

**SECOND ENGROSSMENT
with House Amendments
REENGROSSED SENATE BILL NO. 2343**

Introduced by

Senators Casper, Unruh, Wardner

Representatives Carlson, Kasper, Louser

1 A BILL for an Act to create and enact four new sections to chapter 16.1-08.1 of the North
2 Dakota Century Code, relating to campaign disclosure statements and use of campaign
3 contributions; to amend and reenact sections 16.1-08.1-01, 16.1-08.1-02.1, 16.1-08.1-03.1,
4 16.1-08.1-03.2, 16.1-08.1-03.3, and 16.1-08.1-03.5, subsection 3 of section 16.1-08.1-05, and
5 subsection 5 of section 16.1-12-02.2 of the North Dakota Century Code, relating to definitions
6 and campaign disclosure statements; to repeal sections 16.1-08.1-02, 16.1-08.1-03,
7 16.1-08.1-03.8, 16.1-08.1-03.9, 16.1-08.1-03.10, 16.1-08.1-03.11, 16.1-08.1-03.12,
8 16.1-08.1-03.13, and 16.1-08.1-04 of the North Dakota Century Code, relating to campaign
9 disclosure statements; to provide a penalty; to provide for application; and to provide an
10 effective date.

11 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

12 **SECTION 1. AMENDMENT.** Section 16.1-08.1-01 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **16.1-08.1-01. Definitions.**

15 As used in this chapter, unless the context otherwise requires:

16 1. "Affiliate" means an organization that controls, is controlled by, or is under common
17 control with another organization. For purposes of this definition, control means the
18 possession, direct or indirect, of the power to direct or cause the direction of the
19 management and policies of an organization, whether through the ownership of voting
20 securities, by contract other than a commercial contract for goods or nonmanagement
21 services, or otherwise. Control is presumed to exist if an organization, directly or
22 indirectly, owns, controls, holds with the power to vote, or holds proxies representing
23 fifty percent or more of the voting securities of any other organization.

- 1 2. "Association" means any club, association, union, brotherhood, fraternity, organization,
2 or group of any kind of two or more persons, including labor unions, trade
3 associations, professional associations, or governmental associations, which is united
4 for any purpose, business, or object and which assesses any dues, membership fees,
5 or license fees in any amount, or which maintains a treasury fund in any amount. The
6 term does not include corporations, cooperative corporations, limited liability
7 companies, political committees, or political parties.
- 8 3. "Candidate" means an individual who seeks nomination for election or election to
9 public office, and includes:
10 a. An individual holding public office;
11 b. An individual who has publicly declared that individual's candidacy for nomination
12 for election or election to public office or has filed or accepted a nomination for
13 public office;
14 c. An individual who has formed a campaign or other committee for that individual's
15 candidacy for public office;
16 d. An individual who has circulated a nominating petition to have that individual's
17 name placed on the ballot; and
18 e. An individual who has, in any manner, solicited or received a contribution for that
19 individual's candidacy for public office, whether before or after the election for
20 that office.
- 21 4. "Conduit" means a person that is not a political party, political committee, or candidate
22 and which receives a contribution of money and transfers the contribution to a
23 candidate, political party, or political committee when the contribution is designated
24 specifically for the candidate, political party, or political committee and the person has
25 no discretion as to the recipient and the amount transferred. The term includes a
26 transactional intermediary, including a credit card company or a money transfer
27 service that pays or transfers money to a candidate on behalf of another person.
- 28 5. "Contribution" means a gift, transfer, conveyance, provision, receipt, subscription,
29 loan, advance, deposit of money, or anything of value, made for the purpose of
30 influencing the nomination for election, or election, of any person to public office or
31 aiding or opposing the circulation or passage of a statewide initiative or referendum

- 1 petition or measure. The term also means a contract, promise, or agreement, express
2 or implied, whether or not legally enforceable, to make a contribution for any of the
3 above purposes. The term includes funds received by a candidate for public office or a
4 political party or committee which are transferred or signed over to that candidate,
5 party, or committee from another candidate, party, or political committee or other
6 source including a conduit. The term "anything of value" includes any good or service
7 of more than a nominal value. The term "nominal value" means the cost, price, or
8 worth of the good or service is trivial, token, or of no appreciable value. The term
9 "contribution" does not include:
- 10 a. A loan of money from a bank or other lending institution made in the regular
11 course of business.
 - 12 b. Time spent by volunteer campaign or political party workers.
 - 13 ~~e. Money spent by a candidate on the candidate's own behalf.~~
 - 14 ~~d.c.~~ Money or anything of value received for commercial transactions, including rents,
15 advertising, or sponsorships made as a part of a fair market value bargained-for
16 exchange.
 - 17 ~~e.d.~~ Money or anything of value received ~~by a candidate in that person's personal~~
18 ~~capacity, including pursuant to a contract or agreement made for personal or~~
19 ~~private employment purposes, and not received for anything other than a political~~
20 ~~purpose or to influence the performance of that person's official duty.~~
 - 21 ~~f.e.~~ Contributions of products Products or services for which the actual cost or fair
22 market value are reimbursed by a payment of money.
 - 23 ~~g.f.~~ An independent expenditure.
 - 24 g. The value of advertising paid by a political party, multicandidate political
25 committee, or caucus which is in support of a candidate.
 - 26 h. In-kind contributions from a candidate to the candidate's campaign.
- 27 6. "Cooperative corporations", "corporations", and "limited liability companies" are as
28 defined in this code, and for purposes of this chapter "corporations" includes nonprofit
29 corporations. However, if a political committee, the only purpose of which is accepting
30 contributions and making expenditures for a political purpose, incorporates for liability

1 purposes only, the committee is not considered a corporation for the purposes of this
2 chapter.

