

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

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HOUSE BILL 1171  
Committee Substitute Reported Without Prejudice 7/11/01

Short Title: Judicial Election Reform.

(Public)

Sponsors:

Referred to:

April 12, 2001

1 A BILL TO BE ENTITLED  
2 AN ACT TO LOWER CONTRIBUTION LIMITS FOR CANDIDATES FOR THE  
3 STATE COURT OF APPEALS AND THE STATE SUPREME COURT AND TO  
4 PROVIDE AN ALTERNATIVE MEANS OF FINANCING THEIR CAMPAIGNS.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. Chapter 163 of the General Statutes is amended to add a new  
7 Article to read:

8 "Article 22E.

9 "The Impartial Justice Act.

10 "§ 163-278.68. Purpose of the Impartial Justice Act.

11 This Article may be referred to as the Impartial Justice Act. The purpose of this  
12 Article is to protect the constitutional rights of voters and candidates from the  
13 detrimental effects of the increasingly large amounts of money being raised and spent in  
14 North Carolina to influence the outcome of statewide judicial elections. It is essential  
15 for the integrity of both the judicial process and the election process that the potential  
16 for corruption or the appearance of corruption be minimized. Accordingly, this Article  
17 establishes the North Carolina Democracy Trust Fund as an alternative source of  
18 campaign financing for candidates who voluntarily accept strict fund-raising and  
19 spending limits in their campaigns for election to the North Carolina Court of Appeals  
20 or North Carolina Supreme Court. The Democracy Trust Fund will provide full funding  
21 for the general election campaign of candidates who abide by the provisions of this Act.

22 "§ 163-278.69. Definitions.

23 When used in this Article:

24 (1) 'Board' means the State Board of Elections.

25 (2) For purposes of calculating amounts certified candidates receive, the  
26 term 'campaign expenditure' shall not include loan payments, refunds,  
27 or contributions made by candidates to other candidates, political  
28 committees, referendum committees, or political parties.

- 1           (3) 'Certified candidate' means a candidate running for office who chooses  
2 to receive campaign funds in accordance with the Impartial Justice Act  
3 and who is certified under G.S. 163-278.71(e).
- 4           (4) 'Contested primary election' and 'contested general election' mean  
5 elections in which there are more candidates than the number to be  
6 elected.
- 7           (5) 'Candidate' means any individual who becomes a candidate as  
8 described in G.S. 163-278.6(3) and also means a political committee  
9 organized by the candidate or the candidate's supporters for that  
10 candidate's election.
- 11          (6) 'Contribution,' 'expenditure,' 'independent expenditure,' 'political  
12 committee,' and 'referendum committee' have the same meaning as  
13 defined in G.S. 163-278.6.
- 14          (7) 'Fund' means the North Carolina Democracy Trust Fund established in  
15 G.S. 163-278.70.
- 16          (8) 'Minimum qualifying contributions' means an amount of qualifying  
17 contributions equal to seven times the filing fee for candidacy for the  
18 office as set forth in G.S. 163-107.
- 19          (9) 'Maximum qualifying contributions' means an amount of qualifying  
20 contributions equal to 50 times the filing fee for candidacy for the  
21 office as set forth in G.S. 163-107.
- 22          (10) 'Nonparticipating candidate' means a candidate running for a seat on  
23 the North Carolina Court of Appeals or North Carolina Supreme Court  
24 who does not choose to receive campaign funds under the Impartial  
25 Justice Act and who is not seeking to be certified under G.S. 163-  
26 278.71(e).
- 27          (11) 'Office' means a position on the North Carolina Court of Appeals or  
28 North Carolina Supreme Court.
- 29          (12) 'Participating candidate' means a candidate who is running for office  
30 who is seeking to be certified as a candidate under G.S. 163-278.71(e).
- 31          (13) 'Qualifying contribution' means a donation of not more than one  
32 hundred dollars (\$100.00) in the form of a check or money order to the  
33 candidate or the candidate's campaign committee:
- 34           a. Made by any registered voter in this State;  
35           b. Made during the designated qualifying period and obtained with  
36 the approval of the candidate or candidate's campaign  
37 committee, in accordance with the provisions of the North  
38 Carolina Code of Judicial Conduct; and  
39           c. Acknowledged by a written receipt, on a multicopy form  
40 provided by the Board, that identifies the complete name,  
41 residence address, and county of residence of the contributor  
42 and the amount and date of the contribution made; states that

1 the contributor is a registered voter of this State; states that the  
2 contributor authorizes the candidate to use the contribution to  
3 qualify to receive campaign funds from the Fund; and is signed  
4 by the contributor and the candidate or the candidate's  
5 representative.

