



NORTH CAROLINA CAMPAIGN FINANCE AND BALLOT MEASURE GUIDE

These resources are current as of 6/25/2019. We do our best to periodically update these resources and welcome any comments or questions regarding new developments in the law.

Please email us at advocacy@afj.org.

This guide summarizes key aspects of laws and regulations governing lobbying on the state level. It is not intended to provide legal advice or to serve as a substitute for legal advice

In some jurisdictions, city and/or county regulations may also apply to certain political activities. Check with the appropriate local jurisdiction before undertaking any activity.

Note: Prior to 2017, North Carolina Election law and Campaign Finance law could be found in N.C.G.S. § 163. In 2017, the North Carolina legislature re-codified election law and campaign finance law as N.C.G.S. §163A. During 2017 and 2018, the legislature passed a number of bills modifying N.C.G.S. §163A. House Bill 1029, also found as Session Law 2018-146, which became law on December 27 2018, re-re-codified N.C.G.S. § 163A back into N.C.G.S. § 163 and returned the structure of the various entities responsible for Election law, Campaign Finance law, and Lobbying law to the pre-2107 structure, with some significant modifications that will be described herein.

CONTRIBUTION LIMITS AND SOURCE RESTRICTIONS

All limits are per election, with primary and general elections counting separately, but only if the entity is involved in that election. For candidates, this means the individual is on the ballot; for PACs, if the committee is lawfully formed and is registered and is reporting, the limits apply for the election. A candidate may receive contributions for a primary election even if unopposed.

To: ⇨	To Candidates				To Committees		To Ballot Measures
From: ⇩	Statewide	Legislative	Judicial	Local	PACs	Parties	
Individuals	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	Unlimited	Unlimited
PACs	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	Unlimited	Unlimited
Corporations	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited (except building funds)	Unlimited

N.C.G.S. § 163-278.13; N.C.G.S. § 163A-1425.

Aggregation:

- Contribution limits are aggregated per election. *N.C.G.S. § 163-278.13(a) N.C.G.S. § 163A-1425.* For purposes of this aggregation rule, election means each separate primary election, run-off election, or the general election, but does not include any local or statewide referendum. *N.C.G.S. § 163-278.6(8) N.C.G.S. § 163A-1611(30).* The length of the aggregation period is tied to the term of office for that specific race. For example, contributions in a gubernatorial race, which has a term of four years, are aggregated from January 1 of the odd numbered year following the last general election through the date of the primary, a period approximately three and half years. After the primary, a new \$5,400 contribution limit would accrue between the day after the primary through the general election and until December 31 of that year, a period of time normally equaling seven months. *N.C.G.S. § 163-278.13; N.C.G.S. § 163A-1425(e).* The limit on contributions to a PAC applies for each election in which it is involved.
- Contributions count toward the next election. A donor may not simultaneously contribute toward a candidate’s primary and general elections, even if the candidate is unopposed in the primary election. General election contributions may not be given until after a candidate has won the primary election, or if unopposed in the primary, after the date of the primary election. *Id.*

Legislative Session:

- During a regular legislative session, “limited contributors” may not make a contribution to a “limited contributee.” *N.C.G.S. § 163-278.13B; N.C.G.S. § 163A-1426.*

“Limited Contributors” are registered lobbyists, registered lobbyists’ agents, registered lobbyists’ principals, or political committees that employ or whose parent entity employs a registered lobbyist. *N.C.G.S. § 163-278.13B(a)(1); N.C.G.S. § 163A-1426(a)(1).*

“Limited contributees” are members of or candidates for the Council of State or the General Assembly, affiliated party committees, or Council of state affiliated party committees. The Council includes the Governor, Lt. Governor, Secretary of State, Auditor, Treasurer, Superintendent of Public Instruction, Attorney General, Commissioner of Agriculture, Commissioner of Labor, and Commissioner of Insurance. *N.C.G.S. § 163-278.13B(a)(2); N.C.G.S. § 163A-1426(a)(2).*

- Such a contribution is “made” or “accepted” during the legislative session if the check is dated during the session or if the check is delivered or received during the session. *Id. N.C.G.S. § 163-278.13B(a)(4) & (5); N.C.G.S. § 163A-1426(a)(5) & (6).*

