

Changes in NC Campaign Finance Law, 1997-2010

Prepared by Democracy North Carolina, January 2011

4 Key Elements of Campaign Finance System ^①

- ▶ Disclosure of Money Flow
- ▶ Restrictions: Regulate the Flow
- ▶ Incentives: Public Fin. Option
- ▶ Enforcement

Legal Foundation ^② *Buckley v. Valeo, 1976*

- ▶ What Political Speech Can be Regulated?
 - Campaign Contributions different from Campaign Spending
 - Express Advocacy (“magic words”) different from Issue Advocacy
- ▶ Corruption or Appearance of Corruption → Integrity of Election → Belief My Vote Counts

Disclosure: ^③ Full, Timely, Accessible

- ▶ **1997:** donor’s occupation; more frequent rpts; first electronic/statewide; 48-hour reports; more cities covered; coordinated expend.
- ▶ **1998:** national soft money; fundrsg by BOT
- ▶ **1999:** stand by your ad; electioneering
- ▶ **2001:** more frequent rpts for local elections
- ▶ **2006:** use of contrib.; disclose \$50; training
- ▶ **2009:** cuts exemption for low-spending cand.
- ▶ **2010:** political appointees; indept spenders.

Restrictions: ^④ Sources, Amounts, Times

- ▶ \$4,000/election from “individuals”/PACs
- ▶ Corporate/union treasury money vs. PACs
- ▶ No secret \$, no straw donors, no blank cks
- ▶ Unlimited amounts to and from party
- ▶ Lobbyists/Lobbyists’ PACs – session, 24/7
- ▶ Regulating soft money, “issue advocacy,” electioneering, independent expenditures

Enforcement: ^⑤ Swift, Fair, Effective - Funded

- ▶ **1998:** Farmers for Fairness/GOP House → money for investigators; circumvention
- ▶ **2000:** Stephen Pierce → civil penalties, SOL
- ▶ **2003:** Meg Scott Phipps
- ▶ **2005-07:** Jim Black → Lobby/Ethics reform; funds for SBOE; use of contrib; public fin.
- ▶ **2006:** Art Pope → Electioneering v. Issue Ads
- ▶ **2010:** Conviction of Mike Easley, big donors; felony over \$10,000; candidate resp. issue

Public Finance Option: ^⑥ Earned, Alternative Politics

- ▶ **2001-02: Judicial Campaign Reform Act**
 - Nonpartisan. PF option. Lower \$\$\$. Voter Guide
 - Support: 12 Bar Pres., 1,000+ attorneys, ABA
 - Dedicated funding sources: \$3 ckoff / \$50 dues
 - 77% enroll. Diversity up. 77% on top Court seats
- ▶ **2007: 3 Executive Branch offices**
 - 9 of 11 enroll; 4 of 6 Gen Elec qualify
 - 4,000 donors. \$500 → \$70 ave. 66% → 5% indsty
- ▶ **2007: Chapel Hill program 2009 & 2011**