6 (14) 'Qualifying period' means:

7 a. For participating candidates affiliated with political parties on  
8 the North Carolina ballot, the period beginning 90 days before  
9 the first Monday in February and ending 10 days after the  
10 primary election.

11 b. For unaffiliated participating candidates and for participating  
12 candidates affiliated with political parties seeking ballot  
13 recognition, the period beginning 90 days before the first  
14 Monday in February and ending on the last Friday in June.

15 (15) 'Trigger for rescue funds' means the dollar amount at which rescue  
16 funds are released for certified candidates in contested elections. In the  
17 case of a contested primary election, the trigger equals the maximum  
18 qualifying contributions for participating candidates. In the case of a  
19 contested general election, the trigger equals the base level of funding  
20 available under G.S. 163-278.72(b)(4).

21 **"§ 163-278.70. North Carolina Democracy Trust Fund established; sources of**  
22 **funding.**

23 (a) Establishment of Fund. – The North Carolina Democracy Trust Fund is  
24 established to finance the election campaigns of certified candidates for office and to  
25 pay the administrative and enforcement costs of the Board related to this Article. The  
26 Fund is a special, dedicated, nonlapsing, nonreverting fund. Any interest generated by  
27 the Fund shall be credited to the Fund. The Board shall administer the Fund.

28 (b) Sources of Funding. – Money received from the following sources shall be  
29 deposited in the Fund:

30 (1) A portion of the annual license fee paid by attorneys under G.S. 105-  
31 41 equal to fifty dollars (\$50.00) per license;

32 (2) Voluntary donations made directly to the Democracy Trust Fund; and

33 (3) Unspent Democracy Trust Fund revenues distributed to any certified  
34 candidate who does not remain a certified candidate until the election  
35 for which they were distributed or Democracy Trust Fund revenues  
36 that remain unspent by a candidate following the date of the election  
37 for which they were distributed.

38 (c) Determination of Fund Amount. – By April 1, 2003, and every two years  
39 thereafter, the Board shall prepare and provide to the Joint Legislative Commission on  
40 Governmental Operations of the General Assembly a report documenting, evaluating,  
41 and making recommendations relating to the administration, implementation, and  
42 enforcement of the Impartial Justice Act. In its report, the Board shall set out the funds

1 received to date and the expected revenues and expenses of the Fund during the next  
2 election cycle.

3 **"§ 163-278.71. Requirements for participation.**

4 (a) Declaration of Intent. – Any individual choosing to receive campaign funds  
5 from the Fund shall first file with the Board a declaration of intent to participate in the  
6 Impartial Justice Act as a candidate for a stated office. The declaration of intent shall be  
7 filed with the Board prior to or during the qualifying period, according to forms and  
8 procedures adopted by the Board. The candidate shall file a declaration of intent before  
9 collecting any qualifying contributions under this Article. A candidate who files a  
10 declaration of intent shall swear or affirm that the candidate has complied with and will  
11 continue to comply with the Impartial Justice Act contribution and expenditure limits  
12 and will comply with all other requirements set forth in this Article or promulgated by  
13 the Board.

14 (b) Range of Qualifying Contributions. – In order to receive any campaign funds  
15 from the Fund, participating candidates shall first obtain the minimum qualifying  
16 contributions described in G.S. 163-278.69(8) but shall not raise or spend an amount  
17 that exceeds the maximum qualifying contributions.

18 (c) Spending Limit. – A participating candidate in a contested primary shall  
19 agree not to raise or spend more than the maximum qualifying contributions during the  
20 qualifying period, except as provided in G.S. 163-278.74. The candidate shall promptly  
21 return any excess qualifying contributions obtained to the original donor or turn them  
22 over to the Board for deposit into the Fund in accordance with procedures adopted by  
23 the Board.

