

FISCAL NOTE
Requested by Legislative Council
02/06/2017

Amendment to: SB 2343

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$50,000	\$0	\$0	\$0
Appropriations	\$0	\$0	\$50,000	\$0	\$0	\$0

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
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- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The bill establishes new campaign finance reporting requirements.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bill requires the agency to develop software to accommodate electronic online filing requirements for certain campaign finance reports that do not exist in current law.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

None

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

\$50,000 or as much of that sum as is necessary in the agency's operating line to have vendor develop software to achieve the bill's filing requirements.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

\$50,000 or as much of that sum as is necessary as a one time appropriation.

Name: Al Jaeger

Agency: Secretary of State

Telephone: 701-328-2900

Date Prepared: 02/06/2017

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Name: Al Jaeger

Agency: Secretary of State

Telephone: 701-328-2900

Date Prepared: 02/06/2017

FISCAL NOTE
Requested by Legislative Council
02/03/2017

Bill/Resolution No.: SB 2343

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Date Prepared: 02/03/2017

2017 SENATE GOVERNMENT AND VETERANS AFFAIRS

SB 2343

2017 SENATE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee
Sheyenne River Room, State Capitol

SB 2343
2/2/2017
Job Number 27811

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact a new section to chapter 16.1-08.1 of the North Dakota Century Code, relating to a prohibition on using campaign funds for personal use; to amend and reenact subsection 5 of section 16.1-08.1-01, sections 16.1-08.1-02, 16.1-08.1-03, 16.1-08.1-03.1, and 16.1-08.1-03.8, and subsection 5 of section 16.1-12-02.2 of the North Dakota Century Code, relating to reports of expenditures related to political activities; and to provide a penalty.

Minutes:

Attachments: 1

Chairman Poolman: Opened the hearing on SB 2343.

Senator Casper, District 27: See Attachment #1 for testimony to explain and in support of the bill. This is a section of code that has an opportunity to clean up some language. I have some amendments currently being drafted in order to do that. Discussion of a potential fiscal note around \$25,000.

(9:30) Chairman Poolman: As you discussed the fiscal note, just a reminder that puts on a bit of a crunch timeline due to needing the have all appropriation bills out by Monday which means tomorrow for us.

Senator Casper: I was up at legislative council early this morning with a pressing heart to get that done. I would like to put together the cleanest package we possibly could for you all to consider and for the Senate to consider in hope of that being as clean as possible if it goes to the House. The House GVA committee has been intimately involved in this so I see that the potential for clean-up there.

Senator Bekkedahl: I am guessing by reading here that if I were to give a check to my district party or another candidate from this account that would go into miscellaneous?

Senator Casper: That is part of the amendment discussion we are having right now. I think we are going to have a carve out. You would show that as a contribution out of your campaign and the district would show that as contribution coming in to theirs. We would be applying the same rules on reporting expenditures. Our goal is to have something in front of you that,

as a candidate, you would report it going to your district and your district receiving it. It would not be reported under one of these categories.

Senator Bekkedahl: You have postage and printing separately listed here and in a lot of places those are combined, is there any reason you separate those here?

Senator Casper: We were looking at other states that were using the same kind of model and they showed them separate. I would guess that in a campaign you might have a minimal amount of printing and a massive amount of postage. We are seeking to strike a balance between part-time elected officials at our level and people that are running multi-million dollar larger campaigns. If the committee wanted to amend that and put those together, the sponsors would be very amenable to that. I think the intent is because of the range of campaigns that can cover.

Chairman Poolman: I can see how it would apply more so to statewide races. In looking at other states, can you talk about how our campaign finance laws compare to surrounding states because we are surrounded by other part-time legislators? Are they more or less strict?

Senator Casper: My expertise in putting this together would be mostly limited to Minnesota and South Dakota. I would say this would bring us in line with a little bit more of what South Dakota in their code is currently. Minnesota's rules require more reporting but they are more of a full time position than North Dakota. They have an office and a staff etc. This strikes a medium balance.

Senator Bekkedahl: Does it change significantly the frequency or the timing of the reporting requirements we currently have?

Senator Casper: This changes nothing on the current reporting requirements other than the year-end report on expenditures for a legislative candidate and on the pre-election report having your cash on hand number. We did not want to make too much of a change too fast. We are trying to strike a balance here.

(16:30) Jim Silrum, Deputy Secretary of State: Testified in neutral capacity on the bill. Senator Casper is correct that the amendment that is coming forward will clarify the language and make it easier to read and follow along. Under the current bill as it stands right now, the language would say that any campaign that gives a contribution to another campaign would be reported in the same way that you would report contributions coming in. Senator Casper was not wrong in saying that the fiscal note is \$25,000. That is what I received from my vendor. However, at the time I instructed my vendor, I was under the impression that essentially these changes would be done across the board to all filers and not just some of the filers as is the case with this bill. I do believe the estimate will go up because there are differing requirements which adds to the complexity instead of streamlining.

(18:30) Chairman Poolman: As we change the policy, do you have an easy to read set of instructions for candidates?

Jim Silrum: it does not exist at this point. Only because it has only been within the last few years that we have moved to an online system and things have been changing legislatively even during that time. It is my intent to have that but minus that right now what is intended to be the case is that when you are in the online system, it should be intuitive enough to let you know what you need to do. We have achieved some success on that, but I will say we have not achieved all the success that we would like because of the fact that for some reason there have been filers have not followed some of the intuitive things that we have put in there. I wish there was a way that I could educate all of you in terms of when you are adding a subsequent contribution to someone who is already reported that you select those ones that you have listed before so that your total contribution will truly be aggregated. I think we are going to have to some sort of printed educational material that would be made available to you. That being said, we are ready and willing to assist any filer who has any questions about this whole process.

Chairman Poolman: I can vouch for that sentiment.

Chairman Poolman: No further testimony. Closed the hearing on SB 2343.

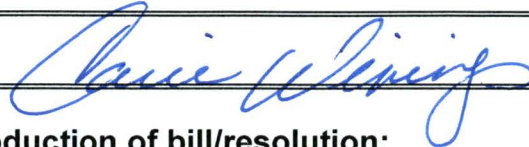
2017 SENATE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee
Sheyenne River Room, State Capitol

SB 2343
2/3/2017
Job Number 27883

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact two new sections to chapter 16.1-08.1 of the North Dakota Century Code, relating to campaign disclosure statements; to amend and reenact section 16.1-08.1-01, subsections 6 and 7 of section 16.1-08.1-02.1, sections 16.1-08.1-03.1 and 16.1-08.1-03.3, subsection 3 of section 16.1-08.1-05, and subsection 5 of section 16.1-12-02.2 of the North Dakota Century Code, relating to definitions, campaign disclosure statements, and use of campaign contributions; to repeal sections 16.1-08.1-02, 16.1-08.1-03, 16.1-08.1-03.1, 16.1-08.1-03.8, 16.1-08.1-03.9, 16.1-08.1-03.10, 16.1-08.1-03.12, 16.1-08.1-03.13, and 16.1-08.1-04 of the North Dakota Century Code, relating to campaign disclosure statements; and to provide a penalty.

Minutes:

Attachments: 1

Chairman Poolman: Opened SB 2343 for committee discussion.

Senator Casper, District 27: See Attachment #1 for a proposed amendment to the bill. My goal was to make this as easy and as painless for you as we possibly could. I would not say that these amendments are perfect but it makes the bill much better overall. There may need to be some clean-up that needs to be done on the other side. (2:15 – 7:45 Walked through the amendments.) One change to the amendment, Page 2, Section 5, Subsection a. – the language that we struck should not be. The goal is to make the whole process simpler for everyone involved in the process and hopefully to have a cost savings to the state.

(7:45) Chairman Poolman: On section 7, I assume that is giving us a little bit more direction? Before we did really define what personal use was, right?

Senator Casper: Yes. I think it would be better for the Secretary of State's office to have specific guidance with regard to that. They will have to do their administrative rule as part of that, but I think it is important to lay that out.

Chairman Poolman: I agree. (Asked Jim Silrum to come to the podium.)

Jim Silrum, Secretary of State's Office: I appreciate Senator Casper being willing to allow us to work with him on this. We put a lot of time in on this. I have only had this amendment

for a short time. On my quick review, I would like to highlight a couple of things that may still need to be amended:

1. Page 2, the loan does need to come out of subdivision a.
2. Page 4, there is an added definition for "personal benefit" and that needs to follow to Page 11 for uniformity.
3. Page 5, Section 4, Subsection 1, I think we still need to carve out legislative candidates and district parties that are not on the ballot would not have to file a pre-election campaign contribution statement – right now how it is worded it does indicate that you would have to do that every time there is a pre-election statement due and that was not the intent.
4. Page 7, Subsection 4, deals with large contributions to all of you. When the contribution is \$5000 or more, you have to list the contributor's occupation, employer, and the employers principal place of business as a part of that contribution. It is currently in the code now and it would be with this, but subdivision b says that the name and mailing address needs to be listed so I think we should carve out subdivision b and incorporate language about the individual up in Subsection 4.
5. Page 9, Section 6, in the definitions we expanded the definition of what a political action committee would be but here where political action committees are authorized we do not also include those additional types of entities.
6. Page 11, there is a typo; the second county should be city – maybe it should be worded "county or city". (There was a brief discussion on this issue.)
7. Page 12, We need to delete the last sentence for Subsection 5. The only thing that was changed there is the reference to the code. (Gives an explanation on that.) It gets rid of one meaningless report in our opinion.

(21:50) Senator Casper: In regards to Page 12, It is a very common sense change but I asked counsel to leave it the way that it was because frankly this is going to end up in a conference committee and we are all common sense people here and I think we can leave that and let the other side deal with that. The point of what we are trying to do is getting away from some of the unnecessary stuff. I have not been able to run that across those on the other side that have been very involved in the process of putting this together.

(23:06) Chairman Poolman: I think that we should consider adopting this amendment that we have right here and send it over to the House so that everyone involved – the House, the Senate, Legislative Council, and the Secretary of State's office, have some time to digest what we have done and what the bill looks like as it is amended. Then they would have time to be thoughtful about amendments that are offered in the House hearing. Is that reasonable to everyone here?

Jim Silrum: It is reasonable. The only thing is that we still have not been asked for a fiscal note on this.

Chairman Poolman: Can I ask for one?

Jim Silrum: We normally get notification from Legislative Council that we are to submit one.

Chairman Poolman: I will do that. Appropriations will want one.

Senator Bekkedahl: Moved Amendments 17.0962.03001.

Senator Meyer: Seconded.

A Roll Call Vote Was Taken: 5 yeas, 0 nays, 1 absent.

Motion Carried.

Senator Bekkedahl: Moved a Do Pass As Amended and Rerefer to Appropriations.

Senator Meyer: Seconded.

A Roll Call Vote Was Taken: 5 yeas, 0 nays, 1 absent.

Motion Carried.

Senator Poolman will carry the bill.

February 3, 2017

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PROPOSED AMENDMENTS TO SENATE BILL NO. 2343

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact two new sections to chapter 16.1-08.1 of the North Dakota Century Code, relating to campaign disclosure statements; to amend and reenact section 16.1-08.1-01, subsections 6 and 7 of section 16.1-08.1-02.1, sections 16.1-08.1-03.1 and 16.1-08.1-03.3, subsection 3 of section 16.1-08.1-05, and subsection 5 of section 16.1-12-02.2 of the North Dakota Century Code, relating to definitions, campaign disclosure statements, and use of campaign contributions; to repeal sections 16.1-08.1-02, 16.1-08.1-03, 16.1-08.1-03.1, 16.1-08.1-03.8, 16.1-08.1-03.9, 16.1-08.1-03.10, 16.1-08.1-03.12, 16.1-08.1-03.13, and 16.1-08.1-04 of the North Dakota Century Code, relating to campaign disclosure statements; and to provide a penalty.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

16.1-08.1-01. Definitions.