Lobbyists:

Lobbyists may not contribute to a candidate or a candidate’s campaign committee if the candidate is a legislator as defined in *N.C.G.S. § 120C-100; N.C.G.S. § 163A-250* or a public servant as defined in *N.C.G.S. § 138A-3(30)a; N.C.G.S. § 163A-152(70); N.C.G.S. § 163-278.13C(a); N.C.G.S. § 163A-1427*. There is also a prohibition on the collection, handling, possession or bundling of contributions by lobbyists. *N.C.G.S. § 163-278.13C(b); N.C.G.S. § 163A-1424*. A lobbyist may not collect a contribution or contributions from one or multiple contributors, take possession of a contribution or multiple contributions, or transfer or deliver the collected contribution or multiple contributions to the intended recipients, if the candidate is a legislator or public servant.

In-Kind Contributions:

- “Contribution” is defined broadly as including any “transfer of funds, loan, payment, gift, pledge or anything of value whatsoever” to support or oppose a candidate or referendum. *N.C.G.S. § 163-278.6(6); N.C.G.S. § 163A-1411(13)*. In-kind contributions are to be valued at their fair market value and reported as such. Services provided by uncompensated volunteers are not contributions. *Id.*

Corporate Contributions:

- Corporations and labor unions may not: make contributions or expenditures to support or oppose a candidate; allow their property to be used for contributions

or expenditures to support or oppose candidates; or reimburse or compensate any person for money or property used to make a contribution or expenditure. *N.C.G.S. § 163-278.19(a); N.C.G.S. § 163A-1436*. Officers, directors, attorneys, agents, and members of a corporation may be held criminally liable for their participation in any illegal contributions or expenditures by the corporation. *Id.*

- Corporations and labor unions may communicate with employees and members (and those individuals' families) on any subject, including candidate endorsements. *N.C.G.S. § 163-278.19(b); N.C.G.S. § 163A-1436(d)*. Such communications are not contributions and are not reportable to the State Board of Elections. State law does not provide guidance on who is or is not a member.
- Corporations and labor unions may conduct non-partisan voter registration and get-out-the vote campaigns aimed at their employees, stockholders, or members and their families. *N.C.G.S. § 163A-1436(d); N.C.G.S. § 163-278.19(b)*
- Administrative Expenses: Corporate officials and/or employees may establish, administer and contribute to a corporate PAC as long as contributions are purely voluntary. *Id.* The corporation or labor union listed as the PAC's parent entity may provide "reasonable administrative support," including record keeping, computer services, billings, and mailings to members of the PAC, membership development, fundraising activities, office supplies and office space. *N.C.G.S. § 163-278.19(e); N.C.G.S. § 163A-1436(g)*. The approximate cost of this reasonable administrative support must be reported to the committee, which must, in turn, report it to the State Board of Elections as required by *N.C.G.S. § 163-278.9(a)(6); N.C.G.S. § 163A-1418(a)(4)*. The costs to the parent corporation must be listed by the PAC as the final entry on its list of contributions received, and a copy of the cost report must be attached to the report submitted to the State Board of Elections. *N.C.G.S. § 163-278.19(e); N.C.G.S. § 163A-1436(g)*. If any corporate officer or employee spent more than 35 percent of his or her working hours on PAC business during a reporting period, the corporation must report to the PAC the approximate allocable portion of that person's compensation. The report must be included in the cost estimate submitted to the State Board of Elections. *Id.*
- MCFL Corporations: The corporate contribution ban does not apply to MCFL-type corporations. *N.C.G.S. § 163-278.19(f); N.C.G.S. § 163A-1436(h)*. Under North Carolina law, an MCFL-type corporation may not receive more than 10 percent of its annual revenue from business corporations or labor organizations. *N.C.G.S. § 163-278.19(f)(3); N.C.G.S. § 163A-1436(h)(3)*.
 - No registration or reporting statutes specifically address MCFL organizations. However, the state requires reporting of all contributions and independent expenditures in excess of \$100 that are not otherwise required to be reported by the maker. *N.C.G.S. § 163-278.12; N.C.G.S. § 163A-1423*. The reports must be filed on forms CRO-2210A-C, available at: <https://www.ncsbe.gov/Campaign-Finance/reporting-forms> within 30 days

