

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015**

**HOUSE BILL 373
RATIFIED BILL**

AN ACT TO ESTABLISH PROCEDURES FOR THE CONDUCT OF THE 2016
PRIMARIES, INCLUDING THE PRESIDENTIAL PREFERENCE PRIMARY, AND TO
MAKE CHANGES TO THE CAMPAIGN FINANCE LAWS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Conduct of 2016 Presidential Preference Primary Election. – Notwithstanding Article 18A of Chapter 163 of the General Statutes, the 2016 presidential preference primary election shall be conducted as provided in this act.

SECTION 1.(b) Primary Date. – **On March 15, 2016, the voters of this State shall be given an opportunity to express the voters' preference for the person to be the presidential candidate of the voters' political party.**

SECTION 1.(c) Qualifications and Registration of Voters. – Any person otherwise qualified who will become qualified by age to vote in the general election held in 2016 shall be entitled to register and vote in the 2016 presidential preference primary. Such persons may register not earlier than 60 days nor later than the last day for making application to register under G.S. 163-82.6 prior to the said primary. In addition, persons who will become qualified by age to register and vote in the 2016 general election who do not register during the special period may register to vote after such period as if the person was qualified on the basis of age, but until the person is qualified by age to vote, the person may vote only in primary elections.

SECTION 1.(d) Conduct of Election. – The 2016 presidential preference primary election shall be conducted and canvassed by the same authority and in the manner provided by law for the conduct and canvassing of the primary election for the office of Governor and all other offices enumerated in G.S. 163-182.4(b) and under the same provisions stipulated in G.S. 163-182.5(c). The State Board of Elections shall have authority to adopt rules and regulations, not inconsistent with provisions contained herein, pursuant to the administration of this act.

SECTION 1.(e) Nomination of Presidential Candidates by State Board of Elections. – No later than December 16, 2015, the chair of each political party shall submit to the State Board of Elections a list of its presidential candidates to be placed on the 2016 presidential preference primary ballot. The list must be comprised of candidates whose candidacy is generally advocated and recognized in the news media throughout the United States or in North Carolina, unless any such candidate executes and files with the chair of the political party an affidavit stating without qualification that the candidate is not and does not intend to become a candidate for nomination in the 2016 North Carolina presidential preference primary election. The State Board of Elections shall prepare and publish a list of the names of the presidential candidates submitted. The State Board of Elections shall convene in Raleigh on January 5, 2016. At the meeting required by this section, the State Board of Elections shall nominate as presidential primary candidates all candidates affiliated with a political party, recognized pursuant to the provisions of Article 9 of Chapter 163 of the General Statutes, who have been submitted to the State Board of Elections. Additionally, the State Board of Elections, by vote of at least three of its members in the affirmative, may nominate as a presidential primary candidate any other person affiliated with a political party that it finds is generally advocated and recognized in the news media throughout the United States or in North Carolina as candidates for the nomination by that party. Immediately upon completion of these requirements, the Board shall release to the news media all such nominees selected. Provided, however, nothing shall prohibit the partial selection of nominees prior to the meeting required by this section, if all provisions herein have been complied with.



SECTION 1.(f) Nomination of Presidential Candidates by Petition. – Any person seeking the endorsement by the national political party for the office of President of the United States in 2016, or any group organized in this State on behalf of, and with the consent of, such person, may file with the State Board of Elections petitions signed by 10,000 persons who, at the time of the signing, are registered and qualified voters in this State and are affiliated, by such registration, with the same political party as the candidate for whom the petitions are filed. Such petitions shall be presented to the county board of elections 10 days before the filing deadline and shall be certified promptly by the chair of the board of elections of the county in which the signatures were obtained and shall be filed by the petitioners with the State Board of Elections no later than 5:00 P.M. on January 4, 2016.

The petitions must state the name of the candidate for nomination, along with a letter of approval signed by such candidate. Said petitions must also state the name and address of the chair of any such group organized to circulate petitions authorized under this section. The requirements of G.S. 163-221 prohibiting signing the name of another to a petition shall apply to any submitted petition. The requirement of the respective chair of county boards of elections shall be the same as now required under the provisions of G.S. 163-96 as those requirements relate to the chair of the county board of elections.

The State Board of Elections shall forthwith determine the sufficiency of petitions filed with it and shall immediately communicate its determination to the chair of such group organized to circulate petitions. The form and style of petition shall be as prescribed by the State Board of Elections.