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

1. "Affiliate" means an organization that controls, is controlled by, or is under common control with another organization. For purposes of this definition, control means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an organization, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise. Control is presumed to exist if an organization, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing fifty percent or more of the voting securities of any other organization.
2. "Association" means any club, association, union, brotherhood, fraternity, organization, or group of any kind of two or more persons, including labor unions, trade associations, professional associations, or governmental associations, which is united for any purpose, business, or object and which assesses any dues, membership fees, or license fees in any amount, or which maintains a treasury fund in any amount. The term does not include corporations, cooperative corporations, limited liability companies, political committees, or political parties.
3. "Candidate" means an individual who seeks nomination for election or election to public office, and includes:
 - a. An individual holding public office;

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- b. An individual who has publicly declared that individual's candidacy for nomination for election or election to public office or has filed or accepted a nomination for public office;
 - c. An individual who has formed a campaign or other committee for that individual's candidacy for public office;
 - d. An individual who has circulated a nominating petition to have that individual's name placed on the ballot; and
 - e. An individual who has, in any manner, solicited or received a contribution for that individual's candidacy for public office, whether before or after the election for that office.
4. "Conduit" means a person that is not a political party, political committee, or candidate and which receives a contribution of money and transfers the contribution to a candidate, political party, or political committee when the contribution is designated specifically for the candidate, political party, or political committee and the person has no discretion as to the recipient and the amount transferred. The term includes a transactional intermediary, including a credit card company or a money transfer service that pays or transfers money to a candidate on behalf of another person.
5. "Contribution" means a gift, transfer, conveyance, provision, receipt, subscription, loan, advance, deposit of money, or anything of value, made for the purpose of influencing the nomination for election, or election, of any person to public office or aiding or opposing the circulation or passage of a statewide initiative or referendum petition or measure. The term also means a contract, promise, or agreement, express or implied, whether or not legally enforceable, to make a contribution for any of the above purposes. The term includes funds received by a candidate for public office or a political party or committee which are transferred or signed over to that candidate, party, or committee from another candidate, party, or political committee or other source including a conduit. The term "anything of value" includes any good or service of more than a nominal value. The term "nominal value" means the cost, price, or worth of the good or service is trivial, token, or of no appreciable value. The term "contribution" does not include:
- a. ~~A loan of money from a bank or other lending institution made in the regular course of business.~~
 - b. ~~Time spent by volunteer campaign or political party workers.~~
 - c. ~~Money spent by a candidate on the candidate's own behalf.~~
 - d. b. Money or anything of value received for commercial transactions, including rents, advertising, or sponsorships made as a part of a fair market value bargained-for exchange.
 - e. c. Money or anything of value received ~~by a candidate in that person's personal capacity, including pursuant to a contract or agreement made for personal or private employment purposes, and not received for anything other than~~ a political purpose or to influence the performance of that person's official duty.

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- f.d. ~~Contributions of products~~ Products or services for which the actual cost or fair market value are reimbursed by a payment of money.
 - g.e. An independent expenditure.
6. "Cooperative corporations", "corporations", and "limited liability companies" are as defined in this code, and for purposes of this chapter "corporations" includes nonprofit corporations. However, if a political committee, the only purpose of which is accepting contributions and making expenditures for a political purpose, incorporates for liability purposes only, the committee is not considered a corporation for the purposes of this chapter.
7. "Expenditure" means:
- a. A gift, transfer, conveyance, provision, loan, advance, payment, distribution, disbursement, outlay, or deposit of money or anything of value, except a loan of money from a bank or other lending institution made in the regular course of business, made for a political purpose or for the purpose of influencing the passage or defeat of a measure.
 - b. A contract, promise, or agreement, express or implied, whether or not legally enforceable, to make any expenditure.
 - c. The transfer of funds by a political committee to another political committee.
 - d. An independent expenditure.
8. ~~"Incidental committee" means a committee, club, association, or other group of persons that makes a contribution or expenditure, but for which making contributions and expenditures for political purposes is not its primary purpose.~~ "Expenditure categories" means the categories into which expenditures must be grouped for reports under this chapter. The expenditure categories are:
- a. Advertising;
 - b. Campaign loan repayment;
 - c. Consulting;
 - d. Operations;
 - e. Postage;
 - f. Printing;
 - g. Travel; and
 - h. Miscellaneous.
9. "Independent expenditure" means an expenditure made for a political purpose or for the purpose of influencing the passage or defeat of a measure if the expenditure is made without the express or implied consent, authorization, or cooperation of, and not in concert with or at the request or suggestion of, any candidate ~~or a candidate,~~ committee, ~~or measure~~ committee political party.

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10. "Patron" means a person who owns equity interest in the form of stock, shares, or membership or maintains similar financial rights in a cooperative corporation.
11. "Person" means an individual, partnership, political committee, association, corporation, cooperative corporation, limited liability company, or other organization or group of persons.
12. "Personal benefit" means a benefit to the candidate or another person which is not for a political purpose or related to a candidate's responsibilities as a public officeholder, and any other benefit that would convert a contribution to personal income.
13. "Political committee" means any committee, club, association, or other group of persons which receives contributions or makes expenditures for political purposes and includes the following:
 - a. A political action committee, derived from a corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or an association that is prohibited from making a contribution for political purposes under section 16.1-08.1-03.5, and which that solicits or receives contributions from its employees or members or makes expenditures for political purposes on behalf of its employees or members;
 - b. A candidate committee, established to support an individual candidate seeking statewide, judicial, or legislative public office which solicits or receives contributions for political purposes;
 - c. A political organization governed by the Internal Revenue Code and registered with the federal election commission, which solicits or receives contributions or makes expenditures for political purposes;
 - d. A multicandidate political committee, established to support multiple groups or slates of candidates seeking public office, that which solicits or receives contributions for political purposes; and
 - e. A measure committee, including an initiative or referendum sponsoring committee at any stage of its organization, which solicits or receives contributions or makes expenditures for the purpose of aiding or opposing a measure sought to be voted upon by the voters of the state, including any activities undertaken for the purpose of drafting an initiative or referendum petition, seeking approval of the secretary of state for the circulation of a petition, or seeking approval of the submitted petitions; and
 - f. An incidental committee.

~~13-14.~~ "Political party" means any association, committee, or organization which nominates a candidate for election to any office which may be filled by a vote of the electors of this state or any of its political subdivisions and whose name appears on the election ballot as the candidate of such association, committee, or organization.

~~14-15.~~ "Political purpose" means any activity undertaken in support of or in opposition to the election or nomination of a candidate to public office and

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

~~15-16.~~ "Public office" means every office to which an individual can be elected by vote of the people under the laws of this state.

~~16-17.~~ "Subsidiary" means an affiliate of a corporation under the control of the corporation directly or indirectly through one or more intermediaries.

SECTION 2. AMENDMENT. Subsection 6 of section 16.1-08.1-02.1 of the North Dakota Century Code is amended and reenacted as follows:

6. If a net gain from the convention is transferred to the accounts established for the support of the nomination or election of candidates, the total transferred must be reported as a contribution in the statements required by section 16.1-08.1-034 of this Act.

SECTION 3. AMENDMENT. Subsection 7 of section 16.1-08.1-02.1 of the North Dakota Century Code is amended and reenacted as follows:

7. If a net loss from the convention is covered by a transfer from the accounts established for the support of the nomination or election of candidates, the total transferred must be reported as an expenditure in the statements required by section 16.1-08.1-034 of this Act.

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

Pre-election, supplemental, and year-end campaign disclosure statement requirements for candidates, political committees, and political parties.

1. Prior to the thirty-first day before a primary, general, or special election, a candidate or candidate committee formed on behalf of the candidate, a political committee, or political party shall file a campaign disclosure statement that includes all contributions received and expenditures made from January first through the fortieth day before the election. The statement may be submitted for filing beginning on the thirty-ninth day before the election. The statement must include:

a. For each aggregated contribution from a contributor which totals in excess of two hundred dollars received during the reporting period:

(1) The name and mailing address of the contributor;

(2) The total amount of the contribution; and

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- (3) The date the last contributed amount was received;
 - b. The total of all aggregated contributions from contributors which total in excess of two hundred dollars during the reporting period;
 - c. The total of all contributions received from contributors that contributed two hundred dollars or less each during the reporting period;
 - d. The balance of the campaign fund on the fortieth day before the election;
 - e. The balance of the campaign fund on January first; and
 - f. The total of all expenditures made during the reporting period.
- 2. Beginning on the thirty-ninth day before the election through the day before the election, a person that files a report under subsection 1 must file a supplemental statement within forty-eight hours of the start of the day following the receipt of a contribution or aggregate contribution from a contributor which is in excess of five hundred dollars. The statement must include:
 - a. The name and mailing address of the contributor;
 - b. The total amount of the contribution received during the reporting period; and
 - c. The date the last contributed amount was received.
- 3. Prior to February first, a candidate or candidate committee formed on behalf of the candidate who sought nomination or election to public office during the previous year or who holds public office, a political committee, or political party shall file a campaign disclosure statement that includes all contributions received and expenditures made from January first through December thirty-first of the previous year. The statement may be submitted for filing beginning on January first. The statement must include:
 - a. The balance of the campaign fund on January first;
 - b. For each aggregated contribution from a contributor which totals in excess of two hundred dollars received during the reporting period:
 - (1) The name and mailing address of the contributor;
 - (2) The total amount of the contribution; and
 - (3) The date the last contributed amount was received;
 - c. The total of all aggregated contributions from contributors which total in excess of two hundred dollars during the reporting period;
 - d. The total of all contributions received from contributors that contributed two hundred dollars or less each during the reporting period;
 - e. For each recipient of an expenditure from campaign funds in excess of two hundred dollars in the aggregate which is a candidate, political committee, or political party:

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- (1) The name and mailing address of the recipient;
- (2) The total amount of the expenditure; and
- (3) The date the last expenditure was made to the recipient;
- f. The aggregate total of all expenditures from campaign funds of two hundred dollars or less to recipients that are candidates, political committees, or political parties;
- g. The total of all other expenditures made during the previous year, separated into expenditure categories; and
- h. The balance of the campaign fund on December thirty-first.
- 4. A person required to file a report under subsection 1 or subsection 3, other than a candidate for judicial office or a candidate committee for a candidate for judicial office, shall report each aggregated contribution from a contributor which totals five thousand dollars or more during the reporting period. For these contributions, the report must include:
 - a. The contributor's occupation, employer, and the employer's principal place of business; or
 - b. If the contributor was a political committee or political party, the name and mailing address of the contributor.
- 5. The filing officer shall assess and collect fees for any reports filed after the filing deadline. A person that filed a late report shall pay the late fee before any subsequent filing from the person may be accepted.

