

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007**

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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
House Committee Substitute #2 Favorable 7/9/08**

Short Title: Election Law Amendments.

(Public)

Sponsors:

Referred to:

March 26, 2007

A BILL TO BE ENTITLED

1
2 AN ACT TO ESTABLISH THE JOINT LEGISLATIVE ELECTIONS OVERSIGHT
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. LEAKE; TO
11 REPLACE THE TWENTY-ONE-DAY CONTRIBUTION EMBARGO IN THE
12 JUDICIAL PUBLIC CAMPAIGN PROGRAM WITH AN EXPEDITED RELEASE
13 OF MATCHING FUNDS; TO EXEMPT CERTAIN SALES OF GOODS OR
14 SERVICES BY POLITICAL PARTY EXECUTIVE COMMITTEES FROM
15 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; TO AMEND THE REPORTING
21 REQUIREMENT FOR MATCHING FUNDS IN PUBLIC FINANCING
22 PROGRAMS; TO LIMIT THE PROHIBITION IN THE ELECTIONEERING
23 COMMUNICATIONS STATUTES; AND TO REQUIRE FORTY-EIGHT-HOUR
24 REPORTS FOR ANY CONTRIBUTION OF LATE CONTRIBUTIONS OF MORE
25 THAN ONE THOUSAND DOLLARS, REGARDLESS OF THE SOURCE.

1 to the General Assembly may contain any legislation needed to implement a
2 recommendation of the Committee.

3 **"§ 120-70.142. Organization of Committee.**

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

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

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

20 **"§ 120-70.143. Additional powers.**

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

26 **SECTION 1.(b)** Expenses of the Joint Legislative Elections Oversight
27 Committee shall be paid out of funds appropriated to the General Assembly, with the
28 approval of the Legislative Services Officer.

29 **SECTION 1.(c)** This section is effective when it becomes law.

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

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

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

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

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

1 **SECTION 3.(a)** The State Board of Elections is authorized to select
2 elections for offices of local government in which to use instant runoff voting in up to
3 10 local jurisdictions in each of the following years: 2009, 2010, and 2011. The
4 selection of jurisdictions and administration of instant runoff voting shall follow the
5 provisions of Section 1(a) of Session Law 2006-192, except that the local governing
6 board that is the subject of the election must approve participation in the pilot and also
7 must agree to cooperate with the county board of elections and the Board in the
8 development and implementation of a plan to educate candidates and voters about how
9 to use the runoff voting method. In a multiseat contest, the Board shall modify the
10 method used for instant runoff voting in single-seat contests to apply its essential
11 principles suitably to that election. In the case of a board of education election where the
12 "local governing board" must be asked to authorize instant runoff voting because
13 nonpartisan plurality elections are normally used, the "local governing board" is the
14 board of education itself. If instant runoff voting is used in place of the nonpartisan
15 election and runoff method as described in G.S. 163-293, the county board of elections,
16 with the approval of the local governing board, may hold the election on the first
17 Tuesday after the first Monday in November. The State Board of Elections, in
18 consultation with the School of Government at the University of North Carolina, shall
19 by January 1, 2009, develop for the pilot program authorized in this section goals,
20 standards consistent with general election law, and criteria for implementation and
21 evaluation. The pilot program shall be conducted according to those goals, standards,
22 and criteria.

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

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

25 **"§ 163-182.14. Appeal of a final decision to superior court; appeal to the General**
26 **Assembly or a house thereof.**

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

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

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

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

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

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

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

11 **SECTION 5.(a)** G.S. 163-55 is amended by adding a new subsection to
12 read:

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

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

17 **"§ 163-86. Hearing on challenge.**

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

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

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

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

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

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

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

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

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

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

26 **"§ 163-283. Right to participate or vote in party primary.**

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

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

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

38 Any person who will become qualified by age ~~or residence~~ to register and vote in the
39 general election for which the primary is held, even though not so qualified by the date
40 of the primary election, shall be entitled to register while the registration books are open
41 during the regular registration period prior to the primary and then to vote in the
42 primary after being registered, provided however, under full-time and permanent
43 registration, such an individual may register not earlier than 60 days nor later than the
44 last day for making application to register under G.S. 163-82.6(c) prior to the primary.

1 In addition, persons who will become qualified by age to register and vote in the general
2 election for which the primary is held, who do not register during the special period may
3 register to vote after such period as if they were qualified on the basis of age, but until
4 they are qualified by age to vote, they may vote only in primary elections."

