



CHAPTER 163

ARTICLE 22A - REGULATING CONTRIBUTIONS AND EXPENDITURES IN POLITICAL CAMPAIGNS

N.C.G.S. § 163-278.19.

Violations by corporations, business entities, labor unions, professional associations and insurance companies.

SOURCE	LAST AMENDMENT IN THIS TEXT	RETRIEVED	SOURCE FINGERPRINT
General Statutes of North Carolina, as published by the General Assembly	S.L. 2018-146, s. 3.1(a), (b) — eighteenth act in the lineage	21 September 2026, 06:38 UTC	9e9b3bfe03677e203241c3c2 - 376275a345c1aa01ca52f921 - 6f7f5b40db126104

§ 163-278.19(a)

Except as provided in subsections (c), (d), (f), (g), (h), and (i) of this section it shall be unlawful for any corporation, business entity, labor union, professional association or insurance company directly or indirectly do any of the following:

- (1) To make any contribution to a candidate or political committee.
- (2) To pay or use or offer, consent or agree to pay or use any of its money or property for any contribution to a candidate or political committee.
- (3) To compensate, reimburse, or indemnify any person or individual for money or property so used or for any contribution or expenditure so made.

It shall also be unlawful for any officer, director, stockholder, attorney, agent or member of any corporation, business entity, labor union, professional association or insurance company to aid, abet, advise or consent to any such contribution, or for any person or individual to solicit or knowingly receive any such contribution. Supporting or opposing the election of clearly identified candidates includes supporting or opposing the candidates of a clearly identified political party. Any officer, director, stockholder, attorney, agent or member of any corporation, business entity, labor union, professional association or insurance company aiding or abetting in any contribution made in violation of this section shall be guilty of a Class 2 misdemeanor, and shall in addition be liable to such corporation, business entity, labor union,

professional association or insurance company for the amount of such contribution and the same may be recovered of him upon suit by any stockholder or member thereof.

§ 163-278.19(b) A transfer of funds shall be deemed to have been a contribution made indirectly if it is made to any 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.

§ 163-278.19(c) Proceeds of loans made in the ordinary course of business by financial institutions may be used for contributions made in compliance with this Subchapter. Financial institutions may also grant revolving credit to political committees and referendum committees in the ordinary course of business.

§ 163-278.19(d) It shall, however, be lawful for any corporation, business entity, labor union, professional association or insurance company to communicate with its employees, stockholders or members and their families on any subject; to conduct nonpartisan registration and get-out-the-vote campaigns aimed at their employees, stockholders, or members and their families; or for officials and employees of any corporation, insurance company or business entity or the officials and members of any labor union or professional association to establish, administer, contribute to, and to receive and solicit contributions to a separate segregated fund to be utilized for political purposes, and those individuals shall be deemed to become and be a political committee as that term is defined in G.S. 163-278.6(74) or a referendum committee as defined in G.S. 163-278.6(84); provided, however, that it shall be unlawful for any such fund to make a contribution or expenditure by utilizing contributions secured by physical force, job discrimination, financial reprisals or the threat of force, job discrimination or financial reprisals, or by dues, fees, or other moneys required as a condition of membership or employment or as a requirement with respect to any terms or conditions of employment, including, without limitation, hiring, firing, transferring, promoting, demoting, or granting seniority or employment-related benefits of any kind, or by moneys obtained in any commercial transaction whatsoever.

§ 163-278.19(e) A violation of this section is a Class 2 misdemeanor. In addition, the acceptance of any contribution, reimbursement, or indemnification under subsection (a) shall be a Class 2 misdemeanor.

§ 163-278.19(f) Whenever a candidate or treasurer is an officer, director, stockholder, attorney, agent, or employee of any corporation, business entity, labor union, professional association or insurance company, and by virtue of his position therewith uses office space and communication facilities of the corporation, business entity, labor union, professional association or insurance company in the normal and usual scope of his employment, the fact that the candidate or treasurer receives telephone calls, mail, or visits in such office which relates to activities prohibited by this Article shall not be considered a violation under this section.

§ 163-278.19(g) Notwithstanding the prohibitions specified in this Article and Article 22 of this Chapter, a political committee organized under provisions of this Article shall be entitled to receive and the corporation, business entity, labor union, professional association, or insurance company designated on the committee's organizational report as the parent entity of the employees or members who organized the committee is authorized to give reasonable administrative support that shall include record keeping, computer services, billings, mailings to members of the committee, membership development, fund-raising activities, office supplies, office space, and such other support as is reasonably necessary for the administration of the committee.

The approximate cost of any reasonable administrative support shall be submitted to the committee, in writing, and the committee shall include that cost on the report required by G.S. 163-278.9(a)(4). Also included in the report shall be the approximate allocable portion of the compensation of any officer or employee of the corporation, business entity, labor union, professional association, or insurance company who has devoted more than thirty-five percent (35%) of his time during normal business hours of the corporation, business entity, labor union, professional association, or insurance company during the period covered by the required report. The approximate cost submitted by the parent corporation, business entity, labor union, professional association, or insurance company shall be entered on the committee's report as the final entry on its list of "contributions" and a copy of the written approximate cost received by it shall be attached.

The reasonable administrative support given by a corporation, business entity, labor union, professional association, or insurance company shall be designated on the books of the corporation, business entity, labor union, professional association, or insurance company as such and may not be treated by it as a business deduction for State income tax purposes.

