

EXPLANATION OF
TOWN'S VOTER
OWNED ELECTION
PROGRAM



CANDIDATE ELIGIBILITY AND PARTICIPATION

WHO CAN PARTICIPATE AND WHAT DOES IT MEAN
TO PARTICIPATE?

AM I REQUIRED TO PARTICIPATE?



- No. The Voter Owned Election Fund Program is voluntary. No candidate is required to participate.

WHICH OFFICES ARE PART OF THE PROGRAM?



- Seats on the Town of Chapel Hill Town Council
- The Town of Chapel Hill Mayor

HOW DO I BECOME ELIGIBLE TO PARTICIPATE?

1. You must be eligible to run for office in the Town of Chapel Hill.
 - a. U.S. citizen
 - b. Chapel Hill resident
 - c. 21 years old
 - d. Registered voter in the Town of Chapel Hill municipality
2. Since January 1, 2011:
 - a. Candidates for Mayor must not have raised more than \$1,676
 - b. Candidates for Town Council must not have raised more than \$838

IF I HAVE RAISED MORE THAN THOSE AMOUNTS, CAN I STILL PARTICIPATE?



- Yes, if you do the following:
 - ▣ Return all funds in excess of the maximum amount allowed to the contributor or to the Voter Owned Elections Fund (“Fund”).
 - ▣ At the time you declare your intention to participate you will sign a sworn statement that all excessive funds have been returned to either the contributors or the Fund.

DECLARATION OF PARTICIPATION

BECOMING AN OFFICIAL PARTICIPANT IN THE
PROGRAM

TERMS TO NOTE:



- **Participating Candidate:** A candidate that has filed a Declaration of Participation with the State Board.
- **Certified Candidate:** A candidate on the ballot for Mayor or Town Council that has abided by the rules and has raised the minimum amount and number of qualifying contributions.

HOW DO I BECOME AN OFFICIAL PARTICIPANT IN THE PROGRAM?



- If you are eligible, beginning May 1, 2011, a candidate may file a *Declaration of Participation* with the State Board of Elections.
- Upon signing the *Declaration of Participation*, a candidate is considered to be a “Participating Candidate.”

CONTENTS OF THE *DECLARATION OF PARTICIPATION*

A candidate must affirm the following:

- That I am seeking certification as a Town of Chapel Hill Voter Owned Election candidate.
- That I only have one political committee which shall handle all contributions, expenditures, obligations for the campaign. If I have another political committee, I will not accept any contributions or make expenditures for the current campaign.
- That I have not collected any qualifying contributions before signing the Declaration.
- That I have not collected excess seed money since January 1, 2011, or I have returned the excess to the contributors or the Fund. Additionally, I have not made expenditures in excess of the seed money maximum. If I did receive excessive contributions, I will sign the Addendum to the Declaration of Participation.
- That I have not accepted contributions from prohibited sources or that were in excess of the contribution limits for Chapel Hill.
- That I will comply with all requirements of the Program including procedures for collecting qualifying contributions and any other requirements of the State Board.
- That I will file all required campaign disclosure reports timely and in the prescribed manner with the State Board of Elections. I will at the same time provide copies of all reports to the Orange County Board of Elections and the Town of Chapel Hill Department of Communications and Public Affairs.

CANDIDATE CERTIFICATION

BECOMING A CERTIFIED CANDIDATE

TERMS TO NOTE:



- **Seed money:** Funds raised before a candidate files their Declaration of Participation, in accordance with the Town's current campaign finance regulations.
- **Qualifying contribution:** A contribution between \$5 and \$20 made to a candidate (that has filed a Declaration of Participation) by a resident of Chapel Hill who is registered to vote by the time the candidate files their Qualifying Report with the State Board.

HOW DO I BECOME A CERTIFIED CANDIDATE?



1. Sign and file *Declaration of Participation*.
2. Demonstrate public support by raising required number and amount of qualifying contributions.
3. Submit required documentation to the State Board of Elections for certification.

WHEN CAN I BEGIN RAISING QUALIFYING CONTRIBUTIONS?



No earlier than *May 1, 2011*, but only after filing the
Declaration of Participation.

HOW MANY QUALIFYING CONTRIBUTIONS MUST I RAISE?

- For Town Council:
 - ▣ At least 83 qualifying contributions that add up to at least \$838.

- For Mayor:
 - ▣ At least 165 qualifying contributions that add up to at least \$1,676.

IS THERE A MAXIMUM AMOUNT OF QUALIFYING CONTRIBUTIONS I CAN RAISE?



Yes.

- Candidates for Town Council may raise and spend a maximum of \$2,513 in qualifying contributions.
- Candidates for Mayor may raise and spend a maximum of \$5,027 in qualifying contributions.

WHAT HAPPENS IF I RAISE MORE THAN THE MAXIMUM ALLOWED?



A candidate that raises more than the maximum amount of qualifying contributions for the office they are seeking has two options in order to become certified:

1. Pay the excess to the Fund, or
2. Receive a dollar-for-dollar reduction in the public grant amount.

WHAT DO I SUBMIT TO THE BOARD FOR CERTIFICATION?