3 7. "Expenditure" means:

4 a. A gift, transfer, conveyance, provision, loan, advance, payment, distribution,
5 disbursement, outlay, or deposit of money or anything of value, except a loan of
6 money from a bank or other lending institution made in the regular course of
7 business, made for a political purpose or for the purpose of influencing the
8 passage or defeat of a measure.

9 b. A contract, promise, or agreement, express or implied, whether or not legally
10 enforceable, to make any expenditure.

11 c. The transfer of funds by a political committee to another political committee.

12 d. An independent expenditure.;

13 8. ~~"Incidental committee" means a committee, club, association, or other group of~~
14 ~~persons that makes a contribution or expenditure, but for which making contributions~~
15 ~~and expenditures for political purposes is not its primary purpose.~~ "Expenditure
16 categories" means the categories into which expenditures must be grouped for reports
17 under this chapter. The expenditure categories are:

18 a. Advertising;

19 b. Campaign loan repayment;

20 c. Operations;

21 d. Travel; and

22 e. Miscellaneous.

23 9. "Independent expenditure" means an expenditure made for a political purpose or for
24 the purpose of influencing the passage or defeat of a measure if the expenditure is
25 made without the express or implied consent, authorization, or cooperation of, and not
26 in concert with or at the request or suggestion of, any candidate ~~or a candidate,~~
27 ~~committee, or measure committee~~ political party.

28 10. "Patron" means a person who owns equity interest in the form of stock, shares, or
29 membership or maintains similar financial rights in a cooperative corporation.

- 1 11. "Person" means an individual, partnership, political committee, association,
2 corporation, cooperative corporation, limited liability company, or other organization or
3 group of persons.
- 4 12. "Personal benefit" means a benefit to the candidate or another person which is not for
5 a political purpose or related to a candidate's responsibilities as a public officeholder,
6 and any other benefit that would convert a contribution to personal income.
- 7 13. "Political committee" means any committee, club, association, or other group of
8 persons which receives contributions or makes expenditures for political purposes and
9 includes the following:
- 10 a. A political action committee not connected to another organization and free to
11 solicit funds from the general public, or derived from a corporation, cooperative
12 corporation, limited liability company, affiliate, subsidiary, or an association that is-
13 prohibited from making a contribution for political purposes under section-
14 16.1-08.1-03.5, and which that solicits or receives contributions from its
15 employees or members or makes expenditures for political purposes on behalf of
16 its employees or members;
- 17 b. A candidate committee, established to support an individual candidate seeking
18 statewide, judicial, or legislative public office which solicits or receives
19 contributions for political purposes;
- 20 c. A political organization governed by the Internal Revenue Code and registered
21 with the federal election commission, which solicits or receives contributions or
22 makes expenditures for political purposes;
- 23 d. A multicandidate political committee, including a caucus, established to support
24 multiple groups or slates of candidates seeking public office, that which solicits or
25 receives contributions for political purposes; and
- 26 e. A measure committee, including an initiative or referendum sponsoring
27 committee at any stage of its organization, which solicits or receives contributions
28 or makes expenditures for the purpose of aiding or opposing a measure sought
29 to be voted upon by the voters of the state, including any activities undertaken for
30 the purpose of drafting an initiative or referendum petition, seeking approval of

1 the secretary of state for the circulation of a petition, or seeking approval of the
2 submitted petitions; ~~and~~

3 f. ~~An incidental committee.~~

4 ~~13.14.~~ "Political party" means any association, committee, or organization which nominates a
5 candidate for election to any office which may be filled by a vote of the electors of this
6 state or any of its political subdivisions and whose name appears on the election ballot
7 as the candidate of such association, committee, or organization.

8 ~~14.15.~~ "Political purpose" means any activity undertaken in support of or in opposition to the
9 election or nomination of a candidate to public office and includes using "vote for",
10 "oppose", or any similar support or opposition language in any advertisement whether
11 the activity is undertaken by a candidate, a political committee, a political party, or any
12 person. In the period thirty days before a primary election and sixty days before a
13 special or general election, "political purpose" also means any activity in which a
14 candidate's name, office, district, or any term meaning the same as "incumbent" or
15 "challenger" is used in support of or in opposition to the election or nomination of a
16 candidate to public office. The term does not include activities undertaken in the
17 performance of a duty of a ~~state~~public office or any position taken in any bona fide
18 news story, commentary, or editorial.

19 ~~15.16.~~ "Public office" means every office to which an individual can be elected by vote of the
20 people under the laws of this state.

21 ~~16.17.~~ "Subsidiary" means an affiliate of a corporation under the control of the corporation
22 directly or indirectly through one or more intermediaries.