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

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

- 8 (1) If submitted by mail, must be postmarked at least 25 days before the
9 primary or election, except that any mailed application on which the
10 postmark is missing or unclear is validly submitted if received in the
11 mail not later than 20 days before the primary or election,
12 (2) If submitted in person, by facsimile transmission, or by transmission of
13 a scanned document, must be received by the county board of elections
14 by a time established by that board, but no earlier than 5:00 P.M., on
15 the twenty-fifth day before the primary or election,
16 (3) If submitted through a delegatee who violates the duty set forth in
17 subsection (a) of this section, must be signed by the applicant and
18 given to the delegatee not later than 25 days before the primary or
19 election, except as provided in subsection (d) of this section."

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

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

- 26 (1) A member of the county board of elections;
27 (2) The county director of elections; or
28 (3) The chief judge or a judge of the precinct in which the person is
29 eligible to vote,

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

1 register and vote between the date of the first primary and the date of the succeeding
 2 second primary."

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

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

- 9 a. Is controlled by a candidate;
- 10 b. Is a political party or executive committee of a political party or
 11 is controlled by a political party or executive committee of a
 12 political party;
- 13 c. Is created by a corporation, business entity, insurance company,
 14 labor union, or professional association pursuant to
 15 G.S. 163-278.19(b); or
- 16 d. Has ~~as a~~the major purpose to support or oppose the nomination
 17 or election of one or more clearly identified candidates.

18 Supporting or opposing the election of clearly identified candidates
 19 includes supporting or opposing the candidates of a clearly identified
 20 political party.

21 If the entity qualifies as a "political committee" under
 22 sub-subdivision a., b., c., or d. of this subdivision, it continues to be a
 23 political committee if it receives contributions or makes expenditures
 24 or maintains assets or liabilities. A political committee ceases to exist
 25 when it winds up its operations, disposes of its assets, and files its final
 26 report.

27 The term "political committee" includes the campaign of a
 28 candidate who serves as his or her own treasurer.

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

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

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

- 37 (1) ~~Evidence~~evidence candidates": presenting evidence of financial sponsorship
 38 of"; and communications to the general public that use phrases such as
 39 "vote for", "reelect", "support", "cast your ballot for", "(name of
 40 candidate) for (name of office)", "(name of candidate) in (year)", "vote
 41 against", "defeat", "reject", "vote pro-(policy position)" or "vote
 42 anti-(policy position)" accompanied by a list of candidates clearly
 43 labeled "pro-(policy position)" or "anti-(policy position)", or
 44 communications of campaign words or slogans, such as posters,

1 bumper stickers, advertisements, etc., which say "(name of candidate)'s
2 the One", "(name of candidate) '98", "(name of candidate)!", or the
3 names of two candidates joined by a hyphen or slash.

- 4 (2) ~~Evidence of financial sponsorship of communications whose essential
5 nature expresses electoral advocacy to the general public and goes
6 beyond a mere discussion of public issues in that they direct voters to
7 take some action to nominate, elect, or defeat a candidate in an
8 election. If the course of action is unclear, contextual factors such as
9 the language of the communication as a whole, the timing of the
10 communication in relation to events of the day, the distribution of the
11 communication to a significant number of registered voters for that
12 candidate's election, and the cost of the communication may be
13 considered in determining whether the action urged could only be
14 interpreted by a reasonable person as advocating the nomination,
15 election, or defeat of that candidate in that election."~~

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

18 "(e5) The contribution limits of subsections (a) and (b) of this section do not apply
19 to contributions made to a political committee whose treasurer makes and abides by a
20 certification to the State Board of Elections that the political committee does not and
21 will not make contributions, directly or indirectly, to candidates or political committees
22 other than to political committees whose treasurers make and abide by the same
23 certification. The State Board of Elections shall provide forms for implementation of
24 this subsection."

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

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

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

29 "(c1) Expedited Distribution of Matching Funds. – When a candidate becomes
30 entitled to any amount of matching funds under subsection (a) of this section, the Board
31 shall authorize the issuance of that amount to the candidate as soon as practicable. The
32 Department of Administration shall transfer that amount to the candidate as soon as
33 practicable and in no event later than 12 hours after receiving notice from the Board that
34 the candidate has become entitled to it. The Department of Administration shall develop
35 a method of rapidly transferring funds to a candidate or otherwise fulfilling the
36 requirements of this subsection in conjunction with the Board. The candidate shall
37 return to the Board as soon as practicable any amount of the matching funds that the
38 candidate has not spent at the date of the election or at the time the individual ceases to
39 be a certified candidate, whichever occurs first."

