31 bumper stickers, advertisements, etc., which say "(name of candidate)'s
 32 the One", "(name of candidate) '98", "(name of candidate)!", or the
 33 names of two candidates joined by a hyphen or slash.

34 (2) ~~Evidence of financial sponsorship of communications whose essential~~
 35 ~~nature expresses electoral advocacy to the general public and goes~~
 36 ~~beyond a mere discussion of public issues in that they direct voters to~~
 37 ~~take some action to nominate, elect, or defeat a candidate in an~~
 38 ~~election. If the course of action is unclear, contextual factors such as~~
 39 ~~the language of the communication as a whole, the timing of the~~
 40 ~~communication in relation to events of the day, the distribution of the~~
 41 ~~communication to a significant number of registered voters for that~~
 42 ~~candidate's election, and the cost of the communication may be~~
 43 ~~considered in determining whether the action urged could only be~~

1 ~~interpreted by a reasonable person as advocating the nomination,~~
2 ~~election, or defeat of that candidate in that election."~~

3 **SECTION 6.(c)** G.S. 163-278.13 is amended by adding a new subsection to
4 read:

5 "(e5) The contribution limits of subsections (a) and (b) of this section do not apply
6 to contributions made to a political committee whose treasurer makes and abides by a
7 certification to the State Board of Elections that the political committee does not and
8 will not make contributions, directly or indirectly, to candidates or political committees
9 other than to political committees whose treasurers make and abide by the same
10 certification. The State Board of Elections shall provide forms for implementation of
11 this subsection."

12 **SECTION 6.(d)** This section is effective when it becomes law.

13 **SECTION 7.(a)** G.S. 163-278.13(e2)(3) is repealed.

14 **SECTION 7.(b)** G.S. 163-278.67 is amended by adding a new subsection to
15 read:

16 "(c1) Expedited Distribution of Matching Funds. – When a candidate becomes
17 entitled to any amount of matching funds under subsection (a) of this section, the Board
18 shall authorize the issuance of that amount to the candidate as soon as practicable. The
19 Department of Administration shall transfer that amount to the candidate as soon as
20 practicable and in no event later than 12 hours after receiving notice from the Board that
21 the candidate has become entitled to it. The Department of Administration shall develop
22 a method of rapidly transferring funds to a candidate or otherwise fulfilling the
23 requirements of this subsection in conjunction with the Board. The candidate shall
24 return to the Board as soon as practicable any amount of the matching funds that the
25 candidate has not spent at the date of the election or at the time the individual ceases to
26 be a certified candidate, whichever occurs first."

27 **SECTION 7.(c)** This section is effective when it becomes law.

28 **SECTION 8.(a)** Article 22A of Chapter 163 of the General Statutes is
29 amended by adding a new section to read:

30 **§ 163-278.8A. Campaign sales by political party executive committees.**

31 (a) Exempt Purchase Price Not Treated as "Contribution." – Notwithstanding the
32 provisions of G.S. 163-278.6(6), the purchase price of goods or services sold by a
33 political party executive committee as provided in subsection (b) of this section shall
34 not be treated as a "contribution" for purposes of account-keeping under
35 G.S. 163-278.8, for purposes of the reporting of contributions under G.S. 163-278.11, or
36 for the purpose of the limit on contributions under G.S. 163-278.13. The treasurer is not
37 required to obtain, maintain, or report the name or other identifying information of the
38 purchaser of the goods or services, as long as the requirements of subsection (b) of this
39 section are satisfied. However, the proceeds from the sales of those goods and services
40 shall be treated as contributions for other purposes, and expenditures of those proceeds
41 shall be reported as expenditures under this Article.

42 (b) Exempt Purchase Price. – A purchase price for goods or services sold by a
43 political party executive committee qualifies for the exemption provided in subsection
44 (a) of this section as long as the sale of the goods or services adheres to a plan that the

1 treasurer has submitted to and that has been approved in writing by the Executive
2 Director of the State Board of Elections. The Executive Director shall approve the
3 treasurer's plan upon and only upon finding that all the following requirements are
4 satisfied:

- 5 (1) That the price to be charged for the goods or services is reasonably
6 close to the market price for the goods or services.
- 7 (2) That the total amount to be raised from sales under all plans by the
8 committee does not exceed ten thousand dollars (\$10,000) per election
9 cycle.
- 10 (3) That no purchaser makes total purchases under the plan that exceed
11 fifty dollars (\$50.00).
- 12 (4) That the treasurer include in the report under G.S. 163-278.11,
13 covering the relevant time period, all of the following:
 - 14 a. A description of the plan.
 - 15 b. The amount raised from sales under the plan.
 - 16 c. The number of purchases made.
- 17 (5) That the treasurer shall include in the appropriate report under
18 G.S. 163-278.11 any in-kind contribution made to the political party
19 executive committee in providing the goods or services sold under the
20 plan and that no in-kind contribution accepted as part of the plan
21 violates any provision of this Article.

22 The Executive Director may require a format for submission of a plan, but that
23 format shall not place undue paperwork burdens upon the treasurer. As used in this
24 subdivision, the term "election cycle" has the same meaning as in G.S. 163-278.6(7c)."

25 **SECTION 8.(b)** This section becomes effective August 15, 2008, or on the
26 date of preclearance under Section 5 of the Voting Rights Act of 1965, whichever
27 occurs later, except that with respect to county political party executive committees in
28 counties not subject to Section 5 of the Voting Rights Act it is effective when it
29 becomes law. This section applies to contributions made or accepted on or after the
30 effective date. If preclearance is denied to this section, this section is repealed on the
31 date of denial.