24 (d) Filing With the Board. – No later than five business days after the end of the  
25 qualifying period, all participating candidates shall submit a report to the Board of all  
26 previously unreported qualifying contributions, together with copies of the signed  
27 contribution forms described in G.S. 163-278.69(13)c., in accordance with procedures  
28 adopted by the Board. Within five business days after receipt of the final report, the  
29 Board shall determine, through a random audit or other means it adopts, whether the  
30 contributions comply with the definition of qualifying contributions, whether they must  
31 be returned to the donor, and whether they exceed the maximum amount of qualifying  
32 contributions.

33 (e) Certification of Candidates. – Upon receipt of a submittal of the record of  
34 qualifying contributions by a participating candidate, the Board shall determine whether  
35 or not the candidate has:

- 36 (1) Signed and filed a declaration of intent to participate in this Article;
- 37 (2) Submitted copies of the forms described in G.S. 163-278.69(13)c.  
38 signed by contributors who are registered voters, which the Board shall  
39 verify through a random sample or other means it adopts;
- 40 (3) Met the requirement for the minimum and maximum qualifying  
41 contributions to be raised;
- 42 (4) Complied with expenditure restrictions;

1           (5) Qualified as a candidate under G.S. 163-106, 163-98, 163-122, 163-  
2           123, or 163-114; and

3           (6) Otherwise met the requirements for participation in this Article.

4           The Board shall certify candidates complying with the requirements of this section  
5           as soon as possible and no later than five business days after receipt of qualifying  
6           contributions.

7           (f) Restrictions on Contributions and Expenditures for Participating and Certified  
8           Candidates. – After filing a declaration of intent, a candidate shall limit campaign  
9           expenditures and debts to the qualifying contributions and the money distributed to the  
10           candidate from the Fund. For accounting purposes, all qualifying contributions shall be  
11           spent before the candidate spends money received from the Fund. A candidate shall  
12           return to the Fund any amount distributed for an election that is unspent and  
13           uncommitted at the date of the election or at the time the individual ceases to be a  
14           certified candidate, whichever occurs earlier.

15           Notwithstanding the previous paragraph, the candidate may spend that candidate's  
16           own funds or those of that candidate's spouse, parents, brothers, and sisters in any  
17           amount up to an aggregate total of one thousand dollars (\$1,000). In addition, a certified  
18           candidate may accept in-kind contributions from political party executive committees  
19           up to an aggregate value of ten percent (10%) of the amount a candidate is eligible to  
20           receive from the Fund as determined under G.S. 163-278.72(b)(4).

21           With regard to all the revenues raised as permitted by this subsection, a participating  
22           or certified candidate or that candidate's committee shall limit the use of those revenues  
23           to expenditures for campaign-related purposes only. The Board shall publish guidelines  
24           outlining permissible campaign-related expenditures.

25           Any contribution received by a participating or certified candidate that falls outside  
26           that permitted by this subsection shall be returned to the donor as soon as practicable.  
27           Contributions knowingly made, solicited, or accepted in violation of this Article are  
28           subject to civil penalties as specified in G.S. 163-278.78. The funds involved shall be  
29           forfeited to the Civil Penalty and Forfeiture Fund.

30           **"§ 163-278.72. Distribution from the Fund.**

31           (a) Timing of Fund Distribution. – The Board shall distribute to certified  
32           candidates revenues from the Fund in amounts determined under subsection (b) of this  
33           section within the earlier of the following:

34                   (1) Three business days after the end of the qualifying period for a  
35                   certified candidate whose name is approved to appear on the ballot in a  
36                   contested general election.

37                   (2) Three business days after the certified candidate faces an opposition  
38                   candidate whose name is approved to appear on the ballot in a general  
39                   election pursuant to G.S. 163-122, 163-123, or 163-98. No funds are  
40                   distributed for uncontested general elections.