SECTION 5. AMENDMENT. Section 16.1-08.1-03.1 of the North Dakota Century Code is amended and reenacted as follows:

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

- 1. ~~Any person or measure committee, as described in section 16.1-08.1-01, that is soliciting or accepting a contribution for the purpose of aiding or opposing the circulation or passage of a statewide initiative or referendum petition or measure placed upon a statewide ballot by action of the legislative assembly at any election shall file a statement in accordance with this subsection if the person has received any contribution in excess of one hundred dollars. The statement must include the name and mailing address of each person that contributed in excess of one hundred dollars to the person, the amount of each reportable contribution, and the date each reportable contribution was received. The statement must include the name and mailing address of each recipient of an expenditure exceeding one hundred dollars in the aggregate, the amount of each reportable expenditure, and the date the expenditure was made.~~
- 2. ~~A person or measure committee as described in section 16.1-08.1-01 which is soliciting or accepting a contribution for the purpose of aiding or opposing the circulation or passage of a statewide initiative or referendum petition or measure placed upon a statewide ballot by action of the legislative assembly may not accept a contribution of more than one~~

~~hundred dollars from an out-of-state person or political committee unless the contribution is accompanied by a certified statement from the contributor listing the name, address, and amount contributed by each person that contributed more than one hundred dollars of the contribution. The statement must indicate if no person contributed in excess of one hundred dollars of the out-of-state person's or political committee's overall contribution. The certified statement must also list the occupation, employer, and principal place of business for each individual who contributed more than one hundred dollars of the contribution. The person soliciting or accepting a contribution for the purpose of aiding the circulation of a statewide initiative or referendum petition or of promoting passage or defeat of a statewide initiated or referred measure shall include this statement with the contribution statement required to be filed under subsection 1.~~

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

- a. ~~The gross total of all contributions received and expenditures made in excess of one hundred dollars;~~
- b. ~~The gross total of all contributions received and expenditures made of one hundred dollars, or less; and~~
- c. ~~The cash on hand in the filer's account at the start and close of the reporting period~~

For each reportable contribution under section 4 of this Act, the threshold for reporting is one hundred dollars for any person or measure committee circulating or promoting passage or defeat of an initiated or referred measure.

2. For contributions received from an out-of-state contributor, a person or measure committee circulating or promoting passage or defeat of an initiated or referred measure shall include the following information regarding subcontributors in the statements required under section 4 of this Act:

- a. A designation as to whether any person contributed in excess of one hundred dollars of the total contribution;
- b. The name and mailing address of each subcontributor that contributed in excess of one hundred dollars of the total contribution;
- c. The contribution amounts of each disclosed subcontributor; and

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- d. The occupation, employer, and address for the employer's principal place of business of each disclosed subcontributor.
- 3. An initiative and referendum sponsoring committee also shall file a disclosure statement by the date the secretary of state approves the petition for circulation, and shall file an additional statement on the date the petitions containing the required number of signatures are submitted to the secretary of state for review. The statements required under this subsection must be in the same form as the year-end statements under section 4 of this Act.
- 4. A sponsoring committee shall file a statement regarding its intent to compensate circulators before paying for petitions to be circulated.

SECTION 6. AMENDMENT. Section 16.1-08.1-03.3 of the North Dakota Century Code is amended and reenacted as follows:

16.1-08.1-03.3. Campaign contributions by corporations, cooperative corporations, limited liability companies, and associations - Violation - Penalty - Political action committees authorized.

- 1. A corporation, cooperative corporation, limited liability company, or association may establish, administer, and solicit contributions to a separate and segregated fund to be utilized for political purposes by the corporation, cooperative corporation, limited liability company, or association. It is unlawful for:
 - a. The person or persons controlling the fund to make contributions or expenditures utilizing money or anything of value secured by physical force, job discrimination, financial reprisals, or the threat of them; or utilize money from dues, fees, treasury funds, or other money required as a condition of membership in an association, or as a condition of employment; or utilize money obtained in any commercial transaction. Moneys from fees, dues, treasury funds, or money obtained in a commercial transaction may, however, be used to pay costs of administration of the fund.
 - b. Any person soliciting an employee, stockholder, patron, board member, or member for a contribution to the fund to fail to inform the employee or member of the political purposes of the fund at the time of the solicitation or of the general political philosophy intended to be advanced through committee activities.
 - c. Any person soliciting an employee or member for a contribution to the fund to fail to inform the employee or member at the time of the solicitation of the right to refuse to contribute without any reprisal.
 - d. Any contribution to be accepted without keeping an accurate record of the contributor and amount contributed and of amounts expended for political purposes.
 - e. Any contribution to be accepted from any person who is not an employee, a stockholder, a patron, a board member or a member of the corporation, cooperative corporation, limited liability company, or association maintaining the political action committee, except a corporation may accept a contribution from an employee, a

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stockholder, a patron, a board member, or a member of an affiliate or a subsidiary of the corporation.

- f. Any expenditure made for political purposes to be reported under this section before control of the expenditure has been released by the political action committee except if there is a contract, a promise, or an agreement, expressed or implied, to make such expenditure.
2. ~~All political action committees, as described in section 16.1-08.1-01, formed for the purpose of administering the segregated fund provided for in this section shall file a statement showing the name and mailing address of each contributor of an amount in excess of two hundred dollars in the aggregate for the reporting period and a listing of all expenditures of an amount in excess of two hundred dollars in the aggregate made for political purposes with the secretary of state. The statement must include the amount of each reportable contribution and the date it was received and the amount of each reportable expenditure and the date it was made. A year-end statement covering the entire calendar year must be filed no later than the thirty-first day of January of the following year. A pre-election statement must be filed no later than the thirty-second day before any primary, special, or general election and must be complete from the beginning of the calendar year through the fortieth day before the election. Even if a political action committee has not received any contributions or made any expenditures in excess of two hundred dollars during the reporting period, the political action committee shall file a statement as required by this chapter. A statement filed according to this section during the reporting period must show the following:~~
- a. ~~The gross total of all contributions received and expenditures made in excess of two hundred dollars;~~
 - b. ~~The gross total of all contributions received and expenditures made of two hundred dollars, or less; and~~
 - c. ~~The cash on hand in the filer's account at the start and close of the reporting period.~~
3. ~~A political action committee shall report the occupation, employer, and principal place of business of each person, or the political committee if not already registered according to state or federal law, who contributed five thousand dollars or more in the aggregate during the reporting period.~~
4. A person may not make a payment of that person's money or of another person's money to any other person for a political purpose in any name other than that of the person ~~whethat~~ that supplies the money and a person may not knowingly receive the payment nor enter nor cause the payment to be entered in that person's account or record in any name other than that of the person by ~~whom~~ which it actually was furnished.
- 5-3. If an officer, employee, agent, attorney, or other representative of a corporation, cooperative corporation, limited liability company, or association makes any contribution prohibited by this section out of corporate, cooperative corporation, limited liability company, or association funds or otherwise violates this section, it is prima facie evidence of a

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violation by the corporation, cooperative corporation, limited liability company, or association.

- 6-4. A violation of this section may be prosecuted in the county where the contribution is made or in any county in which it has been paid or distributed.
- 7-5. It is a class A misdemeanor for an officer, director, stockholder, manager, governor, member, attorney, agent, or representative of any corporation, cooperative corporation, limited liability company, or association to violate this section or to counsel or consent to any violation. Any person ~~whethat~~ solicits or knowingly receives any contribution in violation of this section is guilty of a class A misdemeanor.
- 8-6. Any officer, director, stockholder, manager, governor, member, attorney, agent, or representative who makes, counsels, or consents to the making of a contribution in violation of this section is liable to the company, corporation, limited liability company, or association for the amount so contributed.

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

Personal use of contributions prohibited.

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

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

SECTION 8. AMENDMENT. Subsection 3 of section 16.1-08.1-05 of the North Dakota Century Code is amended and reenacted as follows:

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

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SECTION 9. AMENDMENT. Subsection 5 of section 16.1-12-02.2 of the North Dakota Century Code is amended and reenacted as follows:

5. An individual who intends to be a write-in candidate for any legislative district office shall file a certificate of write-in candidacy with the secretary of state. The certificate must contain the name, address, and signature of the candidate. Certificates must be filed by four p.m. on the fourth day before the election. When the candidate files a certificate, the candidate also shall file the contribution statement provided for under section ~~16.1-08.1-024~~ of this Act complete through the day of the filing of the certificate.

SECTION 10. REPEAL. Sections 16.1-08.1-02, 16.1-08.1-03, 16.1-08.1-03.1, 16.1-08.1-03.8, 16.1-08.1-03.9, 16.1-08.1-03.10, 16.1-08.1-03.12, 16.1-08.1-03.13, and 16.1-08.1-04 of the North Dakota Century Code are repealed."

Renumber accordingly

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2343

Senate Government and Veterans Affairs Committee

Subcommittee

Amendment LC# or Description: 17.0962.03001

Recommendation: Adopt Amendment Attachment #1
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Bekkedahl Seconded By Meyer

Senators	Yes	No	Senators	Yes	No
Chairman Poolman	✓		Senator Marcellais	✓	
Vice Chairman Davison	Ab				
Senator Bekkedahl	✓				
Senator Meyer	✓				
Senator Vedaa	✓				

Total (Yes) 5 No 0

Absent 1

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2343

Senate Government and Veterans Affairs Committee

Subcommittee

Amendment LC# or Description: 17.0962.03001

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Bekkedahl Seconded By Meyer

Senators	Yes	No	Senators	Yes	No
Chairman Poolman	✓		Senator Marcellais	✓	
Vice Chairman Davison	Ab				
Senator Bekkedahl	✓				
Senator Meyer	✓				
Senator Vedaa	✓				

Total (Yes) 5 No 0

Absent 1

Floor Assignment Poolman

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2343: Government and Veterans Affairs Committee (Sen. Poolman, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2343 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact two new sections to chapter 16.1-08.1 of the North Dakota Century Code, relating to campaign disclosure statements; to amend and reenact section 16.1-08.1-01, subsections 6 and 7 of section 16.1-08.1-02.1, sections 16.1-08.1-03.1 and 16.1-08.1-03.3, subsection 3 of section 16.1-08.1-05, and subsection 5 of section 16.1-12-02.2 of the North Dakota Century Code, relating to definitions, campaign disclosure statements, and use of campaign contributions; to repeal sections 16.1-08.1-02, 16.1-08.1-03, 16.1-08.1-03.1, 16.1-08.1-03.8, 16.1-08.1-03.9, 16.1-08.1-03.10, 16.1-08.1-03.12, 16.1-08.1-03.13, and 16.1-08.1-04 of the North Dakota Century Code, relating to campaign disclosure statements; and to provide a penalty.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

16.1-08.1-01. Definitions.