23 **SECTION 2. AMENDMENT.** Section 16.1-08.1-02.1 of the North Dakota Century Code is
24 amended and reenacted as follows:

25 **16.1-08.1-02.1. State political party convention revenue and expense statement**
26 **required.**

- 27 1. State political parties shall establish separate and segregated accounts for the
28 management of state nominating conventions. All revenue obtained and expenditures
29 made for the planning and running of a state convention must be accounted for in
30 these accounts.

- 1 2. A postconvention statement must be filed with the secretary of state sixty days after
2 the close of the state nominating convention. The reporting period for the
3 postconvention statement begins on the first day of January of the reporting year and
4 ends thirty days after the close of the state nominating convention.
- 5 3. A year-end statement covering the entire calendar year must be filed with the
6 secretary of state ~~no later than the thirty-first day of January~~before February first of the
7 following year even if no convention revenue was received or expenditures made
8 within the calendar year.
- 9 4. The statement filed according to this section must show the following:
- 10 a. ~~The cash-on-hand in~~balance of the filer's convention accounts at the start and
11 close of the reporting period;
- 12 b. The gross total of all revenue received and expenditures made of two hundred
13 dollars, or less;
- 14 c. The gross total of all revenue received and expenditures made in excess of two
15 hundred dollars;
- 16 d. ~~The~~For each aggregated ~~totals of all~~ revenue received from a single person or
17 entity in excess of two hundred dollars, ~~the~~;
- 18 (1) The name of each person or entity, ~~the~~;
- 19 (2) The mailing address of each person or entity, ~~the~~;
- 20 (3) The date of the most recent receipt of revenue from each person or entity, ~~and~~
21 ~~the~~; and
- 22 (4) The purpose or purposes for which the aggregated revenue total was
23 received from each person or entity;
- 24 e. ~~The aggregated totals of all expenditures~~For each aggregated expenditure made
25 to a single person or entity in excess of two hundred dollars, ~~the~~;
- 26 (1) The name of each person or entity, ~~the~~;
- 27 (2) The mailing address of each person or entity, ~~the~~;
- 28 (3) The date of the most recent expense made to each person or entity, ~~and~~
29 ~~the~~; and
- 30 (4) The purpose or purposes for which the aggregated expenditure total was
31 disbursed to each person or entity; and

1 f. ~~A political party shall report~~For each aggregated revenue from an individual
2 which totals five thousand dollars or more during the reporting period, the
3 occupation, employer, and principal place of business of each person from whom
4 five thousand dollars or more of revenue was received in the aggregate during
5 the reporting periodthe individual must be disclosed.

6 5. ~~For the purposes of this section, the term entity is defined as any group consisting of~~
7 ~~or representing more than one person.~~

8 6. If a net gain from the convention is transferred to the accounts established for the
9 support of the nomination or election of candidates, the total transferred must be
10 reported as a contribution in the statements required by section ~~16.1-08.1-035~~ of this
11 Act.

12 7.6. If a net loss from the convention is covered by a transfer from the accounts
13 established for the support of the nomination or election of candidates, the total
14 transferred must be reported as an expenditure in the statements required by section
15 ~~16.1-08.1-035~~ of this Act.

16 **SECTION 3.** A new section to chapter 16.1-08.1 of the North Dakota Century Code is
17 created and enacted as follows:

18 **State political party building fund statement required.**

19 A state political party or nonprofit entity affiliated with or under the control of a state political
20 party which receives a donation for purchasing, maintaining, or renovating a building shall file a
21 statement with the secretary of state before February first of each calendar year. Any income or
22 financial gain generated from a building purchased, maintained, or renovated from donations
23 must be deposited in the building fund and must be disclosed when the political party or
24 nonprofit entity files the statement required under this section. Money in the fund may be used
25 only by the state political party or nonprofit entity affiliated with or under the control of a state
26 political party for purchasing, maintaining, or renovating a building including the purchase of
27 fixtures for the building. The statement may be submitted for filing beginning on January first
28 and must include:

- 29 1. The balance of the building fund on January first;
30 2. The name and mailing address of each donor;
31 3. The amount of each donation;

- 1 4. The date each donation was received;
- 2 5. The name and mailing address of each recipient of an expenditure;
- 3 6. The amount of each expenditure;
- 4 7. The date each expenditure was made; and
- 5 8. The balance of the fund on December thirty-first.

6 **SECTION 4.** A new section to chapter 16.1-08.1 of the North Dakota Century Code is
7 created and enacted as follows:

8 **Pre-election, supplemental, and year-end campaign disclosure statement**
9 **requirements for candidates, candidate committees, multicandidate committees, and**
10 **nonstatewide political parties.**