41           (b) Amount of Fund Distribution. – By August 1, 2003, and no less frequently  
42           than every two years thereafter, the Board shall determine the amount of funds, rounded

1 to the nearest one hundred dollars (\$100.00), to be distributed to certified candidates as  
2 follows:

- 3 (1) Uncontested primary elections. – No funds shall be distributed.
- 4 (2) Contested primary elections. – No funds shall be distributed except as  
5 provided in G.S. 163-278.74.
- 6 (3) Uncontested general elections. – No funds shall be distributed.
- 7 (4) Contested general elections. – Funds shall be distributed to a certified  
8 candidate for a position on the Court of Appeals in an amount equal to  
9 75 times the candidate's filing fee as set forth in G.S. 163-107. Funds  
10 shall be distributed to a certified candidate for a position on the  
11 Supreme Court in an amount equal to 150 times the candidate's filing  
12 fee as set forth in G.S. 163-107.

13 (c) Method of Fund Distribution. – The State Treasurer shall cooperate with the  
14 Board to develop a rapid, reliable method of conveying funds to certified candidates. In  
15 all cases, the Board shall distribute funds to certified candidates in a manner that is  
16 expeditious, ensures accountability, and safeguards the integrity of the Fund.

17 **"§ 163-278.73. Reporting requirements.**

18 (a) Reporting by Noncertified Candidates and Independent Expenditure Entities.  
19 – Any noncertified candidate with a certified opponent shall report total income,  
20 expenses, and obligations to the Board by facsimile machine or electronically within 24  
21 hours after the total amount of campaign expenditures or obligations made, or funds  
22 raised or borrowed, exceeds eighty percent (80%) of the trigger for rescue funds. Any  
23 entity making independent expenditures in excess of one hundred dollars (\$100.00) in  
24 support of or opposition to a certified candidate shall report the total funds received,  
25 spent, or obligated for those expenditures to the Board by facsimile machine or  
26 electronically within 24 hours after the total amount of expenditures or obligations  
27 made, or funds raised or borrowed, for the purpose of making the independent  
28 expenditures, exceeds fifty percent (50%) of the trigger for rescue funds. After this 24-  
29 hour filing, the noncertified candidate or independent expenditure entity shall comply  
30 with an expedited reporting schedule. The schedule and forms for reports required by  
31 this subsection shall be made according to procedures adopted by the Board.

32 (b) Reporting by Participating and Certified Candidates. – Notwithstanding other  
33 provisions of law, participating and certified candidates shall report any money  
34 collected, all campaign expenditures, obligations, and related activities to the Board  
35 according to procedures adopted by the Board. A certified candidate who ceases to be  
36 certified or ceases to be a candidate or who loses an election shall file a final report with  
37 the Board and return any unspent revenues received from the Fund. In developing those  
38 procedures, the Board shall utilize existing campaign reporting procedures whenever  
39 practical.

40 (c) Timely Access to Reports. – The Board shall ensure prompt public access to  
41 the reports received in accordance with this Article. The Board may utilize electronic  
42 means for reporting and storing information.

1 **"§ 163-278.74. Rescue funds.**

2 (a) When Rescue Funds Become Available. – When any report or group of  
3 reports shows that 'funds in opposition to a certified candidate or in support of an  
4 opponent to that candidate' as described in this section exceed the trigger for rescue  
5 funds as defined in G.S. 163-278.69(15), the Board shall issue immediately to that  
6 certified candidate an additional amount equal to the reported excess within the limits  
7 set forth in this section. 'Funds in opposition to a certified candidate or in support of an  
8 opponent to that candidate' shall be equal to the sum of the campaign expenditures or  
9 obligations made or funds raised or borrowed, whichever is greater, reported by any  
10 uncertified opponent of a certified candidate, plus the expenditures reported in  
11 accordance with G.S. 163-278.73 of entities making independent expenditures in  
12 opposition to the certified candidate or in support of any opponent of that certified  
13 candidate.

14 (b) Limit on Rescue Funds in Contested Primary. – Total rescue funds to a  
15 certified candidate in a contested primary election shall be limited to an amount equal to  
16 two times the maximum qualifying contributions for the office sought.

17 (c) Limit on Rescue Funds in Contested General Election. – Total rescue funds to  
18 a certified candidate in a contested general election shall be limited to an amount equal  
19 to two times the amount described in G.S. 163-278.72(b)(4).

