

April 5, 2001

**S 1054. VOTER-OWNED ELECTIONS ACT.** *TO PHASE IN A VOLUNTARY PROGRAM THAT GIVES CANDIDATES FOR CERTAIN ELECTIVE OFFICES THE OPTION OF CHOOSING TO FINANCE THEIR CAMPAIGNS FROM A PUBLICLY SUPPORTED FUND, PROVIDED THAT THEY GAIN AUTHORIZATION TO DO SO FROM REGISTERED VOTERS AND THAT THEY ABIDE BY FUND-RAISING AND SPENDING LIMITS .* Adds new Art. 22D ("The Voter-Owned Elections Act") to GS Ch. 163. Applies to elections for Council of State offices in 2004, elections to the General Assembly in 2006, and to Governor and Lt. Governor in 2008. Provides that a candidate may choose to raise campaign funds as is currently done, or may choose to be funded through the North Carolina Democracy Fund established by the bill. If a candidate chooses to be funded through the Fund, the candidate may not accept other contributions. To be eligible to receive funding through the Fund, a candidate must receive "qualifying contributions" from individuals (within time frames before an election specified in the bill) in amounts of between \$10 and \$100 per individual contributor. A candidate for Governor must receive 7,000 qualifying contributions, a candidate for Lt. Governor or Council of State Seat 3,000, a candidate for State Senator 400 and a candidate for State Representative 200. Once the candidate has received the requisite number of qualifying contributions, he may not accept any other contributions other than payments from the Fund. Bill sets out formulas for determining how much a candidate is to receive from the Fund, which formulas are based on calculations related to average spending in the past by candidates running for the same seats. Requires non-participating candidates to report their contributions and expenditures and permits increased funding from the Fund for participating candidates who are being outspent. Provides for enforcement by the State Board of Elections. Provides for civil penalties for violations. Appropriates \$50,000 in each year of biennium to the State Board of Elections for administration of the act.

**Intro. by Gulley.**

Ref. to Judiciary I

GS 163

September 10, 2001

**S 1054. JUDICIAL CAMPAIGN REFORM ACT.** Intro. 4/5/01. Senate committee substitute makes the following changes to 1st edition. Completely rewrites bill, changing title to *AN ACT TO REFORM THE METHOD OF ELECTING SUPREME COURT JUSTICES AND COURT OF APPEALS JUDGES AND TO ESTABLISH A FAIR ELECTIONS FUND THAT PROVIDES CANDIDATES FOR THESE OFFICES WITH AN ALTERNATIVE MEANS OF FINANCING THEIR CAMPAIGNS.*

Creates new Article 22D in GS Ch. 163 establishing Fair Elections Fund as source of campaign financing for candidates for Supreme Court and Court of Appeals in elections beginning in 2004. Makes State Board of Elections administrator of Fund and designates monies to be deposited in Fund (see GS 163-278.63 for itemized list). Allows candidates to receive campaign funds from Fund if they (1) obtain not less than the minimum qualifying contributions (20 times the filing fee) and not more than the maximum qualifying contributions (45 times the filing fee); and (2) obtain the signatures of at least 1000 registered voters on a petition of support. Provides that sitting justices and judges need not comply with these requirements. Imposes certain limits on candidates' contributions and expenditures as condition of receiving distributions from Fund (see GS 163-278.64(d) for itemized list). Designates amounts to be distributed in primaries and general elections. Provides that unaffiliated and new-party candidates are eligible for revenues from Fund in general elections but not primaries. Requires submission of financial reports to Board by participating candidates; also requires reports in certain circumstances by candidates who are not receiving money from Fund and by entities making independent expenditures in support of or in opposition to candidate who is receiving money from Fund. Provides for "rescue funds" for candidate who is receiving money from Fund when opponent's expenditures exceed trigger amount.

Establishes Advisory Council for Fair Elections Fund under Board to advise Board on administration of Fund. Provides for two appointments by Governor from list of individuals nominated by state chair of political party with greatest number of registered voters; two appointments by Governor from list of individuals nominated by state chair with second greatest number of registered voters; and one member by unanimous vote of all members of Board.

Provides for civil penalty of \$10,000 per violation of act or three times amount of any financial transactions involved in violation, whichever is greater. Also provides that candidate found in violation of act may be required to return amounts distributed by Fund.

Limits amount of contributions that any candidate for Supreme Court or Court of Appeals may receive and amount contributor may make (see GS 163-278.13(e2) for itemized list of restrictions).

Amends GS 105-41 to require attorneys who do not opt out to pay as part of license fee additional \$50 to fund Fair Elections Fund. Adds new GS 105-159.2 allowing taxpayers to designate \$1 of their taxes for Fund.

