



Legislative Summary

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LEGISLATIVE SUMMARY:

SB-1054 - N.C. JUDICIAL CAMPAIGN REFORM ACT

Adapted from Overview Prepared by Legislative Research Office staff

As Passed the N.C. House, September 26, 2002

The House bill is an amended version of a bill passed by the Senate on Nov. 20, 2001. The bill would provide what is intended to be full public financing in the general election for Court of Appeals and Supreme Court candidates who accept fundraising and spending limits, beginning with the 2004 election. The chief funding mechanisms would be a voluntary \$50 contribution requested from lawyers at the time they pay their privilege license tax and a \$3 check-off on individual State income tax forms. The check-off funds would go to the N.C. Public Financing Campaign Fund rather than to the State's General Fund.

The bill would also lower the contribution limit for appellate judicial candidates to \$1,000. In another major change to begin in 2004, Supreme Court and Court of Appeals candidates would be elected in nonpartisan primary and election method.

CONDITIONS FOR PARTICIPATION. Beginning in 2004, general election candidates for Supreme Court and Court of Appeals can receive a set amount of public funding if they voluntarily meet these conditions:

- Before filing a declaration of intent to enter the program, must not raise or spend more than \$10,000 on campaign after the beginning of the year before the election.
- After declaring intent to participate, raise the minimum in qualifying contributions as follows:
 1. Qualifying contributions must come in amounts between \$10 and \$500 each.
 2. They must come from North Carolina registered voters only.
 3. They must come from at least 350 contributors.
 4. They must be raised during the qualifying period, which begins September 1 of the year before the election and ends primary day.

5. The sum of the qualifying contributions must remain within a range pegged to a multiple of the filing fee for the office. The minimum is about \$33,000 for Court of Appeals judges and the maximum is about \$69,000 for Supreme Court justices. **See Chart on page two for details.** The excess is returned to the donors or goes to the Fund.
- Spend only up to the qualifying contribution cap during the primary, raised from qualifying contributions and personal/family contributions (up to \$1,000 per family member).
 - Agree to spend only public funds and remaining qualifying donations in the general election.

BENEFITS OF PARTICIPATION. If the State Board of Elections certifies a candidate as meeting these conditions, the candidate can receive from the Public Financing Campaign Fund:

- In a contested primary, rescue funds to match opposition spending that exceeds about \$67,000 -- up to a total of about \$135,000 in rescue funds.
- In the general election, an initial amount of 175% of the position's salary for Supreme Court candidates (\$201,300) and 125% of the salary for Court of Appeals (\$137,500).
- In the general election, rescue funds to match opposition spending that exceeds the initial award, up to twice that amount.

OTHER PROVISIONS IN THE BILL:

- Uses mixture of a voluntary \$50 contribution requested from attorneys at the time they pay their privilege license tax, effective July 1, 2003; leftovers from the old Candidates' Financing Fund; voluntary contributions generally; and a new \$3 check-off on the State individual income tax form, effective for the tax years beginning January 1, 2003.
- Provides a non-partisan primary and election system for election of appellate judges, the same as that now in place for Superior and District Court judges. Some cities use the same method for municipal offices. The nonpartisan primary is used to narrow the field of candidates to twice the number to be elected. (If only two candidates file, there is no contested primary.) The general election is between the candidates left after the primary.
- Lowers contributions limits to \$1,000 for the Supreme Court and Court of Appeals candidates not participating in public financing program. Family members may give \$2,000.
- Provides in primary and general election a Voter Guide on all candidates in appellate judge contests. The cost of each could be as much as \$750,000 if mailed to all households
- Provides substantial rescue money to a certified candidate who is hit with spending by an opposing non-certified candidate and/or by independent-expenditure activity that exceeds the spending limit accepted by the certified candidate. The bill provides for expedited reporting to make the rescue provision work.
- To address last-minute "surprise attack," embargos fundraising in the 21 days before Election Day by a non-certified candidate who opposes a certified candidate who has not maxed out on getting rescue money. The non-certified candidate can still add more money from personal funds.

- Provides a civil fine of up to \$10,000 for a violation of the Article, or up to treble the amount of any financial transactions involved in the violation, whichever is greater. A certified candidate in violation may have to give back all money received from the Fund.

Office	Salary	Filing Fee <i>(1% of salary)</i>	Minimum to be Raised in Qualifying Contribs. <i>(30x filing fee)</i>	Maximum Amount to be Raised in Qualifying Contribs.* <i>(60x filing fee)</i>	Distribution Amount - Ct of Appeals # <i>(125x filing fee)</i>	Distribution Amount - Supreme Court # <i>(175x filing fee)</i>
Supreme Court **	\$115,000	\$1150	\$34,500	\$69,000 *		\$201,300 #
Court of Appeals	\$110,000	\$1100	\$33,000	\$66,000 *	\$137,500 #	

** Numbers slightly higher for Chief Justice.

* This is also the limit on spending during primary, unless rescue money is triggered. Total rescue money is capped at twice the amounts above:
\$132,000 for Court of Appeals and \$138,000 for Supreme Ct. candidate.

This is also the limit on spending during the general election, unless rescue money is triggered. Total rescue money is capped at twice the amounts above: \$275,000 for Court of Appeals to \$402,600 for Supreme Court candidate.

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