after the organization's contributions or expenditures exceed \$100, or 10 days before the election the activity is intended to influence, whichever occurs earlier. *Id.* Contributions and independent expenditures made during the final 10 days of the election do not need to be reported until after Election Day unless those contribution or expenditures are captured by the 48 Hour reporting requirements described herein. *N.C.G.S. § 163-278.9(a)(4a); N.C.G.S. § 163A-1418(a)(2).* If an entity (but not an individual) has contributed more than \$100 to the organization filing the report, and the donations were made for the purpose of furthering the reported expenditure or contribution, the reporting entity must identify the entity making that donation. *N.C.G.S. § 163-278.12(c); N.C.G.S. § 163A-1423(c).* These entities may use paper forms rather than electronic reporting.

Anonymous Contributions and Contributions in the Name of Another: It is unlawful for any individual, political committee or other entity to make a contribution anonymously or in the name of another. *N.C.G.S. § 163-278.14(a); N.C.G.S. § 163A-1428(a).* Contributions over \$50 must be in the form of a check, credit card charge or non-cash method subject to written verification. *N.C.G.S. § 163-278.14(b); N.C.G.S. § 163A-1428(b).*

COMMUNICATIONS

Issues Advocacy versus Express Advocacy:

- The subject of extensive litigation, the state's definition of express advocacy currently is limited to the so-called "magic words" test of *Buckley v. Valeo*: communications including but not limited to phrases such as "vote for," "support," "defeat," "reject," etc. See *N.C.G.S. § 163-278.14A(a); N.C.G.S. § 163A-1429(a).*

Electioneering Communications:

- North Carolina regulates electioneering communications in a manner similar to the federal structure. The state's definition of an electioneering communication is any broadcast, cable, or satellite communication, telephone bank or mass mailing, that
 - refers to a clearly identified candidate for elected office;
 - with respect to the general election, in November of even numbered year, and with respect to any other election is made or transmitted within 30 days;
 - may be received by either:
 - 50,000 or more individuals in the state in an election for statewide office or 7,500 in any other election if in the form of broadcast, cable, or satellite communication; OR

- May be received by 20,000 or more households, cumulative per election, in a statewide election, or 2,500 households, cumulative per election, in any other election if in the form of mass mailing or telephone bank.

N.C.G.S. § 163-278.6(8j); N.C.G.S. § 163A-1411(41), as modified by HB1029.

- “Mass Mailing” means any mailing by mail or facsimile to 20,000 or more households, cumulative per election, in a statewide election, or 2,500 households, cumulative per election, in any other election. *N.C.G.S. § 163-278.6(12k); N.C.G.S. § 163A-1411(70).*
- A “telephone bank” is defined as telephone calls that are targeted at a relevant electorate except when those calls are made by volunteer workers, whether or not the design of the telephone bank system, development of calling instructions, or training of volunteers was done by paid professionals. *N.C.G.S. § 163-278.6(18k); N.C.G.S. § 163A-1411(93).*
- Any electioneering communication is treated as a contribution by the entity paying for the communication if it is coordinated with a candidate, campaign, political party, or an agent of any of the aforementioned persons, and the disbursement is an expenditure by the candidate or party supported by the communication. *N.C.G.S. § 163-278.6(6); N.C.G.S. § 163A-1411(13b).*
- Important exceptions apply to the definition of electioneering communication, including:
 - Communications made while the General Assembly is in session and which are incidental to advocacy for or against a specific piece of legislation pending before the General Assembly, and which urge the audience to communicate with a member or members of the General Assembly concerning the legislation;
 - News stories, commentary, and editorials distributed through newspapers or periodicals that are not controlled by political parties, PACs or candidates;
 - Reportable expenditures, including independent expenditures;
 - Candidate debates or forums conducted according to the rules adopted by the State Board of Elections.
 - A communication that proposes a commercial transaction that does not mention any candidacy.
 - A public opinion poll.