20 **"§ 163-278.75. Enforcement by the Board.**

21 (a) Enforcement by the Board. – The Board, with the advice of the Democracy  
22 Trust Fund Advisory Council, shall administer the provisions of this Article.

23 (b) Democracy Trust Fund Advisory Council. – There is established under the  
24 State Board of Elections the Democracy Trust Fund Advisory Council to advise the  
25 Board on the rules and opinions it adopts to enforce and administer this Article and on  
26 the funding needs of the Fund. The Democracy Trust Fund Advisory Council shall  
27 consist of five members to be appointed by the Governor. The Governor, in making the  
28 appointments, shall take into consideration recommendations made by the public, the  
29 Judicial Conduct Review Board, and other organizations. No person shall be eligible to  
30 be a member of the Council who would be ineligible to serve on a county board of  
31 elections in accordance with G.S. 163-30. The initial members shall be appointed by  
32 September 1, 2002. Of the initial appointees, two shall be appointed for one-year terms,  
33 two shall be appointed for two-year terms, and one shall be appointed for a three-year  
34 term according to random lot. Thereafter, appointees are appointed to serve four-year  
35 terms. A person shall not serve more than two full terms. The members shall receive the  
36 legislative per diem set forth in G.S. 120-3.1. One of the Council members shall be  
37 elected by the members as Chair. A vacancy during an unexpired term shall be filled in  
38 the same manner as the regular appointment for that term, but a vacancy appointment  
39 shall be only for the unexpired portion of the term.

40 (c) Appeals. – The initial decision on an issue concerning qualification,  
41 certification, or distribution under this Article shall be made by the Executive Secretary-  
42 Director of the Board. The procedure for appealing that decision shall be as follows:

1           (1) A person aggrieved by a decision by the Executive Secretary-Director  
2 of the Board may appeal to the full Board within three business days of  
3 the decision. The appeal shall be in writing and shall set forth the  
4 reasons for the appeal.

5           (2) Within five business days after an appeal is properly made, and after  
6 due notice is given to the parties, the Board shall hold a hearing. The  
7 appellant has the burden of providing evidence to demonstrate that the  
8 Board's decision was improper. The Board shall rule on the appeal  
9 within three business days after the completion of the hearing.

10 **"§ 163-278.76. Board to adopt rules.**

11 The Board shall adopt rules to ensure effective administration of this Article. Such  
12 rules shall include, but not be limited to, procedures for obtaining qualifying  
13 contributions, certifying a Democracy Trust Fund candidate, addressing circumstances  
14 involving second primaries, special elections, vacancies, recounts, withdrawals, or  
15 replacements, collection of revenues for the Fund, distribution of Fund revenue to  
16 certified candidates, return of unspent Fund disbursements, and compliance with the  
17 Impartial Justice Act. The Board shall evaluate qualification thresholds and funding  
18 formulae for candidates and report those evaluations to the General Assembly by April  
19 1, 2003, and every two years thereafter. For races involving second primaries, special  
20 elections, recounts, vacancies, withdrawals, or replacement candidates, the Board shall  
21 establish procedures for qualification, certification, disbursement of Fund revenues, and  
22 return of unspent Fund revenues. The Board shall fulfill each of these duties in  
23 consultation with the Democracy Trust Fund Advisory Council.

24 **"§ 163-278.77. Voter education.**

25 The Board shall publish and distribute a Judicial Voter Guide. The Guide shall  
26 include statements from the Board explaining the function of the appellate courts and  
27 the laws concerning their election, explaining the purpose and workings of the Impartial  
28 Justice Act, and explaining the laws of voter registration. The Guide shall also include  
29 information concerning all candidates for the Supreme Court and the Court of Appeals,  
30 as provided by those candidates according to a format provided to the candidates by the  
31 Board. The Board shall request information for the Guide from each candidate  
32 according to the following format:

33           (1) Place of residence.

34           (2) Education.

35           (3) Occupation.

36           (4) Employer.

37           (5) Date admitted to the bar.

38           (6) Legal/judicial experience.