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

1. "Affiliate" means an organization that controls, is controlled by, or is under common control with another organization. For purposes of this definition, control means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an organization, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise. Control is presumed to exist if an organization, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing fifty percent or more of the voting securities of any other organization.
2. "Association" means any club, association, union, brotherhood, fraternity, organization, or group of any kind of two or more persons, including labor unions, trade associations, professional associations, or governmental associations, which is united for any purpose, business, or object and which assesses any dues, membership fees, or license fees in any amount, or which maintains a treasury fund in any amount. The term does not include corporations, cooperative corporations, limited liability companies, political committees, or political parties.
3. "Candidate" means an individual who seeks nomination for election or election to public office, and includes:
 - a. An individual holding public office;
 - b. An individual who has publicly declared that individual's candidacy for nomination for election or election to public office or has filed or accepted a nomination for public office;
 - c. An individual who has formed a campaign or other committee for that individual's candidacy for public office;

- d. An individual who has circulated a nominating petition to have that individual's name placed on the ballot; and
 - e. An individual who has, in any manner, solicited or received a contribution for that individual's candidacy for public office, whether before or after the election for that office.
4. "Conduit" means a person that is not a political party, political committee, or candidate and which receives a contribution of money and transfers the contribution to a candidate, political party, or political committee when the contribution is designated specifically for the candidate, political party, or political committee and the person has no discretion as to the recipient and the amount transferred. The term includes a transactional intermediary, including a credit card company or a money transfer service that pays or transfers money to a candidate on behalf of another person.
5. "Contribution" means a gift, transfer, conveyance, provision, receipt, subscription, loan, advance, deposit of money, or anything of value, made for the purpose of influencing the nomination for election, or election, of any person to public office or aiding or opposing the circulation or passage of a statewide initiative or referendum petition or measure. The term also means a contract, promise, or agreement, express or implied, whether or not legally enforceable, to make a contribution for any of the above purposes. The term includes funds received by a candidate for public office or a political party or committee which are transferred or signed over to that candidate, party, or committee from another candidate, party, or political committee or other source including a conduit. The term "anything of value" includes any good or service of more than a nominal value. The term "nominal value" means the cost, price, or worth of the good or service is trivial, token, or of no appreciable value. The term "contribution" does not include:
- a. ~~A loan of money from a bank or other lending institution made in the regular course of business.~~
 - b. Time spent by volunteer campaign or political party workers.
 - c. ~~Money spent by a candidate on the candidate's own behalf.~~
 - d. ~~Money or anything of value received for commercial transactions, including rents, advertising, or sponsorships made as a part of a fair market value bargained-for exchange.~~
 - e. ~~Money or anything of value received by a candidate in that person's personal capacity, including pursuant to a contract or agreement made for personal or private employment purposes, and not received for anything other than a political purpose or to influence the performance of that person's official duty.~~
 - f. ~~Contributions of products~~ Products or services for which the actual cost or fair market value are reimbursed by a payment of money.
 - g. ~~An independent expenditure.~~
6. "Cooperative corporations", "corporations", and "limited liability companies" are as defined in this code, and for purposes of this chapter "corporations" includes nonprofit corporations. However, if a political committee, the only purpose of which is accepting contributions and making expenditures for a political purpose, incorporates for liability purposes only, the committee is not considered a corporation for the purposes of this chapter.

7. "Expenditure" means:
 - a. A gift, transfer, conveyance, provision, loan, advance, payment, distribution, disbursement, outlay, or deposit of money or anything of value, except a loan of money from a bank or other lending institution made in the regular course of business, made for a political purpose or for the purpose of influencing the passage or defeat of a measure.
 - b. A contract, promise, or agreement, express or implied, whether or not legally enforceable, to make any expenditure.
 - c. The transfer of funds by a political committee to another political committee.
 - d. An independent expenditure.
8. ~~"Incidental committee" means a committee, club, association, or other group of persons that makes a contribution or expenditure, but for which making contributions and expenditures for political purposes is not its primary purpose.~~ "Expenditure categories" means the categories into which expenditures must be grouped for reports under this chapter. The expenditure categories are:
 - a. Advertising;
 - b. Campaign loan repayment;
 - c. Consulting;
 - d. Operations;
 - e. Postage;
 - f. Printing;
 - g. Travel; and
 - h. Miscellaneous.
9. "Independent expenditure" means an expenditure made for a political purpose or for the purpose of influencing the passage or defeat of a measure if the expenditure is made without the express or implied consent, authorization, or cooperation of, and not in concert with or at the request or suggestion of, ~~any candidate or a candidate, committee, or measure committee~~ political party.
10. "Patron" means a person who owns equity interest in the form of stock, shares, or membership or maintains similar financial rights in a cooperative corporation.
11. "Person" means an individual, partnership, political committee, association, corporation, cooperative corporation, limited liability company, or other organization or group of persons.
12. "Personal benefit" means a benefit to the candidate or another person which is not for a political purpose or related to a candidate's responsibilities as a public officeholder, and any other benefit that would convert a contribution to personal income.

13. "Political committee" means any committee, club, association, or other group of persons which receives contributions or makes expenditures for political purposes and includes the following:
- a. A political action committee, derived from a corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or an association that is prohibited from making a contribution for political purposes under section 16.1-08.1-03.5, and which that solicits or receives contributions from its employees or members or makes expenditures for political purposes on behalf of its employees or members;
 - b. A candidate committee, established to support an individual candidate seeking ~~statewide, judicial, or legislative~~ public office which solicits or receives contributions for political purposes;
 - c. A political organization ~~governed by the Internal Revenue Code and registered with the federal election commission,~~ which solicits or receives contributions or makes expenditures for political purposes;
 - d. A multicandidate political committee, established to support multiple groups or slates of candidates seeking public office, ~~that~~ which solicits or receives contributions for political purposes; and
 - e. A measure committee, including an initiative or referendum sponsoring committee at any stage of its organization, which solicits or receives contributions or makes expenditures for the purpose of aiding or opposing a measure sought to be voted upon by the voters of the state, including any activities undertaken for the purpose of drafting an initiative or referendum petition, seeking approval of the secretary of state for the circulation of a petition, or seeking approval of the submitted petitions; ~~and~~
 - f. ~~An incidental committee.~~
- ~~13-14.~~ "Political party" means any association, committee, or organization which nominates a candidate for election to any office which may be filled by a vote of the electors of this state or any of its political subdivisions and whose name appears on the election ballot as the candidate of such association, committee, or organization.
- ~~14-15.~~ "Political purpose" means any activity undertaken in support of or in opposition to the election or nomination of a candidate to public office and includes using "vote for", "oppose", or any similar support or opposition language in any advertisement whether the activity is undertaken by a candidate, a political committee, a political party, or any person. In the period thirty days before a primary election and sixty days before a special or general election, "political purpose" also means any activity in which a candidate's name, office, district, or any term meaning the same as "incumbent" or "challenger" is used in support of or in opposition to the election or nomination of a candidate to public office. The term does not include activities undertaken in the performance of a duty of a ~~state~~ public office or any position taken in any bona fide news story, commentary, or editorial.
- ~~15-16.~~ "Public office" means every office to which an individual can be elected by vote of the people under the laws of this state.
- ~~16-17.~~ "Subsidiary" means an affiliate of a corporation under the control of the corporation directly or indirectly through one or more intermediaries.

SECTION 2. AMENDMENT. Subsection 6 of section 16.1-08.1-02.1 of the North Dakota Century Code is amended and reenacted as follows:

6. If a net gain from the convention is transferred to the accounts established for the support of the nomination or election of candidates, the total transferred must be reported as a contribution in the statements required by section 16.1-08.1-034 of this Act.

SECTION 3. AMENDMENT. Subsection 7 of section 16.1-08.1-02.1 of the North Dakota Century Code is amended and reenacted as follows:

7. If a net loss from the convention is covered by a transfer from the accounts established for the support of the nomination or election of candidates, the total transferred must be reported as an expenditure in the statements required by section 16.1-08.1-034 of this Act.

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

Pre-election, supplemental, and year-end campaign disclosure statement requirements for candidates, political committees, and political parties.

1. Prior to the thirty-first day before a primary, general, or special election, a candidate or candidate committee formed on behalf of the candidate, a political committee, or political party shall file a campaign disclosure statement that includes all contributions received and expenditures made from January first through the fortieth day before the election. The statement may be submitted for filing beginning on the thirty-ninth day before the election. The statement must include:
 - a. For each aggregated contribution from a contributor which totals in excess of two hundred dollars received during the reporting period:
 - (1) The name and mailing address of the contributor;
 - (2) The total amount of the contribution; and
 - (3) The date the last contributed amount was received;
 - b. The total of all aggregated contributions from contributors which total in excess of two hundred dollars during the reporting period;
 - c. The total of all contributions received from contributors that contributed two hundred dollars or less each during the reporting period;
 - d. The balance of the campaign fund on the fortieth day before the election;
 - e. The balance of the campaign fund on January first; and
 - f. The total of all expenditures made during the reporting period.
2. Beginning on the thirty-ninth day before the election through the day before the election, a person that files a report under subsection 1 must file a supplemental statement within forty-eight hours of the start of the day following the receipt of a contribution or aggregate contribution from a contributor which is in excess of five hundred dollars. The statement must include:

- a. The name and mailing address of the contributor;
 - b. The total amount of the contribution received during the reporting period; and
 - c. The date the last contributed amount was received.
3. Prior to February first, a candidate or candidate committee formed on behalf of the candidate who sought nomination or election to public office during the previous year or who holds public office, a political committee, or political party shall file a campaign disclosure statement that includes all contributions received and expenditures made from January first through December thirty-first of the previous year. The statement may be submitted for filing beginning on January first. The statement must include:
- a. The balance of the campaign fund on January first;
 - b. For each aggregated contribution from a contributor which totals in excess of two hundred dollars received during the reporting period:
 - (1) The name and mailing address of the contributor;
 - (2) The total amount of the contribution; and
 - (3) The date the last contributed amount was received;
 - c. The total of all aggregated contributions from contributors which total in excess of two hundred dollars during the reporting period;
 - d. The total of all contributions received from contributors that contributed two hundred dollars or less each during the reporting period;
 - e. For each recipient of an expenditure from campaign funds in excess of two hundred dollars in the aggregate which is a candidate, political committee, or political party:
 - (1) The name and mailing address of the recipient;
 - (2) The total amount of the expenditure; and
 - (3) The date the last expenditure was made to the recipient;
 - f. The aggregate total of all expenditures from campaign funds of two hundred dollars or less to recipients that are candidates, political committees, or political parties;
 - g. The total of all other expenditures made during the previous year, separated into expenditure categories; and
 - h. The balance of the campaign fund on December thirty-first.
4. A person required to file a report under subsection 1 or subsection 3, other than a candidate for judicial office or a candidate committee for a candidate for judicial office, shall report each aggregated contribution from a contributor which totals five thousand dollars or more during the reporting period. For these contributions, the report must include:
- a. The contributor's occupation, employer, and the employer's principal place of business; or

- b. If the contributor was a political committee or political party, the name and mailing address of the contributor.
5. The filing officer shall assess and collect fees for any reports filed after the filing deadline. A person that filed a late report shall pay the late fee before any subsequent filing from the person may be accepted.

SECTION 5. AMENDMENT. Section 16.1-08.1-03.1 of the North Dakota Century Code is amended and reenacted as follows:

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

- ~~1. Any person or measure committee, as described in section 16.1-08.1-01, that is soliciting or accepting a contribution for the purpose of aiding or opposing the circulation or passage of a statewide initiative or referendum petition or measure placed upon a statewide ballot by action of the legislative assembly at any election shall file a statement in accordance with this subsection if the person has received any contribution in excess of one hundred dollars. The statement must include the name and mailing address of each person that contributed in excess of one hundred dollars to the person, the amount of each reportable contribution, and the date each reportable contribution was received. The statement must include the name and mailing address of each recipient of an expenditure exceeding one hundred dollars in the aggregate, the amount of each reportable expenditure, and the date the expenditure was made.~~
- ~~2. A person or measure committee as described in section 16.1-08.1-01 which is soliciting or accepting a contribution for the purpose of aiding or opposing the circulation or passage of a statewide initiative or referendum petition or measure placed upon a statewide ballot by action of the legislative assembly may not accept a contribution of more than one hundred dollars from an out of state person or political committee unless the contribution is accompanied by a certified statement from the contributor listing the name, address, and amount contributed by each person that contributed more than one hundred dollars of the contribution. The statement must indicate if no person contributed in excess of one hundred dollars of the out of state person's or political committee's overall contribution. The certified statement must also list the occupation, employer, and principal place of business for each individual who contributed more than one hundred dollars of the contribution. The person soliciting or accepting a contribution for the purpose of aiding the circulation of a statewide initiative or referendum petition or of promoting passage or defeat of a statewide initiated or referred measure shall include this statement with the contribution statement required to be filed under subsection 1.~~
- ~~3. The statement required of a person or measure committee under subsection 1 must be filed with the secretary of state no later than the thirty-second day before the date of the election in which the measure appears or would have appeared on the ballot complete from the beginning of that calendar year through the fortieth day before the date of the election. A complete statement for the entire calendar year for each statement required to be filed under this section must be filed no later than the thirty-first day of January of the following year. Even if a person required to report according to this section has not received any contributions in excess of one hundred dollars during the reporting period, the person shall file a statement as required by this chapter. A~~

~~statement filed according to this section during the reporting period must show the following:~~

- ~~a. The gross total of all contributions received and expenditures made in excess of one hundred dollars;~~
- ~~b. The gross total of all contributions received and expenditures made of one hundred dollars, or less; and~~
- ~~c. The cash on hand in the filer's account at the start and close of the reporting period~~

For each reportable contribution under section 4 of this Act, the threshold for reporting is one hundred dollars for any person or measure committee circulating or promoting passage or defeat of an initiated or referred measure.