N.C.G.S. § 163-278.6(8k); N.C.G.S. § 163A-1411(43)

- Electioneering communications exceeding \$5,000 must be reported to the State Board of Elections electronically. *N.C.G.S. § 163-278.12C; N.C.G.S. § 163A-1424(a)*. The report must identify:
 - the identification of the individual or person incurring the expense, including the identity of persons sharing or exercising control over the activities and of the custodian of the books and accounts of the individual or person incurring the expense;
 - the principal place of the business incurring the expense, if not an individual;
 - the amount of each expense incurred in the period covered by the statement and the identification of the individual or person by whom the expense was incurred;
 - the elections to which the electioneering communications pertain, if any, and the names, if any, of the candidates identified. The names and addresses of all entities that donated to further an electioneering communication funds or anything of value in an aggregate amount of more than \$1,000 during the reporting period.

The statute provides a definition of “in furtherance of the electioneering communication” at *N.C.G.S. § 163-278.12C(c); N.C.G.S. § 163A-1424(c)*.

- The initial report shall be filed no later than the 10th day following the day the entity incurs an expense for the direct costs of producing or airing an electioneering communication. *N.C.G.S. § 163-278.12C; N.C.G.S. § 163A-1424(b)*. After this initial report, the entity shall follow the same reporting schedule as other political committees participating in the affected election. *N.C.G.S. § 163-278.12C(b); N.C.G.S. § 163A-1424(b)*. Forms for reporting electioneering communications are CRO-2310; CRO-2320; CRO-2330 and CRO-2340.
- 48 Hour Reporting during the 4th Quarter of an Election Year: An individual or person who produces or airs an electioneering communication must disclose by report to the State Board within 48 hours of incurring an expense of five-thousand dollars (\$5,000) or more or receiving a donation of one thousand dollars (\$1,000) or more for making an electioneering communication between the filing of third quarter report and the day of the election. *N.C.G.S. § 163A-278.9(4a); N.C.G.S. § 163A-1424(b)*.

Membership Communications

- Corporations and labor unions may communicate with employees and members (and those individuals’ families) on any subject, including candidate endorsements. *N.C.G.S. § 163-278.19(b); N.C.G.S. § 163A-1436(d)*. Such

communications are not contributions and are not reportable to the State Board of Elections.

Independent Expenditures:

- An independent expenditure is an “expenditure to support or oppose the nomination or election of one or more clearly identified candidates” that is made without consulting or coordinating with the candidate or campaign being supported or the opponent of the candidate whom the expenditure opposes. *N.C.G.S. § 163-278.6(9a); N.C.G.S. § 163A-1411(53).*
- An individual or entity spending more than \$100 on an independent expenditure must report to the State Board of Elections as described below, unless that person already is required to file reports due to some other reasons (e.g., because the entity is a PAC registered with the state). The report must identify:

- Name, address and telephone number of the recipient of each expenditure;
- Full name of the candidate affected by each expenditure;
- Whether the candidate was supported or opposed by the expenditure;
- Date and amount of the expenditure;
- Each contribution over \$100 that was given to the entity for the purpose of supporting the expenditure being reported;

N.C.G.S. § 163-278.12; N.C.G.S. § 163A-1423.

- If the candidates or ballot issues supported or opposed are contained within one county, and the candidate is not running for a legislative or judicial or district attorney office, the report should be filed with the county board of elections. If the candidates or ballot issues supported or opposed are in more than one county, or are legislative, judicial, or district attorney candidates, or are statewide candidates, the report should be filed at the State Board of Elections. Forms for reporting Independent Expenditures are CRO-2210A; CRO-2210B; and CRO-2210C.
 - Reports must be filed within 30 days after the independent expenditures exceed \$100 or 10 days before an election the expenditures affect, whichever is earlier. *N.C.G.S. § 163-278.12(d); N.C.G.S. § 163A-1423(d).*
 - 48 Hour Reporting: Any individual or person who makes an independent expenditure must disclose by report to the State Board of Elections within 48 hours of incurring an expense of five thousand (\$5,000) or more or receiving a donation of one thousand dollars (\$1,000) or more for making an independent

expenditure during the time between the third quarter filing deadline and the day of the election. *N.C.G.S. 163-278.12(e); N.C.G.S. § 163A-1423e.*

- *N.C.G.S. § 163-278.13(e5)* and *N.C.G.S. § 163A-1425(j)* allow an “Independent Expenditure Political Committee” which makes and abides by a certification to the State Board of Elections that the political committee will not make contributions to candidates or political committees that make contributions to candidates, to make independent expenditures and to avoid the contribution limits contained therein. *N.C.G.S. § 163-278.13(e5); N.C.G.S. § 163A-1425(j).*
- In addition to the disclaimer requirements described below, print-media independent expenditure disclaimers must state: “[n]ot authorized by a candidate.” *N.C.G.S. § 163-278.39(a)(5); N.C.G.S. § 163A-1476(a)(3).* This requirement does not apply to broadcast ads.