39           (7) Candidate statement, limited to 100 words. Concerning that statement,  
40 the Board shall send to the candidates instructions as follows: 'Your  
41 statement may include information such as your qualifications, your  
42 endorsements, your ratings, why you are seeking judicial office, why

1           you would make a good judge, what distinguishes you from your  
2           opponent(s), and any other information relevant to your candidacy. We  
3           will correct incidental errors of spelling, grammar, and punctuation  
4           which might prejudice the candidate's statement unfairly or confuse  
5           voters. We will make no changes to the content of any statement which  
6           would alter the meaning or substance of the statement. The State  
7           Board of Elections will reject any portion of any statement which it  
8           determines contains obscene, profane, or defamatory language.'

9           The Board shall prominently identify each certified candidate in the Guide as a  
10          candidate who has become certified under the Impartial Justice Act.

11          The Board shall distribute the Guide to all voters in the State no more than 21 days  
12          nor less than seven days before the general election. The Board shall distribute the  
13          Guide as a newspaper supplement or through the mail or through any means it finds  
14          effective and practical. To distribute the Guide, the Board shall use monies from the  
15          Fund as long as sufficient monies remain to provide all certified candidates with the  
16          maximum funding they are eligible to receive.

17          **"§ 163-278.78. Civil penalty.**

18          In addition to any other penalties that may be applicable, any individual, political  
19          committee, or other entity that violates any provision of this Article is subject to a civil  
20          penalty of up to ten thousand dollars (\$10,000) per violation. In addition to any fine, for  
21          good cause shown, a candidate found in violation of this Article may be required to  
22          return to the Fund all amounts distributed to the candidate from the Fund. If the Board  
23          makes a determination that a violation of this Article has occurred, the Board shall  
24          calculate and assess the amount of the civil penalty and shall notify the entity that is  
25          assessed the civil penalty of the amount that has been assessed. The Board shall then  
26          proceed in the manner prescribed in G.S. 163-278.34. In determining whether or not a  
27          candidate is in violation of the expenditure limits of this Article, the Board may  
28          consider as a mitigating factor any circumstances out of the candidate's control."

29          **SECTION 2.** G.S. 163-278.13 is amended by adding a new subsection to  
30 read:

31          "(e2) In order to make meaningful the provisions of the Impartial Justice Act, as set  
32          forth in Article 22E of this Chapter, no candidate for the North Carolina Court of  
33          Appeals or North Carolina Supreme Court shall accept, and no contributor shall make to  
34          such a candidate, a contribution during the period beginning 21 days before the day of  
35          the general election and ending the day after the general election. Nothing in this  
36          subsection shall prohibit a candidate from making a contribution or loan secured  
37          entirely by that candidate's assets to that candidate's own campaign. As used in this  
38          subsection, 'candidate' is also a political committee organized by the candidate or the  
39          candidate's supporters for that candidate's election. This subsection applies with respect  
40          to a candidate opposed in the general election by a certified candidate as defined in  
41          Article 22E of this Chapter who has not received the maximum rescue funds available  
42          under G.S. 163-278.74. The recipient of a contribution that apparently violates this

1 subsection has three days to return the contribution or file a detailed statement with the  
2 State Board of Elections explaining why the contribution does not violate this  
3 subsection."

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

6 "(e3) No candidate for justice of the Supreme Court or judge of the Court of  
7 Appeals shall accept a contribution in any election exceeding five hundred dollars  
8 (\$500.00) from any individual, political committee, or other entity. As used in this  
9 subsection, 'candidate' is also a political committee organized by the candidate or the  
10 candidate's supporters for that candidate's election. No individual, political committee,  
11 or other entity shall make a contribution in any election exceeding five hundred dollars  
12 (\$500.00) to a candidate for justice of the Supreme Court or judge of the Court of  
13 Appeals. The exception for family members in subsection (c) of this section applies to  
14 this subsection."

15 **SECTION 4.** G.S. 105-41 reads as rewritten:

16 **"§ 105-41. Attorneys-at-law and other professionals.**

17 (a) Every individual in this State who practices a profession or engages in a  
18 business and is included in the list below must obtain from the Secretary a statewide  
19 license for the privilege of practicing the profession or engaging in the business. A  
20 license required by this section is not transferable to another person. The tax for each  
21 license is fifty dollars (\$50.00).