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

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

43 **"§ 163-278.8A. Campaign sales by political party executive committees.**

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

12 (b) Exempt Purchase Price. – A purchase price for goods or services sold by a
13 political party executive committee qualifies for the exemption provided in subsection
14 (a) of this section as long as the sale of the goods or services adheres to a plan that the
15 treasurer has submitted to and that has been approved in writing by the Executive
16 Director of the State Board of Elections. The Executive Director shall approve the
17 treasurer's plan upon and only upon finding that all the following requirements are
18 satisfied:

- 19 (1) That the price to be charged for the goods or services is reasonably
20 close to the market price for the goods or services.
- 21 (2) That the total amount to be raised from sales under all plans by the
22 committee does not exceed ten thousand dollars (\$10,000) per election
23 cycle.
- 24 (3) That no purchaser makes total purchases under the plan that exceed
25 fifty dollars (\$50.00).
- 26 (4) That the treasurer include in the report under G.S. 163-278.11,
27 covering the relevant time period, all of the following:
 - 28 a. A description of the plan.
 - 29 b. The amount raised from sales under the plan.
 - 30 c. The number of purchases made.
- 31 (5) That the treasurer shall include in the appropriate report under
32 G.S. 163-278.11 any in-kind contribution made to the political party
33 executive committee in providing the goods or services sold under the
34 plan and that no in-kind contribution accepted as part of the plan
35 violates any provision of this Article.

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

39 **SECTION 8.(b)** This section becomes effective August 15, 2008, or on the
40 date of preclearance under Section 5 of the Voting Rights Act of 1965, whichever
41 occurs later, except that with respect to county political party executive committees in
42 counties not subject to Section 5 of the Voting Rights Act it is effective when it
43 becomes law. This section applies to contributions made or accepted on or after the

1 effective date. If preclearance is denied to this section, this section is repealed on the
2 date of denial.

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

5 **"§ 163-278.40J. Other committees report by municipal schedule.**

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

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

10 "(a) Any individual, candidate, political committee, referendum committee,
11 treasurer, person or media who intentionally violates the applicable provisions of
12 G.S. 163-278.7, 163-278.8, 163-278.9, 163-278.10, 163-278.11, 163-278.12,
13 163-278.13, 163-278.13B, 163-278.14, 163-278.16, 163-278.16B, 163-278.17,
14 163-278.18, 163-278.19, 163-278.20, 163-278.39, 163-278.40A, 163-278.40B,
15 163-278.40C, ~~163-278.40D~~ or ~~163-278.40E~~ 163-278.40D, 163-278.40E, or 163-278.40J
16 is guilty of a Class 2 misdemeanor. The statute of limitations shall run from the day the
17 last report is due to be filed with the appropriate board of elections for the election cycle
18 for which the violation occurred."

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

20 "(5a) Quarterly Reports. – During even-numbered years during which there
21 is an election for that candidate or in which the campaign committee is
22 supporting or opposing a candidate, the treasurer shall file a report by
23 mailing or otherwise delivering it to the Board no later than seven
24 working days after the end of each calendar quarter covering the prior
25 calendar quarter, except that:

- 26 a. The report for the first quarter shall also cover the period in
27 April through the seventeenth day before the primary, the first
28 quarter report shall be due seven days after that date, and the
29 second quarter report shall not include that period if a first
30 quarter report was required to be filed; and
31 b. The report for the third quarter shall also cover the period in
32 October through the seventeenth day before the election, the
33 third quarter report shall be due seven days after that date, and
34 the fourth quarter report shall not include that period if a third
35 quarter report was required to be filed."

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

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

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

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

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

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

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

6 "**§ 163-98. General election participation by new political party.**

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

13 For the first general election following the date on which it qualifies under
14 G.S. 163-96, a new political party shall select its candidates by party convention.
15 Following adjournment of the nominating convention, but not later than the first day of
16 July prior to the general election, the president of the convention shall certify to the
17 State Board of Elections the names of persons chosen in the convention as the new
18 party's candidates in the ensuing general election. Any candidate nominated by a new
19 party shall be affiliated with the party at the time of certification to the State Board of
20 Elections. The requirement of affiliation with the party will be met if the candidate
21 submits at or before the time of certification as a candidate an application to change
22 party affiliation to that party. The State Board of Elections shall print names thus
23 certified on the appropriate ballots as the nominees of the new party. The State Board of
24 Elections shall send to each county board of elections the list of any new party
25 candidates so that the county board can add those names to the appropriate ballot."