- 11 1. Prior to the thirty-first day before a primary, general, or special election, a candidate or
12 candidate committee formed on behalf of the candidate, a multicandidate political
13 committee, or a political party other than a statewide political party soliciting or
14 accepting contributions shall file a campaign disclosure statement that includes all
15 contributions received from January first through the fortieth day before the election. A
16 candidate whose name is not on the ballot and who is not seeking election through
17 write-in votes, the candidate's candidate committee, and a political party that has not
18 endorsed or nominated any candidate in the election is not required to file a statement
19 under this subsection. The statement may be submitted for filing beginning on the
20 thirty-ninth day before the election. The statement must include:
 - 21 a. For each aggregated contribution from a contributor which totals in excess of two
22 hundred dollars received during the reporting period:
 - 23 (1) The name and mailing address of the contributor;
 - 24 (2) The total amount of the contribution; and
 - 25 (3) The date the last contributed amount was received;
 - 26 b. The total of all aggregated contributions from contributors which total in excess of
27 two hundred dollars during the reporting period;
 - 28 c. The total of all contributions received from contributors that contributed two
29 hundred dollars or less each during the reporting period; and
 - 30 d. For a statewide candidate, a candidate committee formed on behalf of a
31 statewide candidate, and a statewide multicandidate committee, the balance of

1 the campaign fund on the fortieth day before the election and the balance of the
2 campaign fund on January first.

3 2. Beginning on the thirty-ninth day before the election through the day before the
4 election, a person that files a statement under subsection 1 must file a supplemental
5 statement within forty-eight hours of the start of the day following the receipt of a
6 contribution or aggregate contribution from a contributor which is in excess of five
7 hundred dollars. The statement must include:

- 8 a. The name and mailing address of the contributor;
9 b. The total amount of the contribution received during the reporting period; and
10 c. The date the last contributed amount was received.

11 3. Prior to February first, a candidate or candidate committee, a multicandidate political
12 committee, or a nonstatewide political party soliciting or accepting contributions shall
13 file a campaign disclosure statement that includes all contributions received and
14 expenditures, by expenditure category, made from January first through December
15 thirty-first of the previous year. The statement may be submitted for filing beginning on
16 January first. The statement must include:

- 17 a. For a statewide candidate, a candidate committee formed on behalf of a
18 statewide candidate, and a statewide multicandidate committee, the balance of
19 the campaign fund on January first and on December thirty-first;
20 b. For each aggregated contribution from a contributor which totals in excess of two
21 hundred dollars received during the reporting period:
22 (1) The name and mailing address of the contributor;
23 (2) The total amount of the contribution; and
24 (3) The date the last contributed amount was received;
25 c. The total of all aggregated contributions from contributors which total in excess of
26 two hundred dollars during the reporting period;
27 d. The total of all contributions received from contributors that contributed two
28 hundred dollars or less each during the reporting period; and
29 e. The total of all other expenditures made during the previous year, separated into
30 expenditure categories.

- 1 4. A person required to file a statement under this section, other than a candidate for
2 judicial office, county office, or city office, or a candidate committee for a candidate
3 exempted under this subsection, shall report each aggregated contribution from a
4 contributor which totals five thousand dollars or more during the reporting period. For
5 these contributions from individuals, the statement must include the contributor's
6 occupation, employer, and the employer's principal place of business.
- 7 5. A candidate for city office in a city with a population under five thousand and a
8 candidate committee for the candidate are exempt from this section.
- 9 6. A candidate for county office and a candidate committee for a candidate for county
10 office shall file statements under this chapter with the county auditor. A candidate for
11 city office who is required to file a statement under this chapter and a candidate
12 committee for such a candidate shall file statements with the city auditor. Any other
13 person required to file a statement under this section shall file the statement with the
14 secretary of state.
- 15 7. The filing officer shall assess and collect fees for any reports filed after the filing
16 deadline.
- 17 8. To ensure accurate reporting and avoid commingling of campaign and personal funds,
18 candidates shall use dedicated campaign accounts that are separate from any
19 personal accounts.

20 **SECTION 5.** A new section to chapter 16.1-08.1 of the North Dakota Century Code is
21 created and enacted as follows:

22 **Pre-election, supplemental, and year-end campaign disclosure statement**
23 **requirements for statewide political parties and certain political committees.**

- 24 1. Prior to the thirty-first day before a primary, general, or special election, a statewide
25 political party or a political committee not required to file statements under section 4 of
26 this Act which is soliciting or accepting contributions shall file a campaign disclosure
27 statement that includes all contributions received and expenditures made from
28 January first through the fortieth day before the election. A political party that has not
29 endorsed or nominated a candidate in an election is not required to file a statement
30 under this subsection. A statement required to be filed under this subsection may be

- 1 submitted for filing beginning on the thirty-ninth day before the election. The statement
2 must include:
- 3 a. For each aggregated contribution from a contributor which totals in excess of two
4 hundred dollars received during the reporting period:
- 5 (1) The name and mailing address of the contributor;
6 (2) The total amount of the contribution; and
7 (3) The date the last contributed amount was received;
- 8 b. The total of all aggregated contributions from contributors which total in excess of
9 two hundred dollars during the reporting period;
- 10 c. The total of all contributions received from contributors that contributed two
11 hundred dollars or less each during the reporting period;
- 12 d. For each recipient of an expenditure from campaign funds in excess of two
13 hundred dollars in the aggregate:
- 14 (1) The name and mailing address of the recipient;
15 (2) The total amount of the expenditure made to the recipient; and
16 (3) The date the last expended amount was made to the recipient;
- 17 e. The aggregate total of all expenditures from campaign funds in excess of two
18 hundred dollars;
- 19 f. The aggregate total of all expenditures from campaign funds of two hundred
20 dollars or less; and
- 21 g. The balance of the campaign fund on the fortieth day before the election and
22 balance of the campaign fund on January first.
- 23 2. Beginning on the thirty-ninth day before the election through the day before the
24 election, a person that files a statement under subsection 1 must file a supplemental
25 statement within forty-eight hours of the start of the day following the receipt of a
26 contribution or aggregate contribution from a contributor which is in excess of five
27 hundred dollars. The statement must include:
- 28 a. The name and mailing address of the contributor;
29 b. The total amount of the contribution received during the reporting period; and
30 c. The date the last contributed amount was received.