SECTION 1.(g) Notification to Candidates. – The State Board of Elections shall forthwith contact each person who has been nominated by the Board or by petition and notify the candidate in writing that the candidate's name will be printed as a candidate of a specified political party on the 2016 North Carolina presidential preference primary ballot. A candidate who participates in the 2016 North Carolina presidential preference primary of a particular party shall have the candidate's name placed on the general election ballot only as a nominee of that political party. The State Board of Elections shall send a copy of this act to each candidate with the notice specified above.

SECTION 1.(h) Voting in Presidential Preference Primary. – The names of all candidates in the 2016 presidential preference primary shall appear at an appropriate place on the ballot or voting machine. In addition, the State Board of Elections shall provide a category on the ballot or voting machine allowing voters in each political party to vote an "uncommitted" or "no preference" status. The voter shall be able to cast the voter's ballot for one of the presidential candidates of a political party or for an "uncommitted" or "no preference" status but shall not be permitted to vote for candidates or "uncommitted" status of a political party different from the voter's registration. Persons registered as "Unaffiliated" shall not participate in the presidential primary except as provided in G.S. 163-119.

SECTION 1.(i) Allocation of Delegate Positions. – Upon completion and certification of the primary results by the State Board of Elections, the Secretary of State shall certify the results of the 2016 presidential preference primary to the State chair of each political party. The candidate receiving the highest number of votes in the presidential preference primary of each party shall be nominated. Each political party shall require the delegate positions appointed by that party to support the candidate certified as receiving the highest number of votes until one convention nominating ballot has been taken at the 2016 national party convention, unless that candidate has withdrawn from the race and has ceased to actively seek election to the office of President of the United States in more than one state at the time the first convention nominating ballot is taken at the 2016 national party convention.

SECTION 1.(j) Conflict With National Rules. – In case of conflict between the requirements of subsection (i) of this section and the national rules of a political party, the State executive committee of that party has the authority to resolve the conflict by adopting for that party the national rules, which shall then supersede any provision in subsection (i) of this section with which it conflicts, provided that the executive committee shall take only such action under this section necessary to resolve the conflict.

SECTION 1.(k) Notification of National Committee. – It shall be the responsibility of the State chair of each political party, qualified under the laws of this State, to notify his or her party's national committee no later than December 10, 2015, of the provisions contained under this act.

SECTION 2.(a) General Primary Date. – Notwithstanding G.S. 163-1(b), the primary election in 2016 shall be conducted on the same date as the 2016 presidential preference primary, as established by subsection (b) of Section 1 of this act.

SECTION 2.(b) Filing Period. – Notwithstanding G.S. 163-106, the filing period for the 2016 primary shall open at 12:00 noon on Tuesday, December 1, 2015, and close at 12:00 noon on Monday, December 21, 2015.

SECTION 2.(c) Eligibility to File. – Notwithstanding G.S. 163-106, no person shall be permitted to file as a candidate in a party primary unless that person has been affiliated with that party for at least 75 days as of the date of that person filing such notice of candidacy. A person registered as "Unaffiliated" shall be ineligible to file as a candidate in a party primary election.

SECTION 2.(d) Second Primaries. – Notwithstanding G.S. 163-111(e), if a second primary is required under G.S. 163-111, the appropriate board of elections, State or county, shall order that it be held May 24, 2016, if any of the offices for which a second primary is required are for a candidate for the office of United States Senate or member of the United States House of Representatives. Otherwise, the second primary shall be held May 3, 2016.

There shall be no registration of voters between the dates of the first and second primaries. Persons whose qualifications to register and vote mature after the day of the first primary and before the day of the second primary may register on the day of the second primary and, when thus registered, shall be entitled to vote in the second primary. The second primary is a continuation of the first primary and any voter who files a proper and timely written affirmation of change of address within the county under the provisions of G.S. 163-82.15, in the first primary may vote in the second primary without having to refile that written affirmation if the voter is otherwise qualified to vote in the second primary. Subject to this provision for registration, the second primary shall be held under the laws, rules, and regulations provided for the first primary.

SECTION 2.(e) Special Elections. – Any special election authorized by statute or local act that is set for May 2016 shall be placed on the ballot at the time of the presidential preference primary, as established by subsection (b) of Section 1 of this act, unless the unit of government calling the special election affirmatively changes the date for the special election to another date in accordance with G.S. 163-287.