§ 163-278.19(h) This section does not prohibit a contribution by an [a] person or entity that:

- (1) Has as an express purpose promoting social, educational, or political ideas and not to generate business income;
- (2) Does not have shareholders or other persons which have an economic interest in its assets and earnings; and
- (3) Was not established by a business corporation, by an insurance company, by a business entity, including, but not limited to, those chartered under Chapter 55, Chapter 55A, Chapter 55B, or Chapter 58 of the General Statutes, by a professional association, or by a labor union and does not receive substantial revenue from such entities. Substantial revenue is rebuttably presumed to be more than ten percent (10%) of total revenues in a calendar year.

§ 163-278.19(i)

If a political committee has as its only purpose accepting contributions and making expenditures to influence elections, and that political committee incorporates as a nonprofit corporation to shield its participants from liability created outside this Subchapter, that political committee is not considered to be a corporation for purposes of this section. Incorporation of a political committee does not relieve any individual, person, or other entity of any liability, duty, or obligation created pursuant to any provision of this Subchapter. To obtain the benefits of this subsection, an incorporating political committee must state exactly the following language as the only purpose for which the corporation can be organized: "to accept contributions and make expenditures to influence elections as a political committee pursuant to G.S. 163-278.6(74) only." No political committee shall do business as a political committee after incorporation unless it has been certified by the State Board as being in compliance with this subsection.

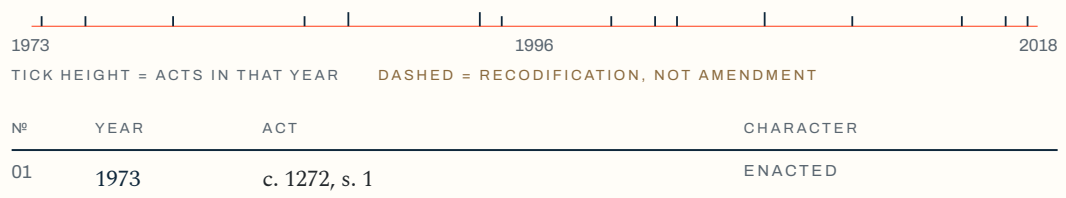
END OF SECTION TEXT

APPARATUS FOLLOWS — DERIVED, NOT ENACTED

APPARATUS I
18 ACTS

Amendment lineage

The State prints this history as a single parenthetical at the foot of the section. It is reproduced verbatim in the colophon and unpacked below in order of enactment.



02	1975	c. 565, s. 6	AMENDED
03	1979	c. 517, ss. 1, 2	AMENDED
04	1985	c. 354	AMENDED
05	1987	c. 113, s. 3	AMENDED
06	1987	c. 565, s. 16	AMENDED
07	1993	c. 539, ss. 1115, 1116	AMENDED
08	1993	c. 553, s. 69	AMENDED
09	1994	Ex. Sess., c. 24, s. 14(c)	AMENDED
10	1999	S.L. 1999-31, ss. 4(d), 5(a), 6(b)	AMENDED
11	2001	S.L. 2001-487, s. 97(a)	AMENDED
12	2002	S.L. 2002-159, s. 57.3(a), (b)	AMENDED
13	2006	S.L. 2006-195, s. 3	AMENDED
14	2006	S.L. 2006-262, ss. 4.1(a), (b), 4.3	AMENDED
15	2010	S.L. 2010-170, s. 5	AMENDED
16	2015	S.L. 2015-258, s. 3(o)	AMENDED
17	2017	S.L. 2017-6, s. 3	AMENDED
18	2018	S.L. 2018-146, s. 3.1(a), (b)	AMENDED

APPARATUS II
3 AUTHORITIES

Authorities referenced

Every G.S. cross-reference appearing in the text of this section, in order of first appearance. Nothing is characterized; the operative language is quoted from the section itself.

REFERENCE	APPEARS IN	OPERATIVE LANGUAGE IN THIS SECTION
G.S. 163-278.6(74)	(d)	<i>"as that term is defined in"</i>
G.S. 163-278.6(84)	(d)	<i>"a referendum committee as defined in"</i>
G.S. 163-278.9(a)(4)	(g)	<i>"cost on the report required by"</i>

APPARATUS III

Citation

FULL SECTION

N.C. Gen. Stat. § 163-278.19 (2018).

PINPOINT

N.C. Gen. Stat. § 163-278.19(a) (2018).

Pinpoint keys are set in the left margin of the text rather than line numbers: subsection designators are stable across editions and paper sizes, line numbers are not.

COLOPHON

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HISTORY PARENTHETICAL, AS PRINTED BY THE STATE

(1973, c. 1272, s. 1; 1975, c. 565, s. 6; 1979, c. 517, ss. 1, 2; 1985, c. 354; 1987, c. 113, s. 3; c. 565, s. 16; 1993, c. 539, ss. 1115, 1116; c. 553, s. 69; 1994, Ex. Sess., c. 24, s. 14(c); 1999-31, ss. 4(d), 5(a), 6(b); 2001-487, s. 97(a); 2002-159, s. 57.3(a), (b); 2006-195, s. 3; 2006-262, ss. 4.1(a), (b), 4.3; 2010-170, s. 5; 2015-258, s. 3(o); 2017-6, s. 3; 2018-146, s. 3.1(a), (b).)

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