- 1 3. Prior to February first, a statewide political party or a political committee that is not
2 required to file a statement under section 4 of this Act shall file a campaign disclosure
3 statement that includes all contributions received and expenditures made from
4 January first through December thirty-first of the previous year. The statement may be
5 submitted for filing beginning on January first. The statement must include:
6 a. For each aggregated contribution from a contributor which totals in excess of two
7 hundred dollars received during the reporting period:
8 (1) The name and mailing address of the contributor;
9 (2) The total amount of the contribution; and
10 (3) The date the last contributed amount was received;
11 b. The total of all aggregated contributions from contributors which total in excess of
12 two hundred dollars during the reporting period;
13 c. The total of all contributions received from contributors that contributed two
14 hundred dollars or less each during the reporting period;
15 d. For each recipient of an expenditure from campaign funds in excess of two
16 hundred dollars in the aggregate:
17 (1) The name and mailing address of the recipient;
18 (2) The total amount of the expenditure made to the recipient; and
19 (3) The date the last expended amount was made to the recipient;
20 e. The aggregate total of all expenditures from campaign funds in excess of two
21 hundred dollars;
22 f. The aggregate total of all expenditures from campaign funds of two hundred
23 dollars or less; and
24 g. The balance of the campaign fund on January first and December thirty-first.
25 4. A person required to file a statement under this section shall disclose each aggregated
26 contribution from a contributor which totals five thousand dollars or more during the
27 reporting period. For these contributions from individuals, the statement must
28 include the contributor's occupation, employer, and the employer's principal place of
29 business.
30 5. Statements under this section must be filed with the secretary of state.

1 6. The secretary of state shall assess and collect fees for any reports filed after the filing
2 deadline.

3 **SECTION 6. AMENDMENT.** Section 16.1-08.1-03.1 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **16.1-08.1-03.1. ~~Contributions statement~~Special requirements for statements required**
6 **of measure committees circulating or promoting passage or defeat of initiated or**
7 **referred measure.**

- 8 1. ~~Any person or measure committee, as described in section 16.1-08.1-01, that is~~
9 ~~soliciting or accepting a contribution for the purpose of aiding or opposing the~~
10 ~~circulation or passage of a statewide initiative or referendum petition or measure~~
11 ~~placed upon a statewide ballot by action of the legislative assembly at any election~~
12 ~~shall file a statement in accordance with this subsection if the person has received any~~
13 ~~contribution in excess of one hundred dollars. The statement must include the name~~
14 ~~and mailing address of each person that contributed in excess of one hundred dollars~~
15 ~~to the person, the amount of each reportable contribution, and the date each~~
16 ~~reportable contribution was received. The statement must include the name and~~
17 ~~mailing address of each recipient of an expenditure exceeding one hundred dollars in~~
18 ~~the aggregate, the amount of each reportable expenditure, and the date the~~
19 ~~expenditure was made.~~
- 20 2. ~~A person or measure committee as described in section 16.1-08.1-01 which is~~
21 ~~soliciting or accepting a contribution for the purpose of aiding or opposing the~~
22 ~~circulation or passage of a statewide initiative or referendum petition or measure~~
23 ~~placed upon a statewide ballot by action of the legislative assembly may not accept a~~
24 ~~contribution of more than one hundred dollars from an out-of-state person or political~~
25 ~~committee unless the contribution is accompanied by a certified statement from the~~
26 ~~contributor listing the name, address, and amount contributed by each person that~~
27 ~~contributed more than one hundred dollars of the contribution. The statement must~~
28 ~~indicate if no person contributed in excess of one hundred dollars of the out-of-state~~
29 ~~person's or political committee's overall contribution. The certified statement must also~~
30 ~~list the occupation, employer, and principal place of business for each individual who~~
31 ~~contributed more than one hundred dollars of the contribution. The person soliciting or~~

1 ~~accepting a contribution for the purpose of aiding the circulation of a statewide-~~
2 ~~initiative or referendum petition or of promoting passage or defeat of a statewide-~~
3 ~~initiated or referred measure shall include this statement with the contribution-~~
4 ~~statement required to be filed under subsection 1.~~

5 3. ~~The statement required of a person or measure committee under subsection 1 must~~
6 ~~be filed with the secretary of state no later than the thirty-second day before the date~~
7 ~~of the election in which the measure appears or would have appeared on the ballot~~
8 ~~complete from the beginning of that calendar year through the fortieth day before the~~
9 ~~date of the election. A complete statement for the entire calendar year for each~~
10 ~~statement required to be filed under this section must be filed no later than the~~
11 ~~thirty-first day of January of the following year. Even if a person required to report~~
12 ~~according to this section has not received any contributions in excess of one hundred~~
13 ~~dollars during the reporting period, the person shall file a statement as required by this~~
14 ~~chapter. A statement filed according to this section during the reporting period must~~
15 ~~show the following:~~