Disclaimers:

- The basic disclosure requirement contained in *N.C.G.S. § 163-278.39; N.C.G.S. § 163A-1476* applies to advertisements in the print media or on radio or television that constitute an expenditure, independent expenditure, electioneering communication, or contribution. *N.C.G.S. § 163-278.39(a); N.C.G.S. § 163A-1476(a).*
- The disclaimer must state: “[p]aid for by (name of candidate, candidate campaign committee, political party, political action committee, referendum committee, individual or other sponsors).” *N.C.G.S. § 163-278.39(a)(1); N.C.G.S. § 163A-1476(a)(1).*
- Print advertisements supporting or opposing a candidate must state either, “[a]uthorized by [name of candidate], candidate for [name of office],” or “[n]ot authorized by a candidate.” *N.C.G.S. § 163-278.39(a)(5); N.C.G.S. § 163A-1476(a)(3).*
 - Print advertisements that are coordinated with a candidate must disclose the name of the candidate whom the advertisement is intended to benefit. *N.C.G.S. § 163-278.39(a)(6); N.C.G.S. § 163A-1476(a)(4).*
 - There are specific requirements regarding the size of the disclaimers, the percentage of space the disclaimer must occupy, its placement, and its duration. *N.C.G.S. § 163-278.39(b); N.C.G.S. § 163A-1476(b).*
 - If an advertisement is sponsored jointly, the disclosure statement must name all the sponsors. *N.C.G.S. § 163-278.39(a); N.C.G.S. § 163A-1476(a).*
 - If the advertisement is paid for by multiple entities, including one group producing the ad, and another group paying for the airing of the ad, all entities shall be identified as sponsors. *See Friends of Joe Sam Queen v. Ralph Hise for NC Senate*, 223 N.C. App. 395 (2012).

COORDINATION

- North Carolina defines “coordination” as “in concert or cooperation with, or at the request or suggestion of.” *N.C.G.S. § 163-278.6(6h); N.C.G.S. § 163A-1411(22)*.
- A “coordinated expenditure” is defined as: an expenditure that is made in concert or cooperation with, or at the request or suggestion of, a candidate, a candidate campaign committee as defined in *N.C.G.S. § 163-278.38Z(3); N.C.G.S. § 163A-1475(3)*, the agent of the candidate, or the agent of the candidate campaign committee. An expenditure for the distribution of information relating to a candidate’s campaign, positions, or policies, that is obtained through publicly available resources, including a candidate campaign committee is not a coordinated expenditure if it is not made in concert or cooperation with, or at the request or suggestion of, a candidate, the candidate campaign committee, the agent of the candidate, or the agent of the candidate campaign committee. *N.C.G.S. § 163-278.6(6g); N.C.G.S. § 163A-1411(2)*.
- Electioneering communications that are coordinated with a candidate, a candidate’s campaign or a political party, are treated as contributions by the communication’s sponsor, and as an expenditure by the candidate or political party supported by the communication. *N.C.G.S. § 163-278.6; N.C.G.S. § 163A-1411*.

This means an electioneering communication (which, by definition, contains no express advocacy) that is coordinated with a candidate must be disclosed *both* as an EC by the sponsor (with the sponsor identifying donors of \$1,000 or more), and disclosed as an in-kind contribution from the sponsor to the candidate, *and* as an expenditure by the candidate. This provision applies regardless of whether the candidate with whom the entity coordinates is involved in the race implicated by the electioneering communication.

The effect of this is that if an entity makes an electioneering communication and any coordination takes place between the corporation and a candidate, it is likely that either an illegal contribution from a prohibited source has taken place or an excessive contribution from an otherwise permissible source has been made.