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

28 **SECTION 10.2.(a)** G.S. 163-278.66(a) reads as rewritten:

29 "~~(a) Reporting by Participating and Certified Candidates. Reporting by~~
30 ~~Noncertified Candidates and Other Entities. – Any noncertified candidate with a~~
31 ~~certified opponent shall report total income, expenses, and obligations contributions~~
32 ~~received to the Board by facsimile machine or electronically within 24 hours after the~~
33 ~~total amount of campaign expenditures or obligations made, or funds raised or~~
34 ~~borrowed, contributions received exceeds eighty percent (80%) of the trigger for~~
35 ~~matching funds as defined in G.S. 163-278.62(18). Any entity making independent~~
36 ~~expenditures in support of or opposition to a certified candidate or in support of a~~
37 ~~candidate opposing a certified candidate, or paying for electioneering communications,~~
38 ~~referring to one of those candidates, shall report the total funds received, spent, or~~
39 ~~obligated for those expenditures or payments made to the Board by facsimile machine~~
40 ~~or electronically within 24 hours after the total amount of expenditures or obligations~~
41 ~~made, or funds raised or borrowed, or payments made for the purpose of making the~~
42 ~~independent expenditures or electioneering communications exceeds five thousand~~
43 ~~dollars (\$5,000). After this the initial 24-hour filing, the noncertified candidate or other~~
44 ~~reporting entity shall comply with an expedited reporting schedule by filing additional~~

1 ~~reports after receiving each additional amount in excess of one thousand dollars~~
2 ~~(\$1,000) or after making or obligating to make each additional expenditure(s) or~~
3 ~~payment(s) in excess of one thousand dollars (\$1,000). schedule.~~ The schedule and
4 forms for reports required by this subsection shall be ~~made according to procedures~~
5 ~~developed~~ supplied by the Board."

6 **SECTION 10.2.(b)** G.S. 163-278.99A(a) reads as rewritten:

7 "(a) Reporting by Noncertified Candidates and Other Entities. – Any
8 nonparticipating candidate with a certified opponent shall report total ~~income, expenses,~~
9 ~~and obligations~~ contributions received to the Board by facsimile machine or
10 electronically within 24 hours after the total amount of ~~campaign-related expenditures~~
11 ~~or obligations made, or funds raised or borrowed, contributions received~~ exceeds eighty
12 percent (80%) of the trigger for matching funds as defined in G.S. 163-278.96(17). Any
13 entity making independent expenditures in support of or in opposition to a certified
14 candidate, or in support of a candidate opposing a certified candidate, or paying for
15 electioneering communications referring to one of those candidates, shall report the total
16 funds received, spent, or obligated for those expenditures or payments to the Board by
17 facsimile machine or electronically within 24 hours after the total amount of
18 expenditures or obligations made, or funds raised or borrowed, for the purpose of
19 making the independent expenditures or electioneering communications exceeds five
20 thousand dollars (\$5,000). After ~~this~~ the initial 24-hour filing, the nonparticipating
21 candidate or other reporting entity shall comply with an expedited reporting ~~schedule by~~
22 ~~filing additional reports after receiving an additional amount in excess of one thousand~~
23 ~~dollars (\$1,000) or after making or obligating to make an additional expenditure or~~
24 ~~payment in excess of one thousand dollars (\$1,000). schedule.~~ The schedule and forms
25 for reports required by this subsection shall ~~be made according to procedures developed~~
26 supplied by the Board."

27 **SECTION 10.2.(c)** This section is effective when it becomes law.

28 **SECTION 10.3.(a)** G.S. 163-278.82 is amended by adding a new subsection
29 to read:

30 "(d) Limitation on Prohibition. – The prohibition in this section shall not apply
31 unless the electioneering communication at issue is susceptible of no reasonable
32 interpretation other than as an appeal to vote for or against a specific candidate."

33 **SECTION 10.3.(b)** G.S. 163-278.92 is amended by adding a new subsection
34 to read:

35 "(d) Limitation on Prohibition. – The prohibition in this section shall not apply
36 unless the electioneering communication at issue is susceptible of no reasonable
37 interpretation other than as an appeal to vote for or against a specific candidate."

38 **SECTION 10.3.(c)** This section is effective when it becomes law.

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

40 "(4a) 48-Hour Report. – A political committee or political party that receives
41 a contribution or transfer of funds ~~from any political committee~~ shall
42 disclose within 48 hours of receipt a contribution or transfer of one
43 thousand dollars (\$1,000) or more received before an election but after
44 the period covered by the last report due before that election. The

1 disclosure shall be by report to the State Board of Elections identifying
2 the source and amount of the funds. The State Board of Elections shall
3 specify the form and manner of making the report."

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

5 "(2a) 48-Hour Report. – A referendum committee that receives a
6 contribution or transfer of funds ~~from any political committee~~ shall
7 disclose within 48 hours of receipt a contribution or transfer of one
8 thousand dollars (\$1,000) or more received before a referendum but
9 after the period covered by the last report due before that referendum.
10 The disclosure shall be by report to the State Board of Elections
11 identifying the source and amount of such funds. The State Board of
12 Elections shall specify the form and manner of making the report."

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

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