



CHAPTER 163
ARTICLE 22M - LEGAL EXPENSE FUNDS

N.C.G.S. § 163-278.301.

Creation of legal expense funds.

SOURCE General Statutes of North Carolina, as published by the General Assembly	LAST AMENDMENT IN THIS TEXT No amendment history on record	RETRIEVED 21 September 2026, 06:38 UTC	SOURCE FINGERPRINT 7bfb90c7817199c0e1e853a3 - 2bc0e1e7bd661d4f6c0e8c1f - 0d40616d58bb5292
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- § 163-278.301(a)

An elected officer, or another individual or group of individuals on the elected officer's behalf, shall create a legal expense fund if given a legal expense donation, other than from that elected officer's self, spouse, parents, brothers, or sisters, for any of the following purposes:

(1) To fund an existing legal action taken by or against the elected officer in that elected officer's official capacity.

(2) To fund a potential legal action taken by or against an elected officer in that elected officer's official capacity.
- § 163-278.301(b)

This section shall not apply to any payment to the State or any of its political subdivisions.
- § 163-278.301(c)

The legal expense fund shall comply with all provisions of this Article.
- § 163-278.301(d)

If an elected officer funds legal actions entirely from that elected officer's own legal expense donations or those of the elected officer's spouse, parents, brothers, or sisters, that elected officer is not required to create a legal expense fund. If a legal expense fund accepts legal expense donations as described in subsection (a) of this section, that legal expense fund shall report the elected officer's own legal expense donations and those of those family members along with the other legal expense donations in accordance with G.S. 163-278.310.
- § 163-278.301(e)

No more than one legal expense fund shall be created by or for an elected officer for the same legal action. Legal actions arising out of the same set of transactions and occurrences are deemed the same legal action for purposes of this subsection. A legal expense fund created for one legal action or potential legal action may be kept open by or on behalf of the elected officer for subsequent legal actions or potential legal actions.

§ 163-278.301(f) Contractual arrangements, including liability insurance, or commercial relationships or arrangements made in the normal course of business if not made for the purpose of lobbying, are not "legal expense donations" for purposes of this Article. Use of such contractual arrangements to fund legal actions does not by itself require the elected officer to create a legal expense fund. If a legal expense fund has been created pursuant to subsection (a) of this section, such contractual arrangements shall be reported as expenditures.

§ 163-278.301(g) A violation of this Article shall be punishable as a Class 1 misdemeanor. (2007-349, s. 1; 2009-534, s. 2(b); 2017-6, s. 3; 2018-146, s. 3.1(a), (b).)

END OF SECTION TEXT

APPARATUS FOLLOWS — DERIVED, NOT ENACTED

APPARATUS II
1 AUTHORITY

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. 163-278.310	(d)	"legal expense donations in accordance with"

APPARATUS III

Citation

FULL SECTION

N.C. Gen. Stat. § 163-278.301 (2026).

PINPOINT

N.C. Gen. Stat. § 163-278.301(a) (2026).

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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