SECTION 2.(f) Statement of Economic Interest. – Notwithstanding G.S. 138A-22, the statement of economic interest required of any candidate for elective office subject to Article 2 of Chapter 138A of the General Statutes shall be filed with the State Ethics Commission on or before February 1, 2016.

SECTION 2.(g) Campaign Finance Reports. – Notwithstanding Article 22A of Chapter 163 of the General Statutes, the following changes shall be made to the required campaign finance reports:

- (1) The report for the first quarter shall be due Monday, March 7, 2016, and shall cover the period through February 29, 2016.
- (2) The report for the second quarter shall also cover March 2016.

SECTION 2.(h) Temporary Orders. – In order to accommodate the scheduling of the 2016 primary before the Tuesday after the first Monday in May, the State Board of Elections may issue temporary orders that may change, modify, delete, amend, or add to any statute contained in Chapter 163 of the General Statutes, any rules contained in Title 8 of the North Carolina Administrative Code, or any other election regulation or guideline that may affect the 2016 primary elections. These temporary orders shall only be effective for the 2016 primary elections.

SECTION 2.(i) Orders, Not Rules. – Orders issued under this section are not rules subject to the provisions of Chapter 150B of the General Statutes. Orders issued under this section shall be published in the North Carolina Register upon issuance.

SECTION 2.(j) Expiration of Orders. – Any orders issued under this section become void 10 days after the final certification of all 2016 primary elections. This section expires 10 days after the final certification of all 2016 primary elections.

SECTION 2.(k) Definition. – As used in this section, "order" also includes guidelines and directives.

SECTION 3.(a) Article 22A of Chapter 163 of the General Statutes is amended by adding a new section to read:

"§ 163-278.8B. Affiliated party committees.

(a) The leader of each political party caucus of the North Carolina House of Representatives and the Senate may establish a separate, affiliated party committee to support the election of candidates of that leader's political party. The affiliated party committee is deemed a political party for purposes of this Article.

(b) Each affiliated party committee shall:

(1) Adopt bylaws to include, at a minimum, the designation of a treasurer.

(2) Conduct campaigns for candidates who are members of the leader's political party or manage daily operations of the affiliated party committee.

(3) Establish a bank account.

(4) Raise and expend funds. Such funds may not be expended or committed to be expended except when authorized by the leader of the affiliated party committee.

(c) Notwithstanding any other provision of law to the contrary, an affiliated party committee shall be entitled to use the name, abbreviation, and symbol of the political party of its leader.

(d) For purposes of this section, the term "leader" shall mean the currently elected President Pro Tempore of the Senate, the currently elected Speaker of the House of Representatives, or the currently elected minority leader of either house of the General Assembly, until another person is designated by a political party caucus of members of either house to succeed to one of the aforesaid positions, at which time the newly designated designee becomes the leader for purposes of this section."

SECTION 3.(b) G.S. 163-278.6 reads as rewritten:

"§ 163-278.6. Definitions.

When used in this Article:

...

(6) The terms "contribute" or "contribution" mean any advance, conveyance, deposit, distribution, transfer of funds, loan, payment, gift, pledge or subscription of money or anything of value whatsoever, made to, or in coordination with, a candidate to support or oppose the nomination or election of one or more clearly identified candidates, to a political committee, to a political party, to an affiliated party committee, or to a referendum committee, whether or not made in an election year, and any contract, agreement, or other obligation to make a contribution. An expenditure forgiven by a person or entity to whom it is owed shall be reported as a contribution from that person or entity. These terms include, without limitation, such contributions as labor or personal services, postage, publication of campaign literature or materials, in-kind transfers, loans or use of any supplies, office machinery, vehicles, aircraft, office space, or similar or related services, goods, or personal or real property. These terms also include, without limitation, the proceeds of sale of services, campaign literature and materials, wearing apparel, tickets or admission prices to campaign events such as rallies or dinners, and the proceeds of sale of any campaign-related services or goods. Notwithstanding the foregoing meanings of "contribution," the word shall not be construed to include services provided without compensation by individuals volunteering a portion or all of their time on behalf of a candidate, political committee, or referendum committee. The term "contribution" does not include an "independent expenditure." If:

a. Any individual, person, committee, association, or any other organization or group of individuals, including but not limited to, a political organization (as defined in section 527(e)(1) of the Internal Revenue Code of 1986) makes, or contracts to make, any disbursement for any electioneering communication, as defined in this section; and

b. That disbursement is coordinated with a candidate, an authorized political committee of that candidate, a State or local political party or committee of that party, an affiliated party committee, or an agent or official of any such candidate, party, or committee

that disbursement or contracting shall be treated as a contribution to the candidate supported by the electioneering communication or that candidate's party and as an expenditure by that candidate or that candidate's party.