- 16 a. ~~The gross total of all contributions received and expenditures made in excess of~~
17 ~~one hundred dollars;~~
18 b. ~~The gross total of all contributions received and expenditures made of one-~~
19 ~~hundred dollars, or less; and~~
20 c. ~~The cash on hand in the filer's account at the start and close of the reporting~~
21 ~~period.~~For each reportable contribution and expenditure under section 5 of this
22 Act, the threshold for reporting is one hundred dollars for any person or measure
23 committee circulating or promoting passage or defeat of an initiated or referred
24 measure.

25 2. For contributions received from an out-of-state contributor, a person or measure
26 committee circulating or promoting passage or defeat of an initiated or referred
27 measure shall include the following information regarding subcontributors in the
28 statements required under section 5 of this Act:

- 29 a. A designation as to whether any person contributed in excess of one hundred
30 dollars of the total contribution;

- 1 b. The name and mailing address of each subcontributor that contributed in excess
2 of one hundred dollars of the total contribution;
3 c. The contribution amounts of each disclosed subcontributor; and
4 d. The occupation, employer, and address for the employer's principal place of
5 business of each disclosed subcontributor.
6 3. An initiative and referendum sponsoring committee also shall file a disclosure
7 statement by the date the secretary of state approves the petition for circulation, and
8 shall file an additional statement on the date the petitions containing the required
9 number of signatures are submitted to the secretary of state for review. The
10 statements required under this subsection must be in the same form as the year-end
11 statements under section 5 of this Act.
12 4. A sponsoring committee shall file a statement regarding its intent to compensate
13 circulators before paying for petitions to be circulated.

14 **SECTION 7. AMENDMENT.** Section 16.1-08.1-03.2 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **16.1-08.1-03.2. Political committee and candidate registration.**

- 17 1. A political committee as defined in section 16.1-08.1-01 shall register its name and
18 contact information, its agent's name and contact information, and a designation as to
19 whether the committee is incorporated solely for the purpose of liability protection, with
20 the secretary of state. A candidate who does not have a candidate committee shall
21 register the candidate's name and contact information and, if the candidate has an
22 agent, the agent's name and contact information with the secretary of state. The
23 registration required under this section for a candidate or political committee that has
24 not previously registered with the secretary of state must be submitted within fifteen
25 business days of the receipt of any contribution or expenditure made.
26 2. A candidate or political committee required to be registered under this section must
27 register with the secretary of state each year during which the candidate holds public
28 office or during which the political committee receives contributions or, makes
29 expenditures for political purposes, or has a balance in the campaign account. An
30 individual who no longer holds public office or an individual who no longer seeks public
31 office must register with the secretary of state each year in which contributions are

1 received or expenditures are made for political purposes, or has a balance in the
2 campaign account.

3 3. A political committee that organizes and registers according to federal law and makes
4 an independent expenditure or makes a disbursement in excess of two hundred
5 dollars to a nonfederal candidate seeking public office, a political party, or political
6 committee in this state is not required to register as a political committee according to
7 this section if the political committee reports according to section 16.1-08.1-03.7.

8 4. ~~An incidental political committee is required to register under this section only as a~~
9 ~~result of making a reportable expenditure or contribution in the aggregate during any~~
10 ~~reporting period, but the registration under this section does not change the nature of~~
11 ~~business for the organization.~~

12 5. Registration by a political committee under this section does not reserve the name for
13 exclusive use nor does it constitute registration of a trade name under chapter 47-25.

14 **SECTION 8. AMENDMENT.** Section 16.1-08.1-03.3 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **16.1-08.1-03.3. Campaign contributions by corporations, cooperative corporations,**
17 **limited liability companies, affiliates, subsidiaries, and associations - Violation - Penalty -**
18 **Political action committees authorized.**

19 1. A corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or
20 association may establish, administer, and solicit contributions to a separate and
21 segregated fund to be utilized for political purposes by the corporation, cooperative
22 corporation, limited liability company, affiliate, subsidiary, or association. It is unlawful
23 for:

24 a. The person or persons controlling the fund to make contributions or expenditures
25 utilizing money or anything of value secured by physical force, job discrimination,
26 financial reprisals, or the threat of them; or utilize money from dues, fees,
27 treasury funds, or other money required as a condition of membership in an
28 association, or as a condition of employment; or utilize money obtained in any
29 commercial transaction. Moneys from fees, dues, treasury funds, or money
30 obtained in a commercial transaction may, however, be used to pay costs of
31 administration of the fund.

