

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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HOUSE BILL 875

Short Title: Chapel Hill Campaign Finance Options. (Local)

Sponsors: Representatives Insko and Hackney (Primary Sponsors).

Referred to: Election Law and Campaign Finance Reform.

March 24, 2005

1 A BILL TO BE ENTITLED
2 AN ACT TO DEFINE A UNIFORM PROGRAM OF PUBLIC CAMPAIGN
3 FINANCING AND TO AUTHORIZE THE TOWN OF CHAPEL HILL TO
4 CONDUCT SUCH A PROGRAM.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 163-278.6 is amended by adding a new subdivision to
7 read:

8 "(17a) The term 'public campaign financing program' means a uniform
9 program of a governmental entity that offers support for the campaigns
10 of candidates for elective office within the jurisdiction of that
11 governmental entity under the following conditions: (i) the candidates
12 participating in the program must demonstrate public support and
13 voluntarily accept strict fund-raising and spending limits in accordance
14 with a set of requirements drawn by that government, (ii) the
15 requirements are drawn to further the public purpose of free and fair
16 elections and do not discriminate for or against any candidate on the
17 basis of race, creed, position on issues, status of incumbency or
18 nonincumbency, or party affiliation, (iii) any public funds provided to
19 candidates are restricted to use for campaign purposes according to
20 guidelines drawn by the State Board of Elections, and (iv) unspent
21 public funds are required to be returned to that governmental entity.
22 Funds paid pursuant to such a program are not subject to the
23 contribution limitations of G.S. 163-278.13 and the prohibitions on
24 corporate contributions of G.S. 163-278.15 or G.S. 163-278.19, but
25 shall be reported as if they were contributions in all campaign reports
26 required by law to be filed by the campaigns receiving the payments."

27 **SECTION 2.** Article 21 of Chapter 160A of the General Statutes is amended
28 by adding a new section to read:

1 **"§ 160A-499. Uniform, nondiscriminatory program of public financing of election**
2 **campaigns.**

3 (a) A governing body of a city may appropriate funds for a public campaign
4 financing program as defined in G.S. 163-278.6(17a) for city office in that city's
5 jurisdiction if the city has held at least one public hearing on the program before
6 adopting it and the program is approved by the State Board of Elections. The State
7 Board of Elections shall develop guidelines for the basic components needed in a
8 program to meet the criteria set forth in G.S. 163-278.6(17a) and shall approve a city's
9 program that meets the criteria. Any city exercising authority under this section shall
10 provide full notice to the county board of elections in any county in which it has
11 territory.

12 (b) The governing body of a city appropriating funds as provided by this section
13 shall prepare a report no later than six months after the second election in which it
14 appropriates funds under this section that analyzes its experience in implementing a
15 public campaign financing program by that date, including percent of candidates
16 participating in a program, sources and amounts of funding, litigation involving a
17 program, administrative issues, and recommendations for changes in this statute. The
18 report shall be presented by that date to the Joint Legislative Commission on
19 Governmental Operations, to the Fiscal Research Division of the Legislative Services
20 Office, and to the committees in the House of Representatives and Senate to which
21 election-related bills are primarily referred."

22 **SECTION 3.** This act applies to the Town of Chapel Hill only.

23 **SECTION 4.** This act is effective when it becomes law and expires July 1,
24 2008.