- ...
(8k) The term "electioneering communication" does not include any of the following:
- a. A communication appearing in a news story, commentary, or editorial distributed through the facilities of any broadcasting station, unless those facilities are owned or controlled by any political party, affiliated party committee, political committee, or candidate.
 - b. A communication that constitutes an expenditure or independent expenditure under this Article.
 - c. A communication that constitutes a candidate debate or forum conducted pursuant to rules adopted by the Board or that solely promotes that debate or forum and is made by or on behalf of the person sponsoring the debate or forum.
 - d. A communication made while the General Assembly is in session which, incidental to advocacy for or against a specific piece of legislation pending before the General Assembly, urges the audience to communicate with a member or members of the General Assembly concerning that piece of legislation or a solicitation of others as defined in G.S. 120C-100(a)(13) properly reported under Chapter 120C of the General Statutes.
 - e. A communication that meets all of the following criteria:
 1. Does not mention any election, candidacy, political party, opposing candidate, or voting by the general public.
 2. Does not take a position on the candidate's character or qualifications and fitness for office.
 3. Proposes a commercial transaction.
 - f. A public opinion poll conducted by a news medium, as defined in G.S. 8-53.11(a)(3), conducted by an organization whose primary purpose is to conduct or publish public opinion polls, or contracted for by a person to be conducted by an organization whose primary purpose is to conduct or publish public opinion polls. This sub-subdivision shall not apply to a push poll. For the purpose of this sub-subdivision, "push poll" shall mean the political campaign technique in which an individual or organization attempts to influence or alter the view of respondents under the guise of conducting a public opinion poll.
 - g. A communication made by a news medium, as defined in G.S. 8-53.11(a)(3), if the communication is in print.

- ...
(14) The term "political committee" means a combination of two or more individuals, such as any person, committee, association, organization, or other entity that makes, or accepts anything of value to make, contributions or expenditures and has one or more of the following characteristics:
- a. Is controlled by a candidate;
 - b. Is a political party or executive committee of a political party or is controlled by a political party or executive committee of a political party;
 - c. Is created by a corporation, business entity, insurance company, labor union, or professional association pursuant to G.S. 163-278.19(b); or
 - d. Has the major purpose to support or oppose the nomination or election of one or more clearly identified candidates.
 - e. Is an affiliated party committee.
- Supporting or opposing the election of clearly identified candidates includes supporting or opposing the candidates of a clearly identified political party.
If the entity qualifies as a "political committee" under sub-subdivision a., b., c., or d. of this subdivision, it continues to be a political committee if it

receives contributions or makes expenditures or maintains assets or liabilities. A political committee ceases to exist when it winds up its operations, disposes of its assets, and files its final report.

The term "political committee" includes the campaign of a candidate who serves as his or her own treasurer.

Special definitions of "political action committee" and "candidate campaign committee" that apply only in Part 1A of this Article are set forth in G.S. 163-278.38Z.

- (15) The term "political party" means any political party organized or operating in this State, whether or not that party is recognized under the provisions of G.S. 163-96. A special definition of "political party organization" that applies only in Part 1A of this Article is set forth in G.S. 163-278.38Z. An affiliated party committee is deemed a political party for this Article as set forth in G.S. 163-278.8B.

...."

SECTION 3.(c) G.S. 163-278.7(b) reads as rewritten:

"(b) Each appointed treasurer shall file with the Board at the time required by G.S. 163-278.9(a)(1) a statement of organization that includes:

- (1) The Name, Address and Purpose of the Candidate, Political Committee, or Referendum Committee. – When the political committee or referendum committee is created pursuant to G.S. 163-278.19(b), the name shall be or include the name of the corporation, insurance company, business entity, labor union or professional association whose officials, employees, or members established the committee. When the political committee or referendum committee is not created pursuant to G.S. 163-278.19(b), the name shall be or include the economic interest, if identifiable, principally represented by the committee's organizers or intended to be advanced by use of the committee's receipts.
- (2) The names, addresses, and relationships of affiliated or connected candidates, political committees, referendum committees, political parties, affiliated party committees, or similar organizations;
- (3) The territorial area, scope, or jurisdiction of the candidate, political committee, or referendum committee;
- (4) The name, address, and position with the candidate or political committee of the custodian of books and accounts;
- (5) The name and party affiliation of the candidate(s) whom the committee is supporting or opposing, and the office(s) involved;
- (5a) The name of the referendum(s) which the referendum committee is supporting or opposing, and whether the committee is supporting or opposing the referendum;
- (6) The name of the ~~political committee or committee~~, political party or affiliated party committee being supported or opposed if the committee is supporting the ticket of a particular ~~political candidate~~ or political party;
- (7) A listing of all banks, safety deposit boxes, or other depositories used, including the names and numbers of all accounts maintained and the numbers of all such safety deposit boxes used, provided that the Board shall keep any account number included in any report filed after March 1, 2003, and required by this Article confidential except as necessary to conduct an audit or investigation, except as required by a court of competent jurisdiction, or unless confidentiality is waived by the treasurer. Disclosure of an account number in violation of this subdivision shall not give rise to a civil cause of action. This limitation of liability does not apply to the disclosure of account numbers in violation of this subdivision as a result of gross negligence, wanton conduct, or intentional wrongdoing that would otherwise be actionable.
- (8) The name or names and address or addresses of any assistant treasurers appointed by the treasurer. Such assistant treasurers shall be authorized to act in the name of the candidate, political committee, or referendum committee and shall be fully responsible for any act or acts committed by the

assistant treasurer. The treasurer shall be fully liable for any violation of this Article committed by any assistant treasurer; and

- (9) Any other information which might be requested by the Board that deals with the campaign organization of the candidate or referendum committee."

SECTION 3.(d) G.S. 163-278.8A reads as rewritten:

"§ 163-278.8A. (For effective date and applicability, see Editor's note) Campaign sales by political party executive committees.

(a) Exempt Purchase Price Not Treated as "Contribution." – Notwithstanding the provisions of G.S. 163-278.6(6), the purchase price of goods or services sold by a political party executive committee or affiliated party committee as provided in subsection (b) of this section shall not be treated as a "contribution" for purposes of account-keeping under G.S. 163-278.8, for purposes of the reporting of contributions under G.S. 163-278.11, or for the purpose of the limit on contributions under G.S. 163-278.13. The treasurer is not required to obtain, maintain, or report the name or other identifying information of the purchaser of the goods or services, as long as the requirements of subsection (b) of this section are satisfied. However, the proceeds from the sales of those goods and services shall be treated as contributions for other purposes, and expenditures of those proceeds shall be reported as expenditures under this Article.

(b) Exempt Purchase Price. – A purchase price for goods or services sold by a political party executive committee or affiliated party committee qualifies for the exemption provided in subsection (a) of this section as long as the sale of the goods or services adheres to a plan that the treasurer has submitted to and that has been approved in writing by the Executive Director of the State Board of Elections. The Executive Director shall approve the treasurer's plan upon and only upon finding that all the following requirements are satisfied:

- (1) That the price to be charged for the goods or services is reasonably close to the market price for the goods or services.
- (2) That the total amount to be raised from sales under all plans by the committee does not exceed ten thousand dollars (\$10,000) per election cycle.
- (3) That no purchaser makes total purchases under the plan that exceed fifty dollars (\$50.00).
- (4) That the treasurer include in the report under G.S. 163-278.11, covering the relevant time period, all of the following:
 - a. A description of the plan.
 - b. The amount raised from sales under the plan.
 - c. The number of purchases made.
- (5) That the treasurer shall include in the appropriate report under G.S. 163-278.11 any in-kind contribution made to the political party ~~executive committee~~ in providing the goods or services sold under the plan and that no in-kind contribution accepted as part of the plan violates any provision of this Article.

The Executive Director may require a format for submission of a plan, but that format shall not place undue paperwork burdens upon the treasurer. As used in this subdivision, the term "election cycle" has the same meaning as in G.S. 163-278.6(7c)."

SECTION 3.(e) G.S. 163-278.9 reads as rewritten:

"§ 163-278.9. Statements filed with Board.

