

# N.C. Senate Bill 760 – “Local Campaign Finance Reform”

This summary is based on the bill as it passed the state Senate on July 17, 2003.

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***Senate Bill 760 (as passed by the Senate) gives express authority to counties with a population over 80,000 and cities over 40,000 to establish public financing programs for candidates in local elections. The local government would have to identify its own source of funding. The bill also clarifies that grants to candidates under such a program are not "contributions" subject to the \$4,000 limit.***

**BILL ANALYSIS:** The proposed bill adds language to the definition of “contribution” in the North Carolina Campaign Finance Act to make it clear that a grant to a candidate from a governmental entity, under a uniform public campaign financing program, is not a “contribution” and is therefore not subject to the \$4,000-per-donor restrictions on contributions – but it must be reported like contributions on disclosure reports. *Section 1 of the bill.*

Section 2 of the bill adds a provision to the General Statute Chapters on cities and counties that expressly grants the governing bodies of counties over 80,000 and cities over 40,000 the authority to appropriate funds for a uniform program of grants to candidates seeking county or city offices if:

- the grants are available to candidates who demonstrate public support and voluntarily accept strict fundraising and spending restrictions in accordance with a clear set of criteria;
- the criteria are drawn to further the public purpose of free elections and do not discriminate on the basis of race, creed, position on issues, incumbency/non-incumbency, or party affiliation; and
- the grants are restricted to campaign-related uses in accord with State Board of Elections guidelines.

The bill would also direct the State Board of Elections to review local public financing programs across the U.S. and compile reference materials for local governments to use.

**BACKGROUND:** Some local governments have expressed interest in developing public financing for local campaigns. The Town of Cary established a program, administering grants in the 2001 municipal elections. That program was challenged, and two candidates who received grants in excess of \$4,000 were ordered by the State Board of Elections to forfeit the excess. That decision was upheld by the Superior Court. No decision was made about whether or not the Town of Cary had the authority to launch a public financing program, but it is widely thought that towns and counties need enabling language in State law before they can legally create such a program.

Cities with populations over 40,000 based on the 2000 Census are: Charlotte, Raleigh, Greensboro, Durham, Winston-Salem, Fayetteville, Cary, High Point, Wilmington, Asheville, Jacksonville, Gastonia, Greenville, Concord, Rocky Mount, Chapel Hill, Burlington, and Wilson.

Thirty counties have populations of over 80,000.

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