32 **SECTION 9.(a)** Part 2 of Article 22A of Chapter 163 of the General Statutes
33 is amended by adding a new section to read:

34 **"§ 163-278.40J. Other committees report by municipal schedule.**

35 A candidate or political committee that appoints a treasurer under G.S. 163-278.7
36 shall make reports according to the schedule under this Part if it makes contributions or
37 expenditures concerning municipal elections."

38 **SECTION 9.(b)** G.S. 163-278.27(a) reads as rewritten:

39 "(a) Any individual, candidate, political committee, referendum committee,
40 treasurer, person or media who intentionally violates the applicable provisions of
41 G.S. 163-278.7, 163-278.8, 163-278.9, 163-278.10, 163-278.11, 163-278.12,
42 163-278.13, 163-278.13B, 163-278.14, 163-278.16, 163-278.16B, 163-278.17,
43 163-278.18, 163-278.19, 163-278.20, 163-278.39, 163-278.40A, 163-278.40B,
44 163-278.40C, ~~163-278.40D~~ or ~~163-278.40E~~ 163-278.40D, 163-278.40E, or 163-278.40J

1 is guilty of a Class 2 misdemeanor. The statute of limitations shall run from the day the
2 last report is due to be filed with the appropriate board of elections for the election cycle
3 for which the violation occurred."

4 **SECTION 9.(c)** G.S. 163-278.9(a)(5a) reads as rewritten:

5 "(5a) Quarterly Reports. – During even-numbered years during which there
6 is an election for that candidate or in which the campaign committee is
7 supporting or opposing a candidate, the treasurer shall file a report by
8 mailing or otherwise delivering it to the Board no later than seven
9 working days after the end of each calendar quarter covering the prior
10 calendar quarter, except that:

- 11 a. The report for the first quarter shall also cover the period in
12 April through the seventeenth day before the primary, the first
13 quarter report shall be due seven days after that date, and the
14 second quarter report shall not include that period if a first
15 quarter report was required to be filed; and
16 b. The report for the third quarter shall also cover the period in
17 October through the seventeenth day before the election, the
18 third quarter report shall be due seven days after that date, and
19 the fourth quarter report shall not include that period if a third
20 quarter report was required to be filed."

21 **SECTION 9.(d)** G.S. 163-278.9(d) reads as rewritten:

22 "(d) Candidates and committees for municipal offices are not subject to
23 subsections (a), (b) and (c) of this ~~section~~-section, unless they make contributions or
24 expenditures concerning elections covered by this Part. Reports for those candidates and
25 committees are covered by Part 2 of this Article."

26 **SECTION 9.(e)** This section becomes effective December 1, 2008.

27 **SECTION 10.(a)** G.S. 163-278.8 is amended by adding a new subsection to
28 read:

29 "(h) The treasurer shall maintain all moneys of the political committee or
30 candidate in a bank account or bank accounts used exclusively by the political
31 committee or candidate and shall not commingle those funds with any other moneys."

32 **SECTION 10.(b)** This section becomes effective September 1, 2008.

33 **SECTION 10.1.(a)** G.S. 163-98 reads as rewritten:

34 **"§ 163-98. General election participation by new political party.**

35 In the first general election following the date on which a new political party
36 qualifies under the provisions of G.S. 163-96, it shall be entitled to have the names of its
37 candidates for national, State, congressional, and local offices printed on the official
38 ballots upon paying a filing fee equal to that provided for candidates for the office in
39 G.S. 163-107 or upon complying with the alternative available to candidates for the
40 office in G.S. 163-107.1.

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

1 State Board of Elections the names of persons chosen in the convention as the new
2 party's candidates in the ensuing general election. Any candidate nominated by a new
3 party shall be affiliated with the party at the time of certification to the State Board of
4 Elections. The State Board of Elections shall print names thus certified on the
5 appropriate ballots as the nominees of the new party. The State Board of Elections shall
6 send to each county board of elections the list of any new party candidates so that the
7 county board can add those names to the appropriate ballot."

8 **SECTION 10.1.(b)** This section becomes effective January 1, 2009, and
9 applies to elections held on or after that date.

10 **SECTION 11.(a)** G.S. 163-278.9(a)(4a) reads as rewritten:

11 "(4a) 48-Hour Report. – A political committee or political party that receives
12 a contribution or transfer of funds ~~from any political committee~~ shall
13 disclose within 48 hours of receipt a contribution or transfer of one
14 thousand dollars (\$1,000) or more received before an election but after
15 the period covered by the last report due before that election. The
16 disclosure shall be by report to the State Board of Elections identifying
17 the source and amount of the funds. The State Board of Elections shall
18 specify the form and manner of making the report."

19 **SECTION 11.(b)** G.S. 163-278.9A(a)(2a) reads as rewritten:

20 "(2a) 48-Hour Report. – A referendum committee that receives a
21 contribution or transfer of funds ~~from any political committee~~ shall
22 disclose within 48 hours of receipt a contribution or transfer of one
23 thousand dollars (\$1,000) or more received before a referendum but
24 after the period covered by the last report due before that referendum.
25 The disclosure shall be by report to the State Board of Elections
26 identifying the source and amount of such funds. The State Board of
27 Elections shall specify the form and manner of making the report."

28 **SECTION 11.(c)** This section becomes effective October 1, 2008.

29 **SECTION 12.** Except as otherwise provided in this act, this act is effective
30 when it becomes law.