(a) Except as provided in G.S. 163-278.10A, the treasurer of each candidate and of each political committee shall file with the Board under certification of the treasurer as true and correct to the best of the knowledge of that officer the following reports:

- (1) Organizational Report. – The appointment of the treasurer as required by G.S. 163-278.7(a), the statement of organization required by G.S. 163-278.7(b), and a report of all contributions and expenditures not previously reported shall be filed with the Board no later than the tenth day following the day the candidate files notice of candidacy or the tenth day following the organization of the political committee, whichever occurs first. Any candidate whose campaign is being conducted by a political committee which is handling all contributions and expenditures for his campaign shall file a statement with the Board stating such fact at the time required herein for the organizational report. Thereafter, the candidate's political committee shall be responsible for filing all reports required by law.

- (2) Repealed by Session Laws 1999-31, s. 7(a), effective January 1, 2000.
- (3) (4) Repealed by Session Laws 1997-515, s. 1.
- (4a) ~~48-Hour Report. – A political committee or committee, political party or affiliated party committee that receives a contribution or transfer of funds shall disclose within 48 hours of receipt a contribution or transfer of one thousand dollars (\$1,000) or more received before an election but after the period covered by the last report due before that election. The disclosure shall be by report to the State Board of Elections identifying the source and amount of the funds. The State Board of Elections shall specify the form and manner of making the report, including the reporting of in-kind contributions.~~
- (5) Repealed by Session Laws 1985, c. 164, s. 1.
- (5a) Quarterly Reports. – During even-numbered years during which there is an election for that candidate or in which the campaign committee is supporting or opposing a candidate, the treasurer shall file a report by mailing or otherwise delivering it to the Board no later than seven working days after the end of each calendar quarter covering the prior calendar quarter, except that:
 - a. The report for the first quarter shall also cover the period in April through the seventeenth day before the primary, the first quarter report shall be due seven days after that date, and the second quarter report shall not include that period if a first quarter report was required to be filed; and
 - b. The report for the third quarter shall also cover the period in October through the seventeenth day before the election, the third quarter report shall be due seven days after that date, and the fourth quarter report shall not include that period if a third quarter report was required to be filed.
- (6) Semiannual Reports. – If contributions are received or expenditures made for which no reports are otherwise required by this Article, any and all such contributions and expenditures shall be reported by the last Friday in July, covering the period through the last day of June, and shall be reported by the last Friday in January, covering the period through the last day of December.
 - (b) Except as otherwise provided in this Article, each report shall be current within seven days prior to the date the report is due and shall list all contributions received and expenditures made which have not been previously reported.
 - (c) Repealed by Session Laws 1985, c. 164, s. 6.1.
 - (d) Candidates and committees for municipal offices are not subject to subsections (a), (b) and (c) of this section, unless they make contributions or expenditures concerning elections covered by this Part. Reports for those candidates and committees are covered by Part 2 of this Article.
 - (e) Notwithstanding subsections (a) through (c) of this section, any political party (including a State, district, county, or precinct committee thereof) which is required to file reports under those subsections and under the Federal Election Campaign Act of 1971, as amended (2 U.S.C. 434), shall instead of filing the reports required by those subsections, file with the State Board of Elections:
 - (1) The organizational report required by subsection (a)(1) of this section, and
 - (2) A copy of each report required to be filed under 2 U.S.C. 434, such copy to be filed on the same day as the federal report is required to be filed.
 - (f) Any report filed under subsection (e) of this section may include matter required by the federal law but not required by this Article.
 - (g) Any report filed under subsection (e) of this section must contain all the information required by G.S. 163-278.11, notwithstanding that the federal law may set a higher reporting threshold.
 - (h) Any report filed under subsection (e) of this section may reflect the cumulative totals required by G.S. 163-278.11 in an attachment, if the federal law does not permit such information in the body of the report.
 - (i) Any report or attachment filed under subsection (e) of this section must be certified.

(j) **(Effective until January 1, 2017)** Treasurers for the following entities shall electronically file each report required by this section that shows a cumulative total for the election cycle in excess of five thousand dollars (\$5,000) in contributions, in expenditures, or in loans, according to rules adopted by the State Board of Elections:

- (1) A candidate for statewide office;
- (2) A State, district, county, or precinct executive committee of a political party, or an affiliated party committee, if the committee makes contributions or independent expenditures in excess of five thousand dollars (\$5,000) that affect contests for statewide office;
- (3) A political committee that makes contributions in excess of five thousand dollars (\$5,000) to candidates for statewide office or makes independent expenditures in excess of five thousand dollars (\$5,000) that affect contests for statewide office.

The State Board of Elections shall provide the software necessary to file an electronic report to a treasurer required to file an electronic report at no cost to the treasurer.