- 2. For contributions received from an out-of-state contributor, a person or measure committee circulating or promoting passage or defeat of an initiated or referred measure shall include the following information regarding subcontributors in the statements required under section 4 of this Act:
 - a. A designation as to whether any person contributed in excess of one hundred dollars of the total contribution;
 - b. The name and mailing address of each subcontributor that contributed in excess of one hundred dollars of the total contribution;
 - c. The contribution amounts of each disclosed subcontributor; and
 - d. The occupation, employer, and address for the employer's principal place of business of each disclosed subcontributor.
- 3. An initiative and referendum sponsoring committee also shall file a disclosure statement by the date the secretary of state approves the petition for circulation, and shall file an additional statement on the date the petitions containing the required number of signatures are submitted to the secretary of state for review. The statements required under this subsection must be in the same form as the year-end statements under section 4 of this Act.
- 4. A sponsoring committee shall file a statement regarding its intent to compensate circulators before paying for petitions to be circulated.

SECTION 6. AMENDMENT. Section 16.1-08.1-03.3 of the North Dakota Century Code is amended and reenacted as follows:

16.1-08.1-03.3. Campaign contributions by corporations, cooperative corporations, limited liability companies, and associations - Violation - Penalty - Political action committees authorized.

- 1. A corporation, cooperative corporation, limited liability company, or association may establish, administer, and solicit contributions to a separate and segregated fund to be utilized for political purposes by the corporation, cooperative corporation, limited liability company, or association. It is unlawful for:
 - a. The person or persons controlling the fund to make contributions or expenditures utilizing money or anything of value secured by physical force, job discrimination, financial reprisals, or the threat of

- them; or utilize money from dues, fees, treasury funds, or other money required as a condition of membership in an association, or as a condition of employment; or utilize money obtained in any commercial transaction. Moneys from fees, dues, treasury funds, or money obtained in a commercial transaction may, however, be used to pay costs of administration of the fund.
- b. Any person soliciting an employee, stockholder, patron, board member, or member for a contribution to the fund to fail to inform the employee or member of the political purposes of the fund at the time of the solicitation or of the general political philosophy intended to be advanced through committee activities.
 - c. Any person soliciting an employee or member for a contribution to the fund to fail to inform the employee or member at the time of the solicitation of the right to refuse to contribute without any reprisal.
 - d. Any contribution to be accepted without keeping an accurate record of the contributor and amount contributed and of amounts expended for political purposes.
 - e. Any contribution to be accepted from any person ~~who is~~ not an employee, a stockholder, a patron, a board member or a member of the corporation, cooperative corporation, limited liability company, or association maintaining the political action committee, except a corporation may accept a contribution from an employee, a stockholder, a patron, a board member, or a member of an affiliate or a subsidiary of the corporation.
 - f. Any expenditure made for political purposes to be reported under this section before control of the expenditure has been released by the political action committee except if there is a contract, a promise, or an agreement, expressed or implied, to make such expenditure.
2. ~~All political action committees, as described in section 16.1-08.1-01, formed for the purpose of administering the segregated fund provided for in this section shall file a statement showing the name and mailing address of each contributor of an amount in excess of two hundred dollars in the aggregate for the reporting period and a listing of all expenditures of an amount in excess of two hundred dollars in the aggregate made for political purposes with the secretary of state. The statement must include the amount of each reportable contribution and the date it was received and the amount of each reportable expenditure and the date it was made. A year-end statement covering the entire calendar year must be filed no later than the thirty-first day of January of the following year. A pre-election statement must be filed no later than the thirty-second day before any primary, special, or general election and must be complete from the beginning of the calendar year through the fortieth day before the election. Even if a political action committee has not received any contributions or made any expenditures in excess of two hundred dollars during the reporting period, the political action committee shall file a statement as required by this chapter. A statement filed according to this section during the reporting period must show the following:~~
- a. ~~The gross total of all contributions received and expenditures made in excess of two hundred dollars;~~
 - b. ~~The gross total of all contributions received and expenditures made of two hundred dollars, or less; and~~

- ~~6.~~ The cash on hand in the filer's account at the start and close of the reporting period.
- ~~3.~~ A political action committee shall report the occupation, employer, and principal place of business of each person, or the political committee if not already registered according to state or federal law, who contributed five thousand dollars or more in the aggregate during the reporting period.
4. A person may not make a payment of that person's money or of another person's money to any other person for a political purpose in any name other than that of the person ~~whethat~~ whethat supplies the money and a person may not knowingly receive the payment nor enter nor cause the payment to be entered in that person's account or record in any name other than that of the person by ~~whem~~ whem which it actually was furnished.
- ~~5.3.~~ If an officer, employee, agent, attorney, or other representative of a corporation, cooperative corporation, limited liability company, or association makes any contribution prohibited by this section out of corporate, cooperative corporation, limited liability company, or association funds or otherwise violates this section, it is prima facie evidence of a violation by the corporation, cooperative corporation, limited liability company, or association.
- ~~6.4.~~ A violation of this section may be prosecuted in the county where the contribution is made or in any county in which it has been paid or distributed.
- ~~7.5.~~ It is a class A misdemeanor for an officer, director, stockholder, manager, governor, member, attorney, agent, or representative of any corporation, cooperative corporation, limited liability company, or association to violate this section or to counsel or consent to any violation. Any person ~~whethat~~ whethat solicits or knowingly receives any contribution in violation of this section is guilty of a class A misdemeanor.
- ~~8.6.~~ Any officer, director, stockholder, manager, governor, member, attorney, agent, or representative who makes, counsels, or consents to the making of a contribution in violation of this section is liable to the company, corporation, limited liability company, or association for the amount so contributed.

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

Personal use of contributions prohibited.

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

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

SECTION 8. AMENDMENT. Subsection 3 of section 16.1-08.1-05 of the North Dakota Century Code is amended and reenacted as follows:

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

SECTION 9. AMENDMENT. Subsection 5 of section 16.1-12-02.2 of the North Dakota Century Code is amended and reenacted as follows:

5. An individual who intends to be a write-in candidate for any legislative district office shall file a certificate of write-in candidacy with the secretary of state. The certificate must contain the name, address, and signature of the candidate. Certificates must be filed by four p.m. on the fourth day before the election. When the candidate files a certificate, the candidate also shall file the contribution statement provided for under section ~~16.1-08.1-024~~ of this Act complete through the day of the filing of the certificate.

SECTION 10. REPEAL. Sections 16.1-08.1-02, 16.1-08.1-03, 16.1-08.1-03.1, 16.1-08.1-03.8, 16.1-08.1-03.9, 16.1-08.1-03.10, 16.1-08.1-03.12, 16.1-08.1-03.13, and 16.1-08.1-04 of the North Dakota Century Code are repealed."

Renumber accordingly

2017 SENATE APPROPRIATIONS

SB 2343

2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2343
2/14/2017
JOB # 28307

- Subcommittee
 Conference Committee

Committee Clerk Signature

Carie Winings *Patrick DeLeon*

Explanation or reason for introduction of bill/resolution:

A BILL for an Act relating to campaign disclosure statements

Minutes:

Attachments: 1-Senator Casper Testimony

Chairman Holmberg: Called the Committee to order on SB 2343. Roll call was taken and all committee members were present. Levi Kinnischtzke, Legislative Council and Lori Laschkewitsch, OMB were also present.

(2:40) Senator Casper, District 27, Fargo: See Attachment #1 for testimony in favor of SB 2343. Campaign Finance Reform. I do have an amendment that that I have been working on and it is currently being prepared. The main goal of the legislation is to report your expenditures in the seven categories that I have outlined: advertising, campaign loaner payment, consultant, operations, postage, printing, travel, and miscellaneous. It shows the voters that we are willing to show the money that is coming in and show that we are not using it for personal use.

(10:23) Chairman Holmberg: I have a question about your chart? I know state candidates do an aggregate of all of their contributions \$200 and under, and they also receive \$15,000. I don't ever remember reporting the aggregate for under \$200 for a legislative candidate but it is on your chart.

Senator Casper: That should be highlighted as green as well. If you don't have the money that the individual candidate is putting in, and if you don't have the aggregate of the contributions under \$200, then we are not able to show the total amount of funds that are coming into the campaign. So, getting back to the amendment. The goal, which the chart in front of you shows you, is what the group that brought the bill wanted. It is also what the GVA committee wanted for the legislature. This section of code is complicated and we are trying to fit all types of candidates into one as best as we could. Right now, state parties and measure committees report expenditures 30 days before the elections and they report them explicitly. We didn't want to do that. We wanted to strike a balance with the fact we are not full time candidates. But, we need to let the public know where the money is coming in and going out. I just received the amendment but I would like to look at it before I hand it out to you.

Senator Mathern: Who owns the balance in the 4th column at the end of the yearend report?

Senator Casper: It is a great question and one that we contemplated. If we made it so that you could not use your campaign funds for personal use, and say you choose not to run for re-election and you have a balance remaining, you would have 3 options. You could continue your campaign and keep it open, or second, you could give it to a district or state party, and third, you could give it back to the donors. That is not in the bill specifically. It is something the Secretary of State would do through their rule making process. You can also give to charity as well.

Senator Mathern: What is the rationale for using 201 and some 200, why not use the same number for all of those?

Senator Casper: It has always been 201 and above are reported explicitly and individually. 200 and below are not. I think the justification there is that, whatever the legislature decided in the past, it was a dollar amount that once you got over that point it was necessary to report.

Senator Mathern: I was wondering, if this is simplifying this, if we should have that the same too; 201 and over or 201 and under.

Senator Hogue: I wanted to go back to the definition of personal benefit. Some of the rural legislators that travel around their districts to campaign put on a lot of miles, and they reimburse themselves for that. Even in the last election there was a question about if the candidate's car breaks down could they use the money to repair the car. What is your interpretation under personal benefit? Is it their personal vehicle, and I assume that you agree that under the personal benefit they could reimburse themselves for mileage?

Senator Casper: I agree with everything you just said. I have had extensive conversations with the Secretary of State about that. I am sure that on the House side that will be a point of discussion to define that. We used the definition that has been in the code from the past. I would say, to your example, my thought would be that all travel could be reimbursed for mileage. Part of that mileage is for maintaining your vehicle. Those funds should be for gas, insurance, and maintenance on the vehicle.

V. Chairman Bowman: I drive about 1000 miles a month. It gets really expensive. If you charge you credit card for the gas, can you pay of that amount on your credit card if you write that down?

Senator Casper: Yes.

Chairman Holmberg: We have an idea what the bill is. We would like testimony regarding about the fiscal note on the bill. GVA has looked at the policy, but we need to look at the fiscal note.

Senator Erbele: I need clarity on what you were discussing with Senator Hogue. On the amount of money left over in the account, can it only be used as we travel around the district for campaign purposes, or once we are elected, can we use it for legislative travel?

Senator Casper: You could use it for both. As long as it is not for personal use. I think we will see guidance coming from the Secretary of State.