REGISTRATION AND REPORTING REQUIREMENTS

Registration:

- North Carolina defines “political committee” as combination of two or more individuals that make or accept things of value to make contributions or expenditures, and which is either:
 - controlled by a candidate;
 - controlled by a political party;
 - created by a corporation or other entity as an affiliated committee; or
 - which has “the major purpose” of supporting or opposing candidates. *N.C.G.S. § 163-278.6; N.C.G.S. § 163A-1411(74).*
- Within 10 days of accepting a contribution or becoming organized as an entity, a political committee (“PAC”) must file a Statement of Organization appointing a treasurer and report all contributions and expenditures not previously reported using the forms available at: (<https://www.ncsbe.gov/Campaign-Finance/reporting-formsforms/Campaign-Finance/reporting-forms>). *N.C.G.S. § 163-278.9(a)(1); N.C.G.S. § 163A-1418(a)(1).*
- There is no explicit requirement that a PAC’s bank account must be maintained within the State or in a banking institution which maintains an office in this State. *N.C.G.S. § 163-278.8; N.C.G.S. § 163A-1414.*
- A PAC treasurer must be a North Carolina resident. A federal PAC contributing to a state PAC must appoint a state resident as its assistant treasurer. *N.C.G.S. § 163-278.7; N.C.G.S. § 163A-1412.*
 - Additionally, a federal PAC must register with the state and comply with all state reporting requirements. *N.C.G.S. § 163-278.7A; N.C.G.S. § 163A-1413.*
- Treasurers are required to participate in training offered by the North Carolina Board of Elections. *N.C.G.S. § 163-278.7(f); N.C.G.S. § 163A-1412(f).* Treasurers must participate in training within three months of their appointment, and at least once every four years thereafter. The treasurer may designate an assistant treasurer to participate instead of the treasurer. Training may be done either in person or online.

Reporting:

- The treasurer must provide the State Board of Elections with a list of all banks, safety deposit boxes and other depositories used, including the names and numbers of all accounts maintained and the numbers of all such safety deposit boxes used. This information is maintained confidentially by the board, except

as it is necessary to conduct an investigation or audit. *N.C.G.S. § 163-278.8(a); N.C.G.S. § 163A-1414(a).*

- A North Carolina state PAC must report all of its financial activity periodically. All donors who contributed \$50 or more for an election must be reported, along with the contributor's, address, occupation, and employer. The \$50 aggregate threshold is per election, with the primary and general counting separately. *N.C.G.S. § 163-278.11; N.C.G.S. § 163A-1422.*
- Electronic filing is available for any entity filing with the State Board of Elections, and it is required for any PAC that makes contributions in excess of \$5,000 to candidates for statewide office or makes independent expenditures over that amount related to statewide candidates. *N.C.G.S. § 163-278.9(j)(3); N.C.G.S. § 163A-1418(i).*
- Software is available on the State Board's website or from third-party vendors. Filers with less than \$10,000 in activity related to statewide office may file paper reports on the forms available at: (<https://www.ncsbe.gov/Campaign-Finance/reporting-forms>). *N.C.G.S. § 163-278.9(j); N.C.G.S. § 163A-1418(i)(4).*

Reporting Schedule:

- The basic reporting schedule for North Carolina requires quarterly reporting during even-numbered (election) years and a semi-annual reporting system during odd-numbered years. All North Carolina PACs must abide by this general quarterly/semi-annual schedule. Candidate committees are required to abide by the same general schedule, with the exception that if a candidate committee supports a candidate who is in the middle of a 4- or 8-year term, and the committee does not choose to make any contributions to other candidates or political committees during the even-numbered off years during the term, then that committee is only required to submit semi-annual reports during that even-numbered off-year. Otherwise, if contributions are made to other candidates, that candidate committee must file the quarterly reports even during the year in which that office is not up for election. *N.C.G.S. § 163-278.9; N.C.G.S. § 163A-1418.*
- **Quarterly Reports**
 - During even-numbered years, the committee treasurer is required to file a report by mailing or otherwise delivering it to the State Board of Elections no later than seven working days after the end of each calendar quarter. These dates are noted in advance on the website of the State Board of Elections. *N.C.G.S. § 163-278.9(a)(5a); N.C.G.S. § 163A-1418(a)(3).* The filing schedule is posted on the State Board's website
 - Exceptions to this rule are the first- and third-quarter reports. The first-quarter report must also include the period of time during the month of April up to and including the 17th day before the primary election. The first-quarter report

is then due seven days after that date, and the second-quarter report does not include that period during the month of April.