- Town of Chapel Hill Voter Owed Election Qualifying Report.
 - ▣ Report must contain all information requested on the forms.
- Copies of all qualifying contribution checks or money orders. No cash can be collected as a qualifying contribution.
- *Use of Previous Campaign Materials* form.

WHAT INFORMATION IS REQUIRED ON THE QUALIFYING REPORT?



- ❑ Full name and address of each contributor.
- ❑ Provide either the contributor's voter registration number or their date of birth.
- ❑ Phone number of contributor.
- ❑ Form of payment of the qualifying contribution.
- ❑ Date qualifying contribution received.
- ❑ Amount of qualifying contribution.

WHAT IS THE DEADLINE FOR SUBMITTING THE QUALIFYING REPORT FOR CERTIFICATION?



A candidate seeking certification in the Program must submit their Qualifying Report and all supporting documentation no later than October 21, 2011 to the State Board of Elections.

WHAT RECORDS SHOULD I KEEP THROUGHOUT THE PROCESS?



You should keep:

- Information on all contributors. If a contributor has given more than \$50 from the date of the last election, occupational information will be required on the regularly filed disclosure reports.
- Documentation on all expenditures.
- Documentation on any in-kind contributions received during the seed money period.

HOW LONG DOES THE CERTIFICATION PROCESS TAKE?



The State Board has four full business days after receipt of the certification documentation to determine if all applicable requirements have been met. The Board will have an additional two days if the Qualifying Report was not submitted electronically.

PUBLIC FUNDING AVAILABILTY

AMOUNTS, TIMING AND OTHER RULES

WHEN WILL I RECEIVE MY PUBLIC GRANT FROM THE FUND?



Upon certification by the State Board of Elections.

HOW MUCH WILL I RECEIVE FROM THE FUND?

- Certified candidates for Town Council will receive a maximum of \$3,351.
- Certified candidates for Mayor will receive a maximum of \$10,053.

*The reported value of any campaign literature or signs to be used for the current campaign will reduce the public grant amount for any value over \$112.

*All certified candidates will receive the maximum amount for the office they seek after being certified unless there are inadequate funds to provide the maximum to all certified candidates. If this occurs, certified candidates will be allowed additional fundraising abilities.

IS THERE ANY REASON A CERTIFIED CANDIDATE WOULD NOT RECEIVE PUBLIC FUNDS?



- In the event the total number of candidates for Mayor or Town Council, including qualified write-in candidates, does not exceed the number of open seats, public funds would not be provided to certified candidates.

CAN I CONTINUE TO RAISE QUALIFYING CONTRIBUTIONS AFTER I HAVE RECEIVED MY PUBLIC FUND GRANT?

- If a candidate did not raise the maximum amount of qualifying contributions prior to certification, then the candidate may continue to raise qualifying contributions up to the maximum amount they would have been able to raise.
- If a candidate has already raised the maximum amount of qualifying contributions, then that candidate could not raise additional funds after receiving a public grant.

RESCUE FUNDS

ADDITIONAL FUNDS A CERTIFIED CANDIDATE MAY RECEIVE

TERMS TO NOTE:



- **Spending limit**: The sum of the maximum amount of seed money and qualifying contributions a participating candidate may raise, plus the initial public grant awarded to a certified candidate.
- **Non-participating candidate**: A candidate running for office who is not seeking to be a certified candidate.

WILL THE FUND PROVIDE ME ANY ADDITIONAL FUNDS AFTER THE INITIAL PUBLIC GRANT?

- Rescue funds will be provided to a certified candidate when a non-participating opponent raises or spends funds in excess of 140% of the spending limit and/or entities making independent expenditures in opposition of a certified candidate or in support of a certified candidate's opponent in that amount. These amounts will be combined to determine if rescue funds are triggered.
- Rescue funds are provided when these triggers are met:
 - ▣ \$9,382.80 (\$9,383) for candidates for the Town Council and
 - ▣ \$23,458.40 (\$23,458) for candidates for Mayor

HOW OFTEN CAN I RECEIVE RESCUE FUNDS?



Rescue funds are a onetime award to each eligible certified candidate.

Note: *Eligible* means the trigger for rescue funds has been exceeded by the certified candidate's opponent and/or entities making independent expenditures in opposition of the certified candidate or in support of the candidate's opponent.

HOW MUCH WILL I RECEIVE IN RESCUE FUNDS?



Once the trigger has been exceeded a certified candidate for:

- Town Council will receive \$2,234
- Mayor will receive \$4,468

*These are one-time grants!

CAN I OPT OUT OF THE PROGRAM AT ANY TIME?



Yes.

At any time after qualifying and being certified, a candidate may file a declaration opting out of the Program. Within four days, all funds received from the Fund must be paid over to the Town of Chapel Hill. These funds include the public grant and any rescue funds that may have been received.

REPORTING REQUIREMENTS

DISCLOSURE BY CERTIFIED AND NON-
PARTICIPATING CANDIDATES

AS A CERTIFIED CANDIDATE, WHAT DISCLOSURE REPORTS MUST I FILE?