(20:36) Chairman Holmberg: It is probably done now. If you are doing legislature business and you are being paid by the legislature for travel, you wouldn't want to collect on this. That would be double dipping.

Senator Erbele: (Gave an example of a legislator in Nevada.)

Senator Casper: You are able to use the funds for any time you are doing something relating to serving in your elected office.

Senator Wanzek: I've never had any money left over during my campaigns. What about the other way around, is there any limitations on how much of your own personal money you can give for your own campaign?

Senator Casper: No.

Chairman Holmberg: The only difference is now you will have to report self-funding, whereas in the past you did not have to do that.

Senator Casper: That is correct.

Chairman Holmberg: There was no further testimony present. Closed the hearing on SB 2343.

2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2343
2/14/2017
Job # 28309

- Subcommittee
 Conference Committee

Committee Clerk Signature

Carie King for Alice Deber

Explanation or reason for introduction of bill/resolution:

A BILL for an Act relating to campaign disclosure statements.

Minutes:

No Attachments

Chairman Holmberg: Opened SB 2343 for committee discussion.

Senator Casper: On the fiscal note, the system we are filing our contributions on currently would need some things added to report the expenditures that we would have to report. In my personal life I have done a lot of technology, and to me, it seems that \$50,000 to update the technology seems like a high number. It has been said that it would take six weeks. I don't know if I am buying what is getting sold. I am sure that is not the first time that this committee has heard that.

Chairman Holmberg: We don't have that budget, so if this bill passes the Senate and goes over to the House, and it is being heard favorably over there, you can be that when we have the Secretary of State's budget in here we will hear all about it.

V. Chairman Krebsbach: It does say that as much as is necessary.

Chairman Holmberg: if we pass the bill, there is no money in it.

Senator Erbele: What problem are we fixing? Is it a real one or perceived one?

Senator Casper: I can't say there is a real one. I have not seen people doing things that would be considered unscrupulous with their campaign funds. That being said, I think that what we have heard is that people are concerned about where our money is coming from and that we are not using it for personal use. I look at it as an opportunity to assure people that what I am doing is completely above board. Really, it shouldn't be a great deal more work for those of us in this room. It really is just an update to the yearend report. It would be different if we were running a multi-million-dollar campaign. Keep in mind we are responsible to our voters.

Chairman Holmberg: Asked Senator Casper to review the amendments, and closed the discussion on SB 2343.

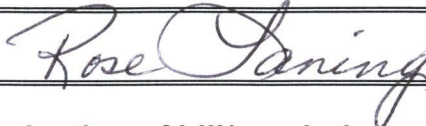
2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2343
2/14/2017
No audio available

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to definitions, campaign disclosure statements, and use of campaign contributions.

Minutes:

Testimony Attached # 1.

Legislative Council: Adam Mathiak

OMB: Becky Keller

Chairman Holmberg re-opened the hearing on SB 2343.

Senator Jonathan Casper, State Senator, District 27 – has amendment 17.0962.04002 – testimony attached # 1.

He explained the amendment. The amendment creates another section to align the items we wanted to achieve, but not affect how things are done now.

Light discussion.

Senator Casper said he appreciated the committee's patience and time.

Chairman Holmberg: Not going to take up the bill today.

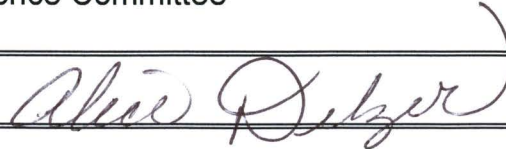
2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2343
2/15/2017
JOB # 28412

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A DO PASS AS AMENDED regarding campaign disclosure statements

Minutes:

1. Proposed Amendment # 17.0962.04002

Chairman Holmberg: called the Committee to order on SB 2343. All committee members were present except Senator Dever. Brady Larson, Legislative Council and Stephanie Gullickson, OMB were also present.

V. Chairman Krebsbach: moved the Amendment # 17.0962.04002. 2nd by Senator Sorvaag.

Senator Robinson: made comments regarding the fiscal note that Senator Casper had mentioned.

Chairman Holmberg: there is no way to deal with that here. Call the roll on the amendment. **A Roll Call vote was taken on Amendment # 17.0962.04002. Yea:13; Nay: 0; Absent: 1.**

V. Chairman Krebsbach: Moved a Do Pass as Amended. 2nd by Senator Mathern.

Senator Erbele: I won't be supporting this because I am not a big fan of fixing problems that don't exist.

Chairman Holmberg: call the roll on a Do Pass as Amended on SB 2343.

A Roll Call vote was taken. Yea:7; Nay: 6; Absent: 1. It carried. This goes back to GVA. Senator Poolman will carry the bill.

The hearing was closed on SB 2343.

February 14, 2017

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PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2343

Page 1, line 1, replace "two" with "three"

Page 1, line 2, after "statements" insert "and use of campaign contributions"

Page 1, line 5, replace the second comma with "and"

Page 1, line 5, remove ", and"

Page 1, line 6, remove "use of campaign contributions"

Page 1, line 7, after the third comma insert "16.1-08.1-03.11,"

Page 3, after line 21, insert:

"f. The value of advertising paid by a political party, multicandidate political committee, or caucus which is in support of a candidate."

Page 7, line 2, replace "**political**" with "**candidate**"

Page 7, line 2, after the second underscored boldface comma insert "**political action committees,**"

Page 7, line 2, after "**and**" insert "**nonstatewide**"

Page 7, line 4, after the first underscored comma insert "**a multicandidate political committee,**"

Page 7, line 4, after "**political**" insert "**action**"

Page 7, line 4, after "**or**" insert "**a**"

Page 7, line 5, after "**party**" insert "**other than a statewide political party soliciting or accepting contributions**"

Page 7, line 6, remove "**and expenditures made**"

Page 7, line 7, after the underscored period insert "**A candidate whose name is not on the ballot and who is not seeking election through write-in votes, the candidate's candidate committee, and a political party that has not endorsed or nominated any candidate in the election is not required to file a statement under this subsection.**"

Page 7, line 17, after the underscored semicolon insert "**and**"

Page 7, line 18, replace "The" with "**For a statewide candidate and a candidate committee formed on behalf of a statewide candidate, the**"

Page 7, line 18, remove the underscored semicolon

Page 7, line 19, replace "**e. The**" with "**and the**"

Page 7, line 19, remove "**; and**"

Page 7, line 20, remove "**f. The total of all expenditures made during the reporting period**"

Page 7, line 29, remove "**formed on behalf of the**"

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Page 7, remove line 30

Page 7, line 31, remove "or who holds public office"

Page 7, line 31, after the first underscored comma insert "a multicandidate political committee,"

Page 7, line 31, after "political" insert "action"

Page 7, line 31, after the second "or" insert "nonstatewide"

Page 7, line 31, after "party" insert "soliciting or accepting contributions"

Page 8, line 1, after "expenditures" insert ", by expenditure category,"

Page 8, line 4, replace "The balance" with "For a statewide candidate and a candidate committee formed on behalf of a statewide candidate, the balance"

Page 8, line 4, after "first" insert "and on December thirty-first"

Page 8, remove lines 14 through 19

Page 8, line 20, replace "f." with "e."

Page 8, line 22, after the underscored semicolon insert "and"

Page 8, line 23, replace "g." with "f."

Page 8, line 24, remove "; and"

Page 8, line 25, remove "h. The balance of the campaign fund on December thirty-first"

Page 8, line 27, after "office" insert ", county office, or city office,"

Page 8, line 27, replace "for judicial office" with "exempted under this subsection"

Page 9, line 5, after "5." insert "A candidate for city office in a city with a population under five thousand and a candidate committee for the candidate are exempt from this section."

6. A candidate for county office and a candidate committee for a candidate for county office shall file statements under this chapter with the county auditor. A candidate for city office who is required to file a statement under this chapter and a candidate committee for such a candidate shall file statements with the city auditor. Any other person required to file a statement under this section shall file the statement with the secretary of state.

7."

Page 9, line 6, remove "A person that filed a late report shall pay the late fee before any subsequent"

Page 9, replace line 7 with:

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

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

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1. Prior to the thirty-first day before a primary, general, or special election, a statewide political party or a political committee not required to file statements under section 4 of this Act which is soliciting or accepting contributions shall file a campaign disclosure statement that includes all contributions received and expenditures made from January first through the fortieth day before the election. A political party that has not endorsed or nominated a candidate in an election is not required to file a statement under this subsection. A statement required to be filed under this subsection may be submitted for filing beginning on the thirty-ninth day before the election. The statement must include:
 - a. For each aggregated contribution from a contributor which totals in excess of two hundred dollars received during the reporting period:
 - (1) The name and mailing address of the contributor;
 - (2) The total amount of the contribution; and
 - (3) The date the last contributed amount was received;
 - b. The total of all aggregated contributions from contributors which total in excess of two hundred dollars during the reporting period;
 - c. The total of all contributions received from contributors that contributed two hundred dollars or less each during the reporting period;
 - d. For each recipient of an expenditure from campaign funds in excess of two hundred dollars in the aggregate:
 - (1) The name and mailing address of the recipient;
 - (2) The total amount of the expenditure received by the recipient; and
 - (3) The date the last expended amount was made to the recipient;
 - e. The aggregate total of all expenditures from campaign funds in excess of two hundred dollars;
 - f. The aggregate total of all expenditures from campaign funds of two hundred dollars or less; and
 - g. The balance of the campaign fund on the fortieth day before the election and balance of the campaign fund on January first.
2. Beginning on the thirty-ninth day before the election through the day before the election, a person that files a statement under subsection 1 must file a supplemental statement within forty-eight hours of the start of the day following the receipt of a contribution or aggregate contribution from a contributor which is in excess of five hundred dollars. The statement must include:
 - a. The name and mailing address of the contributor;

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2/15/17
4 of 5

- b. The total amount of the contribution received during the reporting period; and
 - c. The date the last contributed amount was received.
3. Prior to February first, a statewide political party or a political committee that is not required to file a statement under section 4 of this Act shall file a campaign disclosure statement that includes all contributions received and expenditures made from January first through December thirty-first of the previous year. The statement may be submitted for filing beginning on January first. The statement must include:
- a. For each aggregated contribution from a contributor which totals in excess of two hundred dollars received during the reporting period:
 - (1) The name and mailing address of the contributor;
 - (2) The total amount of the contribution; and
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 - e. The aggregate total of all expenditures from campaign funds in excess of two hundred dollars;
 - f. The aggregate total of all expenditures from campaign funds of two hundred dollars or less; and
 - g. The balance of the campaign fund on January first and December thirty-first.
4. A person required to file a report under subsection 1 or subsection 3 shall report each aggregated contribution from a contributor which totals five thousand dollars or more during the reporting period. For these contributions, the report must include:
- a. The contributor's occupation, employer, and the employer's principal place of business; or
 - b. If the contributor was a political committee or political party, the name and mailing address of the contributor.
5. Statements under this section must be filed with the secretary of state.