- *N.C.G.S. § 163-278.9(a)(5a)a; N.C.G.S. § 163A-1418(a)(3)*. The third-quarter report must include that period of time during the month of October through the 17th day before the general election. The report is then due seven days after that date, and the fourth-quarter report does not include that period of time during the month of October. *N.C.G.S. § 163-278.9(a)(5a)b; N.C.G.S. § 163A-1418(a)(3)(b)*.

- **Semiannual Reports**

- During those years in which a committee is not required to file quarterly reports, semiannual reports are required. For the first half of the year, all contributions and expenditures covering the period through the last day of June must be reported by the last Friday in July. For the second half of the year, all contributions and expenditures covering the period through the last day of December must be reported by the last Friday in January. *N.C.G.S. § 163-278.9(a)(6); N.C.G.S. § 163A-1418(a)(4)*.

- **48-Hour Reports**

- From the closing date of the final pre-election report through Election Day, a political committee must file a disclosure within 48 hours of the receipt of any contribution or transfer of \$1,000 or more. These reports are filed using State Board of Elections Form CRO-2220, and may be sent by facsimile. *N.C.G.S. § 163-278.9(a)(4a); N.C.G.S. § 163A-1418(a)(2)*.

MCFL Reporting:

- *MCFL*-type organizations must report within 30 days any independent expenditures or contributions they make in excess of \$100. *N.C.G.S. § 163-278.12; N.C.G.S. § 163A-1423*. Generally, contributions to the organization itself do not need to be reported, except for donations made to the MCFL specifically for the purpose of furthering the reported independent expenditure or contribution. *N.C.G.S. § 163.278.12(c); N.C.G.S. § 163A-1423(c)*. Donations of \$100 or more given for the purpose of funding the organization's North Carolina political activities must be itemized, disclosing the identity of the donor. *N.C.G.S. § 163.278.12(c); N.C.G.S. § 163A-1423(c)*.

Termination

Political action committees may be terminated at any time, following the disbursement of all funds and preparation and filing of a final report with a certification to close committee on a form prescribed by the State Board of Elections. Upon submission of the appropriate filings, the State Board will deem the committee to be tentatively closed and, upon a final audit, it will be deemed closed by the State Board of Elections.

ENFORCEMENT AND PENALTIES

- The State Board of Elections refers violations of campaign finance laws to the recreated State Ethics Commission, which will investigate and make recommendations to the State Board of Elections regarding criminal referrals for violations. The seat for which the candidate is nominated or running determines the district for prosecution. Individuals other than candidates will be prosecuted in their home districts. *HB 1029, Session Law 2018-146, Section 4.11d, N.C.G.S. § 163-278.27; amended N.C.G.S. § 163A-1445.* The State Board also has the power to assess civil penalties against candidates, committees, and other parties for violations of election laws. *N.C.G.S. § 163-278.34; N.C.G.S. § 163A-1451.*
- Civil penalties range from \$50 to \$10,000 for the late filing of reports. *N.C.G.S. § 163-278.34(a) N.C.G.S. § 163A-1451(a)(1).*
- Civil penalties for illegal contributions and expenditures are to be set in the State Board's discretion and may not exceed an amount three times the amount of the illegal contribution or expenditure. The costs of the investigation, assessment, and collection may be added to the civil penalty. *N.C.G.S. § 163-278.34(b); N.C.G.S. § 163A-1451(b).*
- The State Board may impose civil penalties including: cease and desist orders, an order for a committee to cease receiving contributions and making expenditures until late reports are filed, an order requiring any remedial action deemed appropriate by the Board, and an order requiring that certain reports be filed. *N.C.G.S. § 163-278.34 (c) N.C.G.S. § 163A-1451(c).* Appeals of civil penalties shall be heard by the Office of Administrative Hearings. *HB 1029, Session Law 2018-146, Section 4.4a, N.C.G.S. § 163-278.34(f) (prev. N.C.G.S. § 163A-1451(f)).*
- It is important to note that a treasurer's signature on any report filed with the State Board of Elections is a certification that the contents of the report are true and accurate to the best of the treasurer's knowledge. *N.C.G.S. § 163-278.9(a); N.C.G.S. § 163A-1418(a).* The signing of a false report by a treasurer, where the treasurer knows the information to be false, constitutes perjury. *N.C.G.S. § 163-278.32; N.C.G.S. § 163A-1449.*
- Most violations of campaign laws, including the making of contributions from prohibited sources and in the name of another, are misdemeanors. *N.C.G.S. § 163-278.14; N.C.G.S. § 163A-1428; N.C.G.S. § 163-278.19; N.C.G.S. § 163A-1436.*