- 1 b. Any person soliciting an employee, stockholder, patron, board member, or
- 2 member for a contribution to the fund to fail to inform the employee or member of
- 3 the political purposes of the fund at the time of the solicitation or of the general
- 4 political philosophy intended to be advanced through committee activities.
- 5 c. Any person soliciting an employee or member for a contribution to the fund to fail
- 6 to inform the employee or member at the time of the solicitation of the right to
- 7 refuse to contribute without any reprisal.
- 8 d. Any contribution to be accepted without keeping an accurate record of the
- 9 contributor and amount contributed and of amounts expended for political
- 10 purposes.
- 11 e. Any contribution to be accepted from any person ~~who is~~ not an employee, a
- 12 stockholder, a patron, a board member or a member of the corporation,
- 13 cooperative corporation, limited liability company, affiliate, subsidiary, or
- 14 association maintaining the political action committee, except a corporation may
- 15 accept a contribution from an employee, a stockholder, a patron, a board
- 16 member, or a member of an affiliate or a subsidiary of the corporation.
- 17 f. Any expenditure made for political purposes to be reported under this section
- 18 before control of the expenditure has been released by the political action
- 19 committee except if there is a contract, a promise, or an agreement, expressed or
- 20 implied, to make such expenditure.
- 21 2. ~~All political action committees, as described in section 16.1-08.1-01, formed for the~~
- 22 purpose of administering the segregated fund provided for in this section shall file a
- 23 statement showing the name and mailing address of each contributor of an amount in
- 24 excess of two hundred dollars in the aggregate for the reporting period and a listing of
- 25 all expenditures of an amount in excess of two hundred dollars in the aggregate made
- 26 for political purposes with the secretary of state. The statement must include the
- 27 amount of each reportable contribution and the date it was received and the amount of
- 28 each reportable expenditure and the date it was made. A year-end statement covering
- 29 the entire calendar year must be filed no later than the thirty-first day of January of the
- 30 following year. A pre-election statement must be filed no later than the thirty-second
- 31 day before any primary, special, or general election and must be complete from the

- 1 ~~beginning of the calendar year through the fortieth day before the election. Even if a~~
2 ~~political action committee has not received any contributions or made any~~
3 ~~expenditures in excess of two hundred dollars during the reporting period, the political~~
4 ~~action committee shall file a statement as required by this chapter. A statement filed~~
5 ~~according to this section during the reporting period must show the following:~~
- 6 a. ~~The gross total of all contributions received and expenditures made in excess of~~
7 ~~two hundred dollars;~~
- 8 b. ~~The gross total of all contributions received and expenditures made of two~~
9 ~~hundred dollars, or less; and~~
- 10 c. ~~The cash on hand in the filer's account at the start and close of the reporting~~
11 ~~period.~~
- 12 3. ~~A political action committee shall report the occupation, employer, and principal place~~
13 ~~of business of each person, or the political committee if not already registered~~
14 ~~according to state or federal law, who contributed five thousand dollars or more in the~~
15 ~~aggregate during the reporting period.~~
- 16 4. A person may not make a payment of that person's money or of another person's
17 money to any other person for a political purpose in any name other than that of the
18 person ~~who~~that supplies the money and a person may not knowingly receive the
19 payment nor enter nor cause the payment to be entered in that person's account or
20 record in any name other than that of the person by ~~whom~~which it actually was
21 furnished.
- 22 5-3. If an officer, employee, agent, attorney, or other representative of a corporation,
23 cooperative corporation, limited liability company, affiliate, subsidiary, or association
24 makes any contribution prohibited by this section out of corporate, cooperative
25 corporation, limited liability company, affiliate, subsidiary, or association funds or
26 otherwise violates this section, it is prima facie evidence of a violation by the
27 corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or
28 association.
- 29 6-4. A violation of this section may be prosecuted in the county where the contribution is
30 made or in any county in which it has been paid or distributed.

1 7-5. It is a class A misdemeanor for an officer, director, stockholder, manager, governor,
2 member, attorney, agent, or representative of any corporation, cooperative
3 corporation, limited liability company, affiliate, subsidiary, or association to violate this
4 section or to counsel or consent to any violation. Any person ~~who~~that solicits or
5 knowingly receives any contribution in violation of this section is guilty of a class A
6 misdemeanor.

7 ~~8-6.~~ Any officer, director, stockholder, manager, governor, member, attorney, agent, or
8 representative who makes, counsels, or consents to the making of a contribution in
9 violation of this section is liable to the company, corporation, limited liability company,
10 affiliate, subsidiary, or association for the amount so contributed.

11 **SECTION 9. AMENDMENT.** Section 16.1-08.1-03.5 of the North Dakota Century Code is
12 amended and reenacted as follows:

13 **16.1-08.1-03.5. Corporate contributions and expenditures - ~~Report~~Statement required.**

14 1. Corporations, cooperative corporations, limited liability companies, affiliates,
15 subsidiaries, and associations may make expenditures and contributions for promoting
16 any general political philosophy or belief deemed in the best interest of the employees,
17 stockholders, patrons, or members of the corporation, cooperative corporation, limited
18 liability company, affiliate, subsidiary, or association other than a "political purpose" as
19 defined by this chapter. A corporation, cooperative corporation, limited liability
20 company, affiliate, subsidiary, or association may not make a contribution for a political
21 purpose.