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

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5 of 5

Page 11, line 2, replace "4" with "5"

Page 11, line 15, replace "4" with "5"

Page 15, line 15, after the third comma insert "16.1-08.1-03.11,"

Renumber accordingly

Date: 2-14-17
Roll Call Vote #: 1

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2343

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: 17.0962.04002

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Krebsbach Seconded By Sorvaag

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Mathern	✓	
Vice Chair Krebsbach	✓		Senator Grabinger	✓	
Vice Chair Bowman	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Wanzek	✓				
Senator Kilzer	✓				
Senator Lee	✓				
Senator Dever	A				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 13 No 0

Absent 1

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 2-14-17
 Roll Call Vote #: 2

**2017 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2343**

Senate Appropriations Committee
 Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Krebsbach Seconded By Mathern

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Mathern	✓	
Vice Chair Krebsbach	✓		Senator Grabinger	✓	
Vice Chair Bowman		✓	Senator Robinson	✓	
Senator Erbele		✓			
Senator Wanzek		✓			
Senator Kilzer		✓			
Senator Lee		✓			
Senator Dever					
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue		✓			

Total (Yes) 7 No 6

Absent 1

Floor Assignment GVA poolman

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2343, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (7 YEAS, 6 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2343 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "two" with "three"

Page 1, line 2, after "statements" insert "and use of campaign contributions"

Page 1, line 5, replace the second comma with "and"

Page 1, line 5, remove ", and"

Page 1, line 6, remove "use of campaign contributions"

Page 1, line 7, after the third comma insert "16.1-08.1-03.11,"

Page 3, after line 21, insert:

"f. The value of advertising paid by a political party, multicandidate political committee, or caucus which is in support of a candidate."

Page 7, line 2, replace "**political**" with "**candidate**"

Page 7, line 2, after the second underscored boldface comma insert "**political action committees**,"

Page 7, line 2, after "**and**" insert "**nonstatewide**"

Page 7, line 4, after the first underscored comma insert "a multicandidate political committee,"

Page 7, line 4, after "political" insert "action"

Page 7, line 4, after "or" insert "a"

Page 7, line 5, after "party" insert "other than a statewide political party soliciting or accepting contributions"

Page 7, line 6, remove "and expenditures made"

Page 7, line 7, after the underscored period insert "A candidate whose name is not on the ballot and who is not seeking election through write-in votes, the candidate's candidate committee, and a political party that has not endorsed or nominated any candidate in the election is not required to file a statement under this subsection."

Page 7, line 17, after the underscored semicolon insert "and"

Page 7, line 18, replace "The" with "For a statewide candidate and a candidate committee formed on behalf of a statewide candidate, the"

Page 7, line 18, remove the underscored semicolon

Page 7, line 19, replace "e. The" with "and the"

Page 7, line 19, remove "; and"

Page 7, line 20, remove "f. The total of all expenditures made during the reporting period"

Page 7, line 29, remove "formed on behalf of the"

Page 7, remove line 30

Page 7, line 31, remove "or who holds public office"

Page 7, line 31, after the first underscored comma insert "a multicandidate political committee."

Page 7, line 31, after "political" insert "action"

Page 7, line 31, after the second "or" insert "nonstatewide"

Page 7, line 31, after "party" insert "soliciting or accepting contributions"

Page 8, line 1, after "expenditures" insert ", by expenditure category."

Page 8, line 4, replace "The balance" with "For a statewide candidate and a candidate committee formed on behalf of a statewide candidate, the balance"

Page 8, line 4, after "first" insert "and on December thirty-first"

Page 8, remove lines 14 through 19

Page 8, line 20, replace "f." with "e."

Page 8, line 22, after the underscored semicolon insert "and"

Page 8, line 23, replace "g." with "f."

Page 8, line 24, remove "; and"

Page 8, line 25, remove "h. The balance of the campaign fund on December thirty-first"

Page 8, line 27, after "office" insert ", county office, or city office."

Page 8, line 27, replace "for judicial office" with "exempted under this subsection"

Page 9, line 5, after "5." insert "A candidate for city office in a city with a population under five thousand and a candidate committee for the candidate are exempt from this section."

6. A candidate for county office and a candidate committee for a candidate for county office shall file statements under this chapter with the county auditor. A candidate for city office who is required to file a statement under this chapter and a candidate committee for such a candidate shall file statements with the city auditor. Any other person required to file a statement under this section shall file the statement with the secretary of state.

7."

Page 9, line 6, remove "A person that filed a late report shall pay the late fee before any subsequent"

Page 9, replace line 7 with:

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

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

1. Prior to the thirty-first day before a primary, general, or special election, a statewide political party or a political committee not required to file statements under section 4 of this Act which is soliciting or accepting contributions shall file a campaign disclosure statement that includes all contributions received and expenditures made from January first through the fortieth day before the election. A political party that has not endorsed or nominated a candidate in an election is not required to file a statement under this subsection. A statement required to be filed under this subsection may be submitted for filing beginning on the thirty-ninth day before the election. The statement must include:
 - a. For each aggregated contribution from a contributor which totals in excess of two hundred dollars received during the reporting period:
 - (1) The name and mailing address of the contributor;
 - (2) The total amount of the contribution; and
 - (3) The date the last contributed amount was received;
 - b. The total of all aggregated contributions from contributors which total in excess of two hundred dollars during the reporting period;
 - c. The total of all contributions received from contributors that contributed two hundred dollars or less each during the reporting period;
 - d. For each recipient of an expenditure from campaign funds in excess of two hundred dollars in the aggregate:
 - (1) The name and mailing address of the recipient;
 - (2) The total amount of the expenditure received by the recipient; and
 - (3) The date the last expended amount was made to the recipient;
 - e. The aggregate total of all expenditures from campaign funds in excess of two hundred dollars;
 - f. The aggregate total of all expenditures from campaign funds of two hundred dollars or less; and
 - g. The balance of the campaign fund on the fortieth day before the election and balance of the campaign fund on January first.
2. Beginning on the thirty-ninth day before the election through the day before the election, a person that files a statement under subsection 1 must file a supplemental statement within forty-eight hours of the start of the day following the receipt of a contribution or aggregate contribution from a contributor which is in excess of five hundred dollars. The statement must include:
 - a. The name and mailing address of the contributor;
 - b. The total amount of the contribution received during the reporting period; and

- c. The date the last contributed amount was received.
3. Prior to February first, a statewide political party or a political committee that is not required to file a statement under section 4 of this Act shall file a campaign disclosure statement that includes all contributions received and expenditures made from January first through December thirty-first of the previous year. The statement may be submitted for filing beginning on January first. The statement must include:
 - a. For each aggregated contribution from a contributor which totals in excess of two hundred dollars received during the reporting period:
 - (1) The name and mailing address of the contributor;
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 - (1) The name and mailing address of the recipient;
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 - a. The contributor's occupation, employer, and the employer's principal place of business; or
 - b. If the contributor was a political committee or political party, the name and mailing address of the contributor.
5. Statements under this section must be filed with the secretary of state.
6. The secretary of state shall assess and collect fees for any reports filed after the filing deadline."

Page 11, line 2, replace "4" with "5"

Page 11, line 15, replace "4" with "5"

Page 15, line 15, after the third comma insert "16.1-08.1-03.11,"

Renumber accordingly

2017 HOUSE GOVERNMENT AND VETERANS AFFAIRS

SB 2343

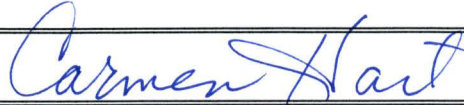
2017 HOUSE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee
Fort Union, State Capitol

SB 2343
3/16/2017
29329

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to a prohibition on using campaign funds for personal use; relating to reports of expenditures related to political activities, and to provide a penalty

Minutes:

Attachment 1

Chairman Kasper opened the hearing on SB 2343.

Senator Jonathan Casper appeared in support. Attachment 1. (:00:46-:07:16)

Rep. Laning: How detailed do you expect the requirement to be for candidate contributions? I put on a lot of miles during campaigns and buy lunches in local towns, etc., but I only report those things. Am I going to be in violation of the law in this?

Senator Casper: I don't think we can put into code every possible situation that would be considered an in kind or particular donation. I would advise every candidate to handle it the way it is now. I would advise every candidate to have a separate campaign bank account, because then you can track everything through that. I put some money in my campaign bank account and if I am using it to pay gas, I use it to pay gas. Under this I would keep track of that and put it as a travel expense.

Rep. B. Koppelman: Is this for all offices in a political subdivision level, or is it only for legislators and above?

Senator Casper: This is going to be statewide. It is going to be legislative candidates, county candidates, and city candidates with populations over 5,000.

Rep. B. Koppelman: In some races there might be very little interest, and some of this could end up being an arduous type of thing. What do you think about that? Would it be a violation if you had one person that is basically running and primarily funding their own campaign with their own dollars and put everything in the miscellaneous category?

Senator Casper: If you have somebody volunteering for your campaign and they are doing work on your house for which they do not charge, you have a definition of a contribution that

is exempted. Regarding local political subdivisions, a lot of those candidates purposely don't get contributions over \$200. There probably is not a huge burden on the reporting requirement, because they don't have a lot of that activity.

Rep. B. Koppelman: If the small cities have to track all those \$10 and \$20 so they can put an aggregate amount at the end of the year, that is going to be a burden.

Senator Casper: They have to keep track of the gross amount of contributions that came in under \$200 now, but they are not required to report every one of those.

Rep. B. Koppelman: What happens if they put all their expenditures in miscellaneous?

Senator Casper: I would advise against that. I think that would be a good question for the Secretary of State's Office. North Dakota has always provided transparency and sunshine and information to the voters.

Rep. Karls: Your transparency might be somebody else's intel. Right now that is just the business of the campaign committee.

Senator Casper: You are right. The people that worked on putting this together were cognizant of that, and the result is that reporting comes after the election. The justification is to give the elected officials and people they represent information regarding how they are spending their money and to show up they are not spending the money on personal use.

Rep. Dockter: My District 7 gets contributions which are pooled all into the district. They write all the checks. Would they have to do the same reporting as what is required for an individual?

Senator Casper: Correct. District reporting requirements would be the same.

Chairman Kasper: I would assume that Rep. Dockter would have to write on the expenditures under miscellaneous an amount equal to the amount of contribution he gave to the district, so he would be reporting that he spent that money.

Senator Casper: Correct, if it came out of the campaign and went to the district. If it was a personal, individual check to the district, then that would be different.

Rep. B. Koppelman: We have had bills in the past that have been brought forward on the personal use of funds. It was brought up that there is a process under the IRS code to report income. There have been a number of suggestions as what you do with more money you have raised than you need and you are not going to run again. Under your bill I don't see a category for something like a \$5,000 donation to somebody else running in an off year that you are. That is a pretty big miscellaneous number to list if there is not another place for it.

Senator Casper: I would be open to adding a category for that if you wish. If this bill became law, my recommendation would be that you give it to your local party, your state party, other candidates, donate to charity, or return it to the donors.

Rep. Vetter: Regarding Page 16, Line 27, if I don't put something in the right category or do the right accounting, am I now a criminal?

Senator Casper: We are not changing the penalties from what they are now. I would defer that question to the Secretary of State's Office.

Rep. Vetter: With all these categories it seems to me there is a lot more room to make a mistake. Right now it is relatively hard to make a mistake. It almost scares away some of the people that might want to run.

Chairman Kasper: I think this section applies to corporations and associations, not a candidate.

Vice Chair Louser: If your campaign incorporated, then that would apply.

Rep. Karls: I am now in the process of recruiting a new district treasurer, and I have a prospective person and willing to do it. If I tell her that they now have increased the reporting requirements by seven or more, it might be harder to convince her to take this job. We run a joint campaign in my district, but we each get donations. The checks are made out to us, so we endorse them and turn them over to our district treasurer. Should we be depositing them in a bank account and then writing a check for that amount to our district committee? Then do the three of us have to report all these categories plus the district committee?

Senator Casper: My suggestion would be to endorse it over to your district and you report that contribution, and the district should report it as a contribution from your committee.