BALLOT MEASURES

- A referendum committee is a combination of two or more individuals or entities, or any other entity, whose primary purpose is to support or oppose the passage of any referendum on the ballot. *N.C.G.S. § 163-278.6(18b); N.C.G.S. § 163A-1411(84)*. A referendum committee must appoint a treasurer and report the identity of the treasurer to the State Board of Elections. *N.C.G.S. § 163-278.7(a); N.C.G.S. § 163A-1419*. An organizational report must be filed within ten days of the organization of the committee. *N.C.G.S. § 163-278.9A(a)(1); N.C.G.S. § 163A-1419(a)(1)*.
- There are no limits on the amount of contributions to referendum committees, and corporations and other business entities may contribute to referendum committees. *N.C.G.S. § 163-278.19A; N.C.G.S. § 163A-1437; N.C.G.S. § 163-278.19; N.C.G.S. § 163A-1436*.
- No referendum committee that accepted contributions from a corporation or union (or from other sources prohibited from giving to candidates) may make contributions to other referendum committees, candidates, or political committees. *N.C.G.S. § 163-278.13(e1); N.C.G.S. § 163A-1425(i)*.
- An independent expenditure may be made in support or opposition to a referendum measure if no coordination is had with a referendum committee that is aligned on the issue. *N.C.G.S. § 163-278.6(9a); N.C.G.S. § 163A-1411(53)*.
- No differentiation is made between in-state and out-of-state contributors.
- **Reporting for Referendum Committees**
 - Organizational Report – A referendum committee must file an organizational report, including information regarding the appointment of a treasurer, statement of organization, and a report of all contributions and expenditures. It must be filed no later than the 10th day following the organization of any referendum committee. *N.C.G.S. § 163-278.9A(a)(1); N.C.G.S. § 163A-1419(a)(1)*.
 - Pre-Referendum Report – A committee must also file a pre-referendum report no later than the 10th day preceding any referendum. *N.C.G.S. § 163-278.9A(a)(2); N.C.G.S. § 163A-1419(a)(2)*.
 - 48 Hour Reports – From the closing date of the final pre-election report through the referendum election, disclosure reports must be filed within 48 hours reports of the receipt of any contribution or transfer of \$1,000 or more from any political committee. *N.C.G.S. § 163-278.9A(a)(2a); N.C.G.S. § 163A-1419(a)(3)*.
 - Final Report – A referendum committee must file a final report no later than the 10th day after a referendum election. If the final report does not contain a

final accounting of all contributions and expenditures, a supplemental final report shall be filed not later than January 7th after the referendum, current through December 31st after the referendum. *N.C.G.S. § 163-278.9A(a)(3); N.C.G.S. § 163A-1419(a)(4).*

- o Annual Reports – If contributions are received or expenditures made during any calendar year for which no reports are otherwise required, either in a year before or after a referendum, an annual report of all contributions and expenditures is required to be filed by January 7th of the year following the calendar year at issue.

N.C.G.S. 163-278.9A(a)(4) N.C.G.S. § 163A-1419(a)(5).

CONTACT INFORMATION FOR STATE AND LOCAL AGENCIES

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Facsimile - Campaign Reporting - (919) 715-8047

E-mail: campaign.reporting@ncsbe.gov

Contact Person: Amy Strange,
Deputy Director – Campaign Reporting

FOR FURTHER ASSISTANCE

For assistance regarding these resources or for more information about federal law, please contact our attorney for one-on-one counseling service:

Email: Advocacy@afj.org
Telephone: 1-866-NPLOBBY (886-675-6229)

For assistance regarding state law in North Carolina, please contact:

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