

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015**

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**HOUSE BILL 621**

Short Title: Public Financing of Municipal Campaigns. (Public)

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Sponsors: Representatives Insko, Fisher, and Harrison (Primary Sponsors).  
*For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*

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Referred to: Elections, if favorable, Local Government, if favorable, Finance.

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April 13, 2015

A BILL TO BE ENTITLED  
AN ACT TO ESTABLISH A PILOT PROGRAM FOR PUBLIC FINANCING OF  
MUNICIPAL ELECTION CAMPAIGNS.

The General Assembly of North Carolina enacts:

**SECTION 1.** A governing body of a city may appropriate funds for a public campaign financing program as defined in Section 3 of this act for city office in that city's jurisdiction if the city has held at least one public hearing on the program before adopting it and the program is approved by the State Board of Elections. The State Board of Elections shall develop guidelines for the basic components needed in a program to meet the criteria set forth in Section 3 of this act and shall approve a city's program that meets the criteria. The guidelines shall require that participating candidates shall file all disclosure reports with the State Board of Elections and that the State Board of Elections shall certify and authorize the issuance of public funds to eligible candidates participating in the program. Any city exercising authority under this act shall provide full notice to the county board of elections in any county in which it has territory.

**SECTION 2.** The governing body of a city appropriating funds as provided by this act shall prepare a report no later than six months after the second election in which it appropriates funds under this act that analyzes its experience in implementing a public campaign financing program by that date, including percent of candidates participating in a program, sources and amounts of funding, litigation involving a program, administrative issues, and recommendations for changes in this act. The report shall be presented by that date to the State Board of Elections.

**SECTION 3.** The term "public campaign financing program" means a uniform program of a governmental entity that offers support for the campaigns of candidates for elective office within the jurisdiction of that governmental entity under the following conditions:

- (1) The candidates participating in the program must demonstrate public support and voluntarily accept strict fund-raising and spending limits in accordance with a set of requirements drawn by that government.
- (2) The requirements are drawn to further the public purpose of free and fair elections and do not discriminate for or against any candidate on the basis of race, creed, position on issues, status of incumbency or nonincumbency, or party affiliation.
- (3) Any public funds provided to candidates are restricted to use for campaign purposes according to guidelines drawn by the State Board of Elections.



- 1 (4) Unspent public funds are required to be returned to that governmental entity.  
2 (5) If the program provides for matching funds for electioneering  
3 communications for certified candidates when funds in opposition to a  
4 certified candidate or in support of an opponent to that candidate exceed a  
5 certain amount, the State Board of Elections shall determine which  
6 candidate, if any, is entitled to receive matching funds as a result of the  
7 communication. The State Board of Elections shall authorize issuance of  
8 matching funds based on the communication only if it ascertains that the  
9 communication is susceptible of no reasonable interpretation other than as an  
10 appeal to vote for or against a specific candidate. In making its  
11 determination, the State Board of Elections shall not consider evidence  
12 external to the communication itself of the intent of the sponsor or the effect  
13 of the communication.

14 Funds paid by a city pursuant to such a program are not subject to the contribution limitations  
15 of G.S. 163-278.13 and the prohibitions on corporate contributions of G.S. 163-278.15 or  
16 G.S. 163-278.19 but shall be reported as if they were contributions in all campaign reports  
17 required by law to be filed by the campaigns receiving the payments.

18 **SECTION 4.** This act applies to the Town of Chapel Hill, the City of Asheville,  
19 and any municipality with a total population of more than 50,000 that is selected by the State  
20 Board of Elections for participation in a pilot program for the public financing of municipal  
21 campaigns. The population shall be determined by the most recent federal decennial census.  
22 The State Board of Elections shall select for the pilot program only municipalities whose  
23 governing boards have submitted proposals that comply with the criteria of Section 1 of this  
24 act. In selecting those municipalities, the State Board shall seek diversity of population size,  
25 regional location, and demographic composition. The State Board shall limit the number of  
26 municipalities selected according to its own resources to administer the pilot program. The  
27 State Board of Elections shall not select municipalities that use the partisan method of election.  
28 The State Board of Elections shall closely monitor the pilot program and report its findings and  
29 recommendations by June 30, 2020, to the Joint Legislative Commission on Governmental  
30 Operations, the Fiscal Research Division of the Legislative Services Office, the Joint  
31 Legislative Elections Oversight Committee, and the committees in the House of  
32 Representatives and Senate to which election-related bills are primarily referred. The State  
33 Board shall provide interim reports to those same entities by June 30, 2016, and June 30, 2018.

34 **SECTION 5.** This act is effective when it becomes law and expires July 1, 2021.