

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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HOUSE BILL 1848

Short Title: No Blank Contribution Checks.

(Public)

Sponsors: Representatives Hackney, Howard, Eddins, Ross (Primary Sponsors); Barnhart, Bell, Brubaker, Coates, Earle, Fisher, Gibson, Harrison, Justice, Lucas, Luebke, Martin, McLawhorn, Nye, Sauls, Setzer, Sherrill, Steen, West, Alexander, L. Allen, Bordsen, Dickson, Glazier, Harrell, Hill, Insko, Jeffus, Jones, Lewis, McGee, Preston, Spear, Starnes, Underhill, Walker, and Weiss.

Referred to: Judiciary I.

May 10, 2006

A BILL TO BE ENTITLED

1
2 AN ACT TO PROHIBIT THE USE OF BLANK CHECKS AS CAMPAIGN
3 CONTRIBUTIONS AND TO DELINEATE WHAT IS LAWFUL AND
4 UNLAWFUL PARTICIPATION BY AN INTERMEDIARY IN POLITICAL
5 FUND-RAISING, AS RECOMMENDED BY THE HOUSE SELECT
6 COMMITTEE ON ETHICS AND GOVERNMENTAL REFORM.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** Article 22A of Chapter 163 of the General Statutes is amended
9 by adding a new section to read:

10 "**§ 163-278.20A. Making a contribution through an intermediary.**

11 (a) Lawful Contributions Through Intermediaries. – It is lawful for any entity
12 that is not otherwise prohibited from making the contribution to make one through an
13 intermediary as long as all the following conditions are satisfied:

- 14 (1) The original contributor, on the instrument with which the contribution
15 is made, makes a complete designation of the amount of the
16 contribution, the date the contribution is made, and the political
17 committee, candidate, or other lawful entity that the contributor
18 intends to be the recipient of the contribution. If the contribution is by
19 check, the contributor must sign and date the check and must complete
20 the amount and payee spaces on the check. If an individual contributor,
21 because of disability, lack of knowledge of the precise name of the
22 contributor, or another justifiable reason, is unable to complete the
23 check or other instrument, that contributor may receive assistance in

1 completing it, but the substance of the completion shall be entirely at
2 the direction of the contributor.

3 (2) The contribution is within the limits provided in G.S. 163-278.13.

4 (3) The transaction is reported by the contributee and the contributor if
5 reporting is required by this Article.

6 (4) The intermediary is not prohibited from soliciting contributions by
7 G.S. 163-278.13B.

8 (5) The contribution is delivered to the contributee within 20 days after the
9 intermediary takes possession of the instrument by which the
10 contribution is made.

11 (b) Unlawful Contributions Through Intermediaries. – It is unlawful for any
12 entity to make a contribution through an intermediary if the conditions of subsection (a)
13 of this section are not satisfied. No one but the contributor shall complete any portion of
14 a contribution check or other contribution instrument. If an individual contributor,
15 because of disability, lack of knowledge of the precise name of the contributee, or
16 another justifiable reason, is unable to complete the check or other instrument, that
17 contributor may receive assistance in completing it, but the substance of the completion
18 shall be entirely at the direction of the contributor.

19 (c) No Reporting Required of Intermediary. – If a contribution involving an
20 intermediary satisfies the conditions of subsection (a) of this section, the participation of
21 an intermediary of a contribution is not required to be reported.

22 (d) Duty of Intermediary to Deliver or Return Contribution. – If an intermediary
23 takes possession of a contribution and agrees to forward that contribution to another
24 entity, that intermediary shall forward the contribution to the donee entity or return the
25 contribution to the donor within 20 days of taking possession.

26 (e) Definition of "Intermediary". – As used in this Article, the term
27 "intermediary" means an entity that receives money or anything of value from an entity
28 with the understanding that it will be forwarded as a contribution by the donor entity to
29 a candidate, political committee, or other entity intended to accept a contribution.

30 (f) Penalties. – A violation of this section is a Class 2 misdemeanor. A violation
31 of this section constitutes "mak[ing] or accept[ing] a contribution in violation of this
32 Article" for purposes of the imposition of civil penalties under G.S. 163-278.34.

33 (g) Rules. – The State Board of Elections shall adopt rules for the
34 implementation of this section."

35 **SECTION 2.** G.S. 163-278.27(a) reads as rewritten:

36 "(a) Any individual, candidate, political committee, referendum committee,
37 treasurer, person or media who intentionally violates the applicable provisions of
38 G.S. 163-278.7, 163-278.8, 163-278.9, 163-278.10, 163-278.11, 163-278.12,
39 163-278.13, 163-278.13B, 163-278.14, 163-278.16, 163-278.17, 163-278.18,
40 163-278.19, 163-278.20, 163-278.20A, 163-278.39, 163-278.40A, 163-278.40B,
41 163-278.40C, 163-278.40D or 163-278.40E is guilty of a Class 2 misdemeanor. The
42 statute of limitations shall run from the day the last report is due to be filed with the
43 appropriate board of elections for the election cycle for which the violation occurred."

44 **SECTION 3.** G.S. 163-278.20 reads as rewritten:

1 **"§ 163-278.20. Disclosure before soliciting contributions.**

2 (a) It shall be unlawful for one or more individuals acting in concert, or for any
3 group, committee, club or organization, of any type or nature, of two or more
4 individuals, to solicit, attempt to solicit, or receive contributions for the purpose of
5 supporting a candidate, political committee, referendum committee, or political party
6 without first clearly advising those solicited as follows:

7 (1) The name of the candidate(s) for whom the contribution will be used;
8 or

9 (2) The name of the political committee or party for which the funds will
10 be used; or

11 ~~(3) That a decision will be reached later as to the candidate(s), political~~
12 ~~committee(s), or political party(ies) to be supported and that the~~
13 ~~contributions solicited will be expended in a manner and for a purpose~~
14 ~~to be determined at a future date but no later than 20 days prior to the~~
15 ~~pending primary or general election; or~~

16 (4) The name of the referendum committee for which the funds will be
17 used.

18 (b) A violation of this section is a Class 2 misdemeanor."

19 **SECTION 4.** This act becomes effective January 1, 2007, and applies to any
20 contribution made or accepted on or after that date and to any contribution received or
21 forwarded on or after that date.