22 2. A corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or
23 association may make a donation of property or money to a state political party or
24 nonprofit entity affiliated with or under the control of a state political party for deposit in
25 a separate and segregated building fund. ~~Money in the fund must be used exclusively~~
26 ~~by the state political party or nonprofit entity affiliated with or under the control of a~~
27 ~~state political party for purchasing, maintaining, or renovating a building and for the~~
28 ~~purchase of fixtures for the building. A state political party or nonprofit entity affiliated~~
29 ~~with or under the control of a state political party receiving a donation under this~~
30 ~~subsection shall file a statement with the secretary of state no later than the thirty first~~
31 ~~day of January of each calendar year. The statement must include the name and~~

1 mailing address of each donor, the amount of each donation, the date each donation
2 was received, all expenditures made from the fund during the previous calendar year,
3 and cash on hand in the fund at the start and close of the reporting period. Any income
4 and financial gain generated from a building purchased, maintained, or renovated from
5 donations authorized under this subsection and not otherwise authorized by law must
6 be deposited in the building fund and must be reported when the political party or
7 nonprofit entity files the statement required under this subsection.

8 3. A corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or
9 association may make an expenditure to a measure committee as described in section
10 16.1-08.1-01 for the purpose of promoting the passage or defeat of an initiated or
11 referred measure or petition or make an expenditure to any other person that makes
12 an independent expenditure. A corporation, cooperative corporation, limited liability
13 company, affiliate, subsidiary, or association may make an independent expenditure
14 for a political purpose, including political advertising in support of or opposition to a
15 candidate, political committee, or a political party, or for the purpose of promoting
16 passage or defeat of initiated or referred measures or petitions. The corporation,
17 cooperative corporation, limited liability company, affiliate, subsidiary, or association
18 shall file a statement disclosing any expenditure made under this subsection with the
19 secretary of state within forty-eight hours after making the expenditure. The statement
20 must include:

- 21 a. The full name of the corporation, cooperative corporation, limited liability
22 company, affiliate, subsidiary, or association;
- 23 b. The complete address of the corporation, cooperative corporation, limited liability
24 company, affiliate, subsidiary, or association;
- 25 c. The name of the recipient of the expenditure;
- 26 d. If the expenditure is related to a measure or petition, the title of the measure or
27 petition and whether the expenditure is made in support of or opposition to the
28 measure or petition;
- 29 e. If the expenditure is related to a measure, the election date on which the
30 measure either will appear or did appear on the ballot;
- 31 f. The amount of the expenditure;

- 1 g. The cumulative total amount of expenditures since the beginning of the calendar
2 year which are required to be reported under this subsection;
- 3 h. The telephone number and the printed name and signature of the individual
4 completing the statement, attesting to the statement being true, complete, and
5 correct; and
- 6 i. The date on which the statement was signed.

7 **SECTION 10.** A new section to chapter 16.1-08.1 of the North Dakota Century Code is
8 created and enacted as follows:

9 **Personal use of contributions prohibited.**

10 A candidate may not use any contribution received by the candidate, the candidate's
11 candidate committee, or a multicandidate political committee to:

- 12 1. Give a personal benefit to the candidate or another person;
13 2. Make a loan to another person;
14 3. Knowingly pay more than the fair market value for goods or services purchased for the
15 campaign; or
16 4. Pay a criminal fine or civil penalty.

17 **SECTION 11. AMENDMENT.** Subsection 3 of section 16.1-08.1-05 of the North Dakota
18 Century Code is amended and reenacted as follows:

- 19 3. An audit may not be made or requested of a statement for the sole reason that it was
20 not timely filed with the secretary of state. An audit made or arranged according to this
21 section must audit only those items required to be included in any statement,
22 registration, or report filed with the secretary of state according to this chapter. The
23 secretary of state may collect any payment obligation arising out of this section by civil
24 action or by assignment to a collection agency, with any costs of collection to be
25 added to the amount owed and to be paid by the delinquent filer. Any remaining
26 moneys collected by the secretary of state after an audit is paid for under this section
27 must be deposited in the state's general fund. This section does not apply to
28 statements filed ~~according to sections 16.1-08.1-03.10 and 16.1-08.1-03.11 by~~
29 candidates or candidate committees for candidates for county or city offices.

30 **SECTION 12. AMENDMENT.** Subsection 5 of section 16.1-12-02.2 of the North Dakota
31 Century Code is amended and reenacted as follows:

1 5. An individual who intends to be a write-in candidate for any legislative district office
2 shall file a certificate of write-in candidacy with the secretary of state. The certificate
3 must contain the name, address, and signature of the candidate. Certificates must be
4 filed by four p.m. on the fourth day before the election. ~~When the candidate files a~~
5 ~~certificate, the candidate also shall file the contribution statement provided for under~~
6 ~~section 16.1-08.1-02 complete through the day of the filing of the certificate.~~

7 **SECTION 13. REPEAL.** Sections 16.1-08.1-02, 16.1-08.1-03, 16.1-08.1-03.8,
8 16.1-08.1-03.9, 16.1-08.1-03.10, 16.1-08.1-03.11, 16.1-08.1-03.12, 16.1-08.1-03.13, and
9 16.1-08.1-04 of the North Dakota Century Code are repealed.

10 **SECTION 14. EFFECTIVE DATE.** This Act becomes effective on February 1, 2018.

11 **SECTION 15. APPLICATION.** The provisions of this Act apply for campaign years that
12 begin after December 31, 2017.