

North Carolina Amends Campaign Finance Requirements for Federal PACs and Political Organizations

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North Carolina recently enacted House Bill 237, which now permits federal PACs and political organizations (527s) to contribute to North Carolina candidates and political committees without registering or reporting as a state PAC. Contributions must still abide by the relevant contribution limits (currently \$6,400 per election to a North Carolina candidate or political committee) and source prohibitions (corporate contributions are prohibited).

Federal PACs making North Carolina non-federal contributions were previously required to register with the state and report according to the state's filing schedule. Under HB 237, a federal PAC is instead required to file copies of its Federal Election Commission (FEC) Statement of Organization and FEC reports with the State Board of Elections after making a North Carolina non-federal contribution. Likewise, a 527 political organization must file copies of its IRS Forms 8871 and 8872 with the State Board after making a North Carolina non-federal contribution.

Federal super PACs or 527s that accept contributions from any corporation, business entity, labor union, professional association, or insurance company continue to be prohibited from contributing to North Carolina candidates and political committees. However, a new provision from HB 237 allows such entities to contribute to political party committees, provided that the contributions are made from segregated accounts that do not contain any funds from prohibited sources.

Authors

Hannah Bingham
Associate
202.719.3455
hbingham@wiley.law

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The Bill also contains several unrelated provisions regarding restrictions on wearing face masks in public. Governor Roy Cooper initially vetoed the Bill, citing the campaign finance changes and mask restrictions, but the North Carolina General Assembly voted to override the veto and adopt the law. The changes took effect immediately upon becoming law on June 27, 2024.

Wiley's Election Law & Government Ethics Practice closely tracks political law legislation and the interpretation and implementation of such legislation throughout the country and is available to assist corporations, trade associations, and other donors in understanding the impact of campaign finance rules on their operations.