22 (1) An attorney-at-law. An attorney-at-law shall pay an additional fifty  
23 dollars (\$50.00) to provide funding for the North Carolina Democracy  
24 Trust Fund established by Article 22E of Chapter 163 of the General  
25 Statutes.

26 (2) A physician, a veterinarian, a surgeon, an osteopath, a chiropractor, a  
27 chiropodist, a dentist, an ophthalmologist, an optician, an optometrist,  
28 or another person who practices a professional art of healing.

29 (3) A professional engineer, as defined in G.S. 89C-3.

30 (4) A registered land surveyor, as defined in G.S. 89C-3.

31 (5) An architect.

32 (6) A landscape architect.

33 (7) A photographer, a canvasser for any photographer, or an agent of a  
34 photographer in transmitting photographs to be copied, enlarged, or  
35 colored.

36 (8) A real estate broker or a real estate salesman, as defined in G.S. 93A-2.  
37 A real estate broker or a real estate salesman who is also a real estate  
38 appraiser is required to obtain only one license under this section to  
39 cover both activities.

40 (9) A real estate appraiser, as defined in G.S. 93E-1-4. A real estate  
41 appraiser who is also a real estate broker or a real estate salesman is

1 required to obtain only one license under this section to cover both  
2 activities.

3 (10) A person who solicits or negotiates loans on real estate as agent for  
4 another for a commission, brokerage, or other compensation.

5 (11) A mortician or embalmer licensed under G.S. 90-210.25.

6 (b) The following persons are exempt from the tax:

7 (1) A person who is at least 75 years old.

8 (2) A person practicing the professional art of healing for a fee or reward,  
9 if the person is an adherent of an established church or religious  
10 organization and confines the healing practice to prayer or spiritual  
11 means.

12 (3) A blind person engaging in a trade or profession as a sole proprietor. A  
13 "blind person" means any person who is totally blind or whose central  
14 visual acuity does not exceed 20/200 in the better eye with correcting  
15 lenses, or where the widest diameter of visual field subtends an angle  
16 no greater than 20 degrees. This exemption shall not extend to any sole  
17 proprietor who permits more than one person other than the proprietor  
18 to work regularly in connection with the trade or profession for  
19 remuneration or recompense of any kind, unless the other person in  
20 excess of one so remunerated is a blind person.

21 (c) Every person engaged in the public practice of accounting as a principal, or as  
22 a manager of the business of public accountant, shall pay for such license fifty dollars  
23 (\$50.00), and in addition shall pay a license of twelve dollars and fifty cents (\$12.50)  
24 for each person employed who is engaged in the capacity of supervising or handling the  
25 work of auditing, devising or installing systems of accounts.

26 (d) Repealed by Session Laws 1998-95, s. 7.

27 (e) Licenses issued under this section are issued as personal privilege licenses  
28 and shall not be issued in the name of a firm or corporation. A licensed photographer  
29 having a located place of business in this State is liable for a license tax on each agent or  
30 solicitor employed by the photographer for soliciting business. If any person engages in  
31 more than one of the activities for which a privilege tax is levied by this section, the  
32 person is liable for a privilege tax with respect to each activity engaged in.

33 (f) Repealed by Session Laws 1981, c. 17.

34 (g) Repealed by Session Laws 1998-95, s. 7.

35 (h) Counties and cities may not levy any license tax on the business or  
36 professions taxed under this section.

37 (i) Obtaining a license required by this Article does not of itself authorize the  
38 practice of a profession, business, or trade for which a State qualification license is  
39 required."

40 **SECTION 5.** The provisions of this act are severable. If any provision of  
41 this act is held invalid by a court of competent jurisdiction, the invalidity does not affect  
42 other provisions of the act that can be given effect without the invalid provision.

1           **SECTION 6.** Section 1 of this act is effective when it becomes law,  
2 provided that distributions from the Fund shall begin in the 2004 election year. Section  
3 2 of this act becomes effective January 1, 2004. Section 3 of this act becomes effective  
4 January 1, 2003. Section 4 of this act becomes effective with respect to licenses  
5 covering the period beginning July 1, 2002. The remainder of this act is effective when  
6 it becomes law.