Provides for election of appellate judges by nonpartisan ballot, with different section number depending on whether S 17 becomes law.

Provides that distributions from Fund shall begin in 2004 election year; gives other provisions various effective dates prior to 2004 election year.

September 10, 2001

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November 13, 2001

**S 1054. JUDICIAL CAMPAIGN REFORM ACT.** Intro. 4/5/01. Senate committee substitute makes the following changes to 2nd edition. Requires 2000 (was, 1000) signatures on petition for candidate in order for candidate to become certified to receive campaign funds. Provides that members of supreme court or court of appeals who were elected to such court within 4 years of beginning of qualifying period need not comply with certification procedures (was, any member of such court need not comply). Permits candidates to receive \$10,000 (was, \$5,000) in contributions without losing eligibility to receive campaign funds. Permits candidates to revoke decision to participate in Fair Elections Fund and sets out procedure for doing so. Makes various technical changes.

July 29, 2002

**S 1054. JUDICIAL CAMPAIGN REFORM ACT.** Intro. 4/5/01. House committee substitute makes the following changes to 3rd edition. Amends requirements for receiving public campaign funds by requiring a candidate to obtain qualifying contributions from at least 350 (was, 250) registered voters and deletes requirement to obtain 2,000 signatures on petition of support. Deletes references to in-kind contributions provided by a candidate's political party executive committee from the provisions specifying restrictions on contributions and expenditures. Deletes from proposed GS 163-278.65, which addresses distribution from the Fair Elections Fund, a provision making unaffiliated candidates and new party candidates eligible for revenues from the Fund. Specifies additional reporting to be made by noncertified candidates after the initial 24-hour filing set forth in proposed GS 163-278.66. Requires the State Board of Elections to distribute the Judicial Voter Guide to as many voting-age individuals as practical, through a mailing to all residences or other means it deems effective. Makes proposed subsection (e2) of GS 163-278.13 applicable to superior court and district court judges and raises proposed limitation on contributions from \$500 to \$1,000. Deletes from this subsection provision referring to in-kind contributions from the candidate's state political party. Amends language on state income tax form for designating tax to the Fair Elections Fund and prohibits the Dep't of Revenue from approving any tax preparation software package that defaults against designation of tax. Amends Article 25 of GS Chapter 163 to make it applicable to justices of the Supreme Court and judges of the Court of Appeals and makes other conforming changes. Changes effective date of Section 3 of the bill (providing for contribution to Fund by attorneys when obtaining license to practice law) from July 1, 2002, to July 1, 2003.

August 22, 2002

**S 1054. JUDICIAL CAMPAIGN REFORM ACT.** Intro. 4/5/01. House committee substitute makes the following changes to 4th edition. (1) Changes the name of the fund to the North Carolina Public Campaign Financing Fund. (2) Adds requirement that all expenses of administering the fund, including the Voter Guide, be paid from the fund and not the General Fund. (3) Deletes provision that exempted from the requirement to obtain qualifying contributions candidates who hold office on the Supreme Court or Court of Appeals and those who were elected to either court within four years of the beginning of the qualifying period. (4) Requires Board to adopt procedures for distribution of rescue money that avoid subversion of purposes for which it is intended. (5) Requires the Advisory Council to evaluate and make recommendations about how to address activities that could undermine the purposes of the article establishing the fund. (6) Requires Dep't of Revenue to ensure that income tax return forms comply with requirements of the act. (7) In preparing NC income tax returns, prohibits use of a software package that defaults to an objection to designation of \$1.00 to the fund, and prohibits a paid preparer of tax returns to mark an objection without the taxpayer's consent. (8) Authorizes Sec'y of Revenue to draw up to \$178,000 from the NC Candidates Financing Fund to pay 2002-2003 costs of implementing the act, and requires immediate transfer of any remaining balance in that fund to the new fund.

September 24, 2002

**S 1054. JUDICIAL CAMPAIGN REFORM ACT.** Intro. 4/5/01. House amendments make the following changes to 5th edition. Clarify that distributions from the Fund are not "contributions"

subject to the prohibitions of G.S. 163-278.15 or 163-278.19. Delete requirement that the State Board of Elections edit candidate's statement in Judicial Voter Guide for spelling and grammar errors. Require that each candidate be given three days to resubmit statement that is rejected by Board and requires that Guide contain disclaimer that it does not reflect the opinion of the State Board of Elections. Make contribution limitations applicable only to candidates for Supreme Court or Court of Appeals (no longer extends those limitations to Superior or District Court candidates). Make other technical changes.