1. Organizational Report (if candidate has not already registered a candidate committee with the local board of elections)
2. Declaration of Participation
3. Qualifying Report and other required certification documentation due October 21, 2011
4. Thirty-five day Report due October 4, 2011
5. Pre-Election Report due October 31, 2011
6. Special Pre-Election Report due November 3, 2011 covering all activities from October 25, 2011 through November 2, 2011.
7. Post-Election Day Report due November 28, 2011 covering all activities from October 26, 2011 through November 22, 2011.

AS A NON-PARTICIPATING CANDIDATE, WHAT DISCLOSURE REPORTS MUST I FILE?

1. Organizational Report (if candidate has not already registered a candidate committee with the local board of elections)
2. Thirty-five day Report due October 4, 2011
3. Pre-Election Report due October 31, 2011
4. Special Pre-Election Report due November 3, 2011 covering all activities from October 25, 2011 through November 2, 2011.
5. Post-Election Day Report due November 28, 2011 covering all activities from October 26, 2011 through November 22, 2011.
6. **Additional reports are required for candidates that raise or spend more than the spending limit of a certified opponent.**

**Non-participating candidates that have filed a declaration not to raise or spend more than \$1,000 for the election cycle are not required to file disclosure reports.

WHEN WOULD A NON-PARTICIPATING CANDIDATE BE REQUIRED TO FILE ADDITIONAL REPORTS?

- If a Non-Participating Candidate raises/spends more than the following amounts, they must file additional reports on an expedited reporting schedule:
 - For Town Council \$6,702
 - For Mayor \$16,756

WHAT IS THE EXPEDITED REPORTING SCHEDULE?

1. Within 24-hours of raising or spending more than the trigger for expedited reporting (as discussed on the previous slide), a Non-Participating Candidate shall file electronically or by fax to the State Board all contributions received, expenditures made, and obligations incurred since the last report filed.
2. After the initial filing, the Non-Participating Candidate shall file any reports due on dates after the initial filing:
 - July 29th
 - August 31st
 - September 30th
 - October 14th

Note: These reports are in addition to the other required reports discussed on the previous slide.

WHEN ARE ENTITIES MAKING INDEPENDENT EXPENDITURES REQUIRED TO FILE DISCLOSURE REPORTS?

- Entities making independent expenditures that support a candidate with a certified opponent or oppose a certified candidate must file an initial report within 24-hours (electronically or by fax to the State Board) when their independent expenditures exceed:
 - For Town Council \$3,351
 - For Mayor \$8,378

WHAT ADDITIONAL REPORTS ARE ENTITIES MAKING INDEPENDENT EXPENDITURES REQUIRED TO FILE?

- After the initial report is filed, entities making independent expenditures must file any report with a due date after the date the initial report was filed:
 - July 29th
 - August 31st
 - September 30th
 - October 14th
 - October 28th
 - November 3rd

WHERE DO I FILE ALL REPORTS?



All reports should be filed with the State Board of Elections. Copies of reports should be sent to the Orange County BOE and the Town of Chapel Hill Department of Communications and Public Affairs.

EXPENDITURE RESTRICTIONS

MAINTAINING COMPLIANCE WHEN SPENDING
PUBLIC FUNDS

HOW CAN I SPEND PUBLIC FUNDS?

Permissible Expenditures:

1. Advertisement expenditures, including all print and electronic media, yard signs, mailings;
2. Campaign office supplies and expenses including, but not limited to, telephone, postage, rent and printed mailing material; but does not include any penalties assessed against the Committee.
3. Consulting services, accounting services, clerical services, polling and other campaign advisory services;
4. Travel expenses for candidate and staff including mileage at the Town's rate;
5. Refreshments provided at meet-the-candidate events;
6. No certified candidate may use public funds for any expenditures incurred after the polls are closed in the election.

ENFORCEMENT AND PENALTIES

THE THINGS YOU WANT TO AVOID

WHAT IS THE PENALTY FOR FILING A FALSE REPORT?



In addition to the Treasurer, the Candidate must also certify that a disclosure report is true and correct to the best of his/her knowledge. Knowingly certifying a false report is a felony.

CAN I BE ASSESSED CIVIL PENALTIES?



Yes.

- ▣ For late reports, civil penalties will be assessed.
- ▣ A violation of any provision of the Article will subject the offender to a civil penalty up to \$500 per violation or up to three times the amount of any financial transactions involved in the violation, whichever is greater.

WHAT DO I DO IF I AM AWARE OF VIOLATIONS OF THIS ARTICLE?



- File a complaint with the State Board of Elections. The complaint should be directed to the attention of Kim Strach.

QUESTIONS OR ASSISTANCE

HELP IS ON THE WAY!

WHO DO I CALL IF I HAVE QUESTIONS ABOUT THE ADMINISTRATION OF THIS PROGRAM?



Call the Campaign Finance Division of the State Board of Elections (919-733-7173). Ask for Kim Strach. Be sure to let any staff member you speak with know you are calling about the Town of Chapel Hill Voter Owned Election Program. Also, you can contact Tracy Reams, Orange County Board of Elections (919-245-2350).

We are more than happy to assist you!