(j) **(Effective January 1, 2017)** Treasurers for each of the following entities shall electronically file each report required by this section that shows a cumulative total for the election cycle in excess of the stated amount in contributions, in expenditures, or in loans, according to rules adopted by the State Board of Elections:

- (1) A candidate for statewide office, if more than five thousand dollars (\$5,000).
- (2) A State, district, county, or precinct executive committee of a political party, or an affiliated party committee, if the committee makes contributions or independent expenditures in excess of five thousand dollars (\$5,000) that affect contests for statewide office.
- (3) A political committee that makes contributions in excess of five thousand dollars (\$5,000) to candidates for statewide office or makes independent expenditures in excess of five thousand dollars (\$5,000) that affect contests for statewide office.
- (4) All other political committees, if more than ten thousand dollars (\$10,000).

The State Board of Elections shall provide the software necessary to file an electronic report to a treasurer required to file an electronic report at no cost to the treasurer.

(k) All reports under this section must be filed by a treasurer or assistant treasurer who has completed all training as to the duties of the office required by G.S. 163-278.7(f)."

SECTION 3.(f) G.S. 163-278.10A(b) reads as rewritten:

"(b) The exemption from reporting in subsection (a) of this section applies to political party committees and affiliated party committees under the same terms as for candidates, except that the term "to further the candidate's campaign" does not relate to a political party committee's or an affiliated party committee's exemption, and all contributions, expenditures, and loans during an election shall be counted against the threshold amount for a political party committee's threshold amount, committee or an affiliated committee."

SECTION 3.(g) G.S. 163-278.11(b) reads as rewritten:

"(b) Statements shall reflect anything of value paid for or contributed by any person or individual, both as a contribution and expenditure. A political party executive committee or affiliated party committee that makes an expenditure that benefits a candidate or group of candidates shall report the expenditure, including the date, amount, and purpose of the expenditure and the name of and office sought by the candidate or candidates on whose behalf the expenditure was made. A candidate who benefits from the expenditure shall report the expenditure or the proportionate share of the expenditure from which the candidate benefitted as an in-kind contribution if the candidate or the candidate's committee has coordinated with the political party executive committee or affiliated party committee concerning the expenditure."

SECTION 3.(h) G.S. 163-278.13(e) reads as rewritten:

"(e) This section shall not apply to any national, State, district or county executive committee of any political ~~party-party~~ or an affiliated party committee. For the purposes of this section only, the term "political party" means only those political parties officially recognized under G.S. 163-96."

SECTION 3.(i) G.S. 163-278.13B(c)(5) reads as rewritten:

- (5) No limited contributor shall solicit a contribution from any individual or political committee on behalf of a limited contributee. This subdivision does

not apply to a limited contributor soliciting a contribution on behalf of a political party executive committee or an affiliated party committee if the solicitation is solely for a separate segregated fund kept by the political party or affiliated party committee limited to use for activities that are not candidate-specific, including generic voter registration and get-out-the-vote efforts, pollings, mailings, and other general activities and advertising that do not refer to a specific individual candidate."

SECTION 3.(j) G.S. 163-278.14(a) reads as rewritten:

"(a) No individual, political committee, or other entity shall make any contribution anonymously or in the name of another. No candidate, political committee, referendum committee, political party, affiliated party committee, or treasurer shall knowingly accept any contribution made by any individual or person in the name of another individual or person or made anonymously. If a candidate, political committee, referendum committee, political party, affiliated party committee, or treasurer receives anonymous contributions or contributions determined to have been made in the name of another, he shall pay the money over to the Board, by check, and all such moneys received by the Board shall be deposited in the Civil Penalty and Forfeiture Fund of the State of North Carolina. This subsection shall not apply to any contribution by an individual with the lawful authority to act on behalf of another individual, whether through power of attorney, trustee, or other lawful authority."

SECTION 3.(k) G.S. 163-278.14A(b)(1) reads as rewritten:

"(1) Appears in a news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, or magazine, unless those facilities are owned or controlled by any political party, affiliated party committee, or political committee;"

SECTION 3.(l) G.S. 163-278.15(a) reads as rewritten:

"(a) No candidate, political committee, political party, affiliated party committee, or treasurer shall accept any contribution made by any corporation, foreign or domestic, regardless of whether such corporation does business in the State of North Carolina, or made by any business entity, labor union, professional association, or insurance company. This section does not apply with regard to entities permitted to make contributions by G.S. 163-278.19(f)."

SECTION 3.(m) G.S. 163-278.16B(a)(4) reads as rewritten:

"(4) Contributions to a national, State, or district or county committee of a political party or a caucus of the political ~~party-party~~ or an affiliated party committee."

SECTION 3.(n) G.S. 163-278.18(a) reads as rewritten:

"(a) No media and no supplier of materials or services shall charge or require a candidate, treasurer, political party, affiliated party committee, or individual to pay a charge for advertising, materials, space, or services purchased for or in support of or in opposition to any candidate, political committee, or political party that is higher than the normal charge it requires other customers to pay for comparable advertising, materials, space, or services purchased for other purposes."

SECTION 3.(o) G.S. 163-278.19(a1) reads as rewritten:

"(a1) A transfer of funds shall be deemed to have been a contribution made indirectly if it is made to any ~~committee~~ committee, affiliated party committee, or political party account, whether inside or outside this State, with the intent or purpose of being exchanged in whole or in part for any other funds to be contributed or expended in an election for North Carolina office or to offset any other funds contributed or expended in an election for North Carolina office."

SECTION 3.(p) G.S. 163-278.19B reads as rewritten:

"§ 163-278.19B. Political party headquarters building funds.

Notwithstanding the provisions of G.S. 163-278.19, a person prohibited by that section from making a contribution may donate to political parties and affiliated party committees and political parties and affiliated party committees may accept from such a person money and other things of value donated to a political party headquarters building fund. Donations to the political party headquarters building fund shall be subject to all the following rules:

- (1) The donations solicited and accepted are designated to the political party headquarters building fund.
- (2) Potential donors to that fund are advised that all donations will be exclusively for the political party headquarters building fund.

- (3) The political party or affiliated party committee establishes a separate segregated bank account into which shall be deposited only donations for the political party headquarters building fund from persons prohibited by G.S. 163-278.19 from making contributions.
- (4) The donations deposited in the separate segregated bank account for the political party headquarters building fund will be spent only to purchase a principal headquarters building, to construct a principal headquarters building, to renovate a principal headquarters building, to pay a mortgage on a principal headquarters building, to repay donors if a principal headquarters building is not purchased, constructed, or renovated, or to pay building rent or monthly or bimonthly utility expenses incurred to operate the principal headquarters building. Donations deposited into that account shall be used solely for the purposes set forth in the preceding sentence, and specifically shall not be used for headquarters equipment other than fixtures, personnel compensation, or travel or fundraising expenses or requirements of any kind. Notwithstanding the above, personnel compensation and in-kind benefits may be paid to no more than three personnel whose functions are primarily administrative in nature, such as providing accounting, payroll, or campaign finance reporting services, for the party and whose job functions require no more than ten percent (10%) of work time to be spent on political advocacy each calendar year
- (5) The political party executive committee or affiliated party committee shall report donations to and spending by a political party headquarters building fund on every report required to be made by G.S. 163-278.9. If a committee is excused from making general campaign finance reports under G.S. 163-278.10A, that committee shall nonetheless report donations in any amount to and spending in any amount by the political party headquarters building fund at the times required for reports in G.S. 163-278.9.

If all the criteria set forth in subdivisions (1) through (5) of this section are complied with, then donations to and spending by a political party headquarters building fund do not constitute contributions or expenditures as defined in G.S. 163-278.6. If those criteria are complied with, then donations may be made to a political party headquarters building fund."

SECTION 3.(q) G.S. 163-278.38Z reads as rewritten:

"§ 163-278.38Z. Definitions.

As used in this Part:

- ...
(5) "Political action committee" has the same meaning as "political committee" in G.S. 163-278.6(14), except that "political action committee" does not include any political ~~party or party~~, political party ~~organization~~ organization, or affiliated party committee.
- (6) "Political party organization" means any political party executive committee or any political committee that operates under the direction of a political party executive committee or political party ~~chair~~ chair, or any affiliated party committee.
-"

SECTION 4. Sections 1 and 2 of this act are effective when this act becomes law and apply only to the 2016 primary cycle. The remainder of this act is effective when it becomes law and applies to contributions and expenditures made on or after that date.

In the General Assembly read three times and ratified this the 24th day of September, 2015.

s/ David L. Curtis
Presiding Officer of the Senate

s/ David R. Lewis
Presiding Officer of the House of Representatives

Pat McCrory
Governor

Approved _____m. this _____ day of _____, 2015