Rep. B. Koppelman: I have some questions regarding Page 17, Line 14 and how it relates to Lines 20-23. Lines 20-23 talks about an audit being done by the Secretary of State and if finding something wrong, they might be able to recoup their court costs, etc. Line 14 talks about you can't use campaign contributions to pay a criminal fine or civil penalty. Is that meant to be a criminal fine or civil penalty for something that the candidate did like a DUI, etc., or does that relate to not being able to pay a civil penalty for a mistake by the campaign?

Senator Casper: I think the way it was drafted I would say you would not be able to use campaign funds to pay for your DUI or your audit.

Opposition:

Paul Henderson, District 10 Chair, appeared in opposition. This bill looks like a nightmare for the districts. I think the reporting is okay now. We have candidates in our district that run a joint campaign, and the district pays them directly. Would we as districts be under the requirement to keep track of every dollar that we get in that would be used as a campaign?

Chairman Kasper: I believe you would have to track if you are running the campaign just like the candidate would. If the check were written to the district, you would have to file your report on the aggregate number of checks you received under \$200, and you would have to file a report individually on the ones received over \$201 which you are required to do right

now. Also, if you are expending dollars, you would need to report your expenditures just like the candidates are.

Paul Henderson: That is the nightmare I see.

Vice Chair Louser: That question might need to be answered by the Secretary of State. I think it would depend on whether or not you are registered as a multicandidate committee as opposed to a district.

Paul Henderson: We never had a requirement to register as a distinction there. Fund raising at the local level of \$10 here and \$10 there is onerous. I would suggest a no vote on this one.

Rep. Steiner: Do people talk in your district about what candidates do with that money when they leave office? Are they worried that they used it for personal use?

Paul Henderson: I don't see that in our district. I would suggest the candidates give that money back to the district. That would be awesome.

Rep. Karls: She talked about her father running for office years ago and spending his own money and not getting any money from his district and how difficult she thinks it would be to keep track of all those expenses. I agree with Paul.

Paul Henderson: Does this open us up to litigation being a district chair if we make a mistake?

Rep. C. Johnson: You talk about keeping track of \$10 here and there. I don't think it really requires that. You just have to keep track of the aggregate of all those donations. Would that alleviate your concerns at all?

Paul Henderson: Maybe the aggregate would work, but that is another level of accounting that you are asking volunteers to do. I don't see a real need for it.

Rep. B. Koppelman: If this is requiring you every year to do these types of reports and track campaign expenditures, do you think it would be difficult particularly nonelection years to separate what you spent over the course of the year to promote the district versus what you spent to promote the candidate for a campaign?

Paul Henderson: That is exactly what I would be afraid of, because that is exactly what we do. We do have promotional things on the off season. I think that would be another onerous part of this bill.

Jim Silrum, Deputy Secretary of State and District 31 Republican Treasurer, appeared to answer questions and give information.

Rep. Steiner: Our district will sometimes pay part of the cost of the campaign. The three of us go together, and the district matches us. For example, they might match us on billboards. If a billboard was \$1,800, the district pays \$900 and we as the three candidates pay \$900.

Under this new bill, I would report \$300. My other two seatmates would \$300, and the district would do what with that \$900 they contributed? Would they report \$900, or do we all report \$1,800 and then we all say which share of the \$1,800 we gave to that billboard?

Jim Silrum: You disclose exactly what you pay. If you as a candidate pay \$300, then you would drop \$300 into that bucket in your year-end statement for advertising. Your district committee would report \$900 in their advertising bucket.

Rep. B. Koppelman: Is it correct that you don't double up the same information?

Jim Silrum: No, I would not say that is a correct understanding whether under current law or under this bill. If you as a candidate receive a contribution that is \$250 made out to Koppelman for House, you would report that as a contribution that you received and you would list the name of the individual who gave it to you. If you are turning it over to your district committee, then they would report that as a \$250 contribution from you.

Rep. B. Koppelman: I have heard where the district reports all the names of John Doe, and they report almost like an in kind type of deal. This could create a cloud of uncertainty of an honest attempt of doing this.

Jim Silrum: If a candidate were to report nothing but miscellaneous expenditures, there might be a question that would arise from that. I heard Senator Casper say when you receive money from your donors and you give them over to the district, you would report that because it is an expenditure from your account in giving that to the district committee. Because the seven categories listed there don't have something for that, you would be forced to list that as miscellaneous.

Rep. B. Koppelman: If a candidate wanted to let an ad agency run their entire campaign, could that also be misconstrued as not being transparent?

Jim Silrum: It could be done that way, but I would think that an advertising agency, in the hopes of helping you to stay transparent and compliant with the law, would offer you the breakdown that you would need to put into your categories. They would want you to be spending your time talking about the issues, not defending your actions on a campaign disclosure report.

Vice Chair Louser: There are clearly going to be district expenses that are not going to be considered campaign expenses. How would the district who is running a campaign report versus a district who is just running the district and incurring normal expenses throughout the year?

Jim Silrum: What sorts of things a district might do that might not be considered a part of the campaign?

Vice Chair Louser: There might be a district event in the off season like the monthly meeting where they would have expenses at a room, etc., but it is not intended to be a fund raiser. Must a district separate regular ongoing expenses from a campaign that is dedicated to a candidate?

Jim Silrum: There are things that the district is doing whether that be holding meetings or the district chair visiting with constituents. If that is coming out of the district's campaign accounts, that is a part of what that district is doing to stay relevant to keep their legislators in office. I would report all of that in those buckets. I wouldn't try to separate it out.

Vice Chair Louser: We are now requiring all districts to report expenses each year, or we are encouraging that?

Jim Silrum: Look at Section 4 of the bill which refers to political parties that are not state parties, and the only thing that exists in our state like that is the district party.

Vice Chair Louser: Section 4 is really for candidates that are not statewide and Section 5 is essentially statewide candidates.

Jim Silrum: That would not be correct. Section 4 is about all candidates, candidate committees, and district political parties. It does throw in political action committees. I have had a conversation with your chairman suggesting that was misplaced. I think it should be in Section 5. To put political action committees in Section 4 is essentially a reduction of what they currently submit on their statements now. In Subsection 3 of that new section is where the year-end statement requires the expenditure buckets.

Vice Chair Louser: On Lines 30-31 of Page 8 we do reference judicial office, but you hadn't mentioned district. That does not show up in Section 5 which would include statewide judicial meaning supreme court. Are we treating supreme court candidates differently than district judicial candidates in this bill?

Jim Silrum: Yes, but current law does that right now. There are different requirements for supreme court candidates than there are for judicial district candidates right now. This bill essentially keeps those differences the same.

Vice Chair Louser: We are then requiring expenditure reporting for judicial statewide candidates?

Jim Silrum: We would, the same as every other candidate would in terms of those expenditure buckets.

Rep. B. Koppelman: How do we reasonably track all those expenses throughout the interim and so on and during the campaign for personal money spent toward the campaign?

Jim Silrum: The whole question comes down to where is the money for that expense being paid from? If you are paying for your gas, lunch, etc. out of your campaign account, then yes, it should be included in one of those expenditure buckets.

Rep. B. Koppelman: I really intended this to be for the Secretary of State's Office. I am thinking of it through the prism of the Secretary of State's Office looking at reports, trying to see if there are any concerns that would lead to an audit. I see it a problem as how to report all in kind donations, because it is not an active event.

Jim Silrum: The Secretary of State's Office would have an incredibly difficult time giving guidance or direction to someone who asks on this. If we were to audit, it would be incredibly difficult to audit those things. We would need to know what sorts of events you might have done, but that is not recorded in your campaign contribution statement.

Chairman Kasper: For example, let us say this year nobody is on the ballot. In June I am invited to a golf outing by the republican caucus in Bismarck, and I am in Fargo. I drive to the republican outing, spend a little money on whatever, get gas, and drive home that night. Is that an event I have to report and categorize and summarize?

Jim Silrum: Maybe.

Chairman Kasper: I think that is where Rep. Koppelman is going with his questions. With expanded reporting without more clarity on what is required and when it is required or when it isn't it is a problem.

Jim Silrum: It is most clearer when it comes directly out of your campaign account.

Rep. Steiner: I am looking at Page 4,D, operations. The other night I was at Peacock Alley, and I am running for reelection although I haven't formally announced. Thinking about running again, I bought a meal for several people. Can I pull that out of operations, because the true intent was relationship building and buying that meal?

Jim Silrum: Maybe. There are no definitions in law to what these expenditure categories include. When I was asked, I suggested things like advertising including ..., and operations including ..., but those were not kept in. By leaving them without definition, you as candidates decide where you are going to put those amounts, and it will be your objective to stay consistent with that. It would be very difficult for the Secretary of State to determine or an audit to determine that you put the wrong amounts into the wrong category.

Chairman Kasper: I think you would try to follow sort of the IRS guidelines when you are writing off expenses, who, what, why, when, and where.

Rep. Olson: When it comes to in kind contribution reporting, is there any modification that would be required by this bill that will allow for the Secretary of State's Office to receive a report specifically designated as an in kind contribution?

Jim Silrum: This bill does not address that at all. A contribution is anything of value. Anything of value can be money or it can be yard signs, etc. Yard signs would be an in kind contribution that you would want to report. If you report an in kind contribution coming in, you would also have to report some kind of money coming out to make the balance sheet work out right. He gave an example of an advertising company selling you a billboard at ½ price. In kind would be ½ price and your own expenditures would be ½ price. You would need to still report an expenditure of full price.

Rep. Olson: We are going to have to report in kind expenses in order to make it balance it out. I think if there are in kind contributions, we are going to have to be able to specifically

delineate those separate and apart from any other type of monetary contribution, because it is not auditable.

Jim Silrum: I don't disagree with you that it will be difficult. I caution you as you go down the pathway of thinking about whether or not an amendment on that should be made, because right now if I give you \$200.01, you need to report my name and address. The reporting threshold is any amount over \$200. If you separate out the in kind from the cash contributions, suddenly I could give you \$200 in kind and \$200 cash, a total of \$400, but you would never have to disclose my name because of the separation of those.

Rep. Olson: If an individual gives me \$200 cash now and \$200 cash later, wouldn't I need to report a \$400 contribution from that individual at the specified reporting period?

Jim Silrum: Yes. Right now it is anything over \$200 in the aggregate, and that includes in kind. Before you separate out, in kind are reported this way and cash are reported this way as separate amounts, that is what you want to be careful of.

Rep. Olson: If we just say \$400 from John Doe and we don't split out how much of that was in kind and how much of that is cash, then any attempt to look at a beginning and ending balance is going to be messed up, because the bank accounts don't show in kind coming in or going out. I am curious if there is a way, if we wanted to amend this in such a way, to split out in kind from cash contributions so that they are truly segregated reporting to your office?

Jim Silrum: They are considered aggregated, but they are reported separately. It could be done that way, but it would be very complicated.

Chairman Kasper: We can only do that if we added in kind on the list of a-h on Page 4. If we added another category in kind, that would be defined as a noncash contribution. Then you would be able to balance at the end, because you would show on your report where you aggregate it.

Jim Silrum: There is an income side of this and an expenditure side of this.

Rep. Olson: If you had a column that splits out in kind reporting, it would automatically be assumed as having been expended. It is a way to split out cash from noncash contributions when we are breaking things down into dollar value. Are we requiring in this bill reporting of the balance of the campaign funds for legislative non statewide candidates?

Jim Silrum: Legislators and legislative district committees would never report a balance of their campaign account.

Vice Chair Louser: If we leave how we are reporting now for contributions that has the checkbox and shows an in kind contribution aggregated in that total and do our expense report and we are off by \$300, it would be pretty easy to go back to our contribution report and see if there was an in kind box checked somewhere and say that is where the \$300 is. I don't think we are presenting this bill to make it an audit for the Secretary of State. If we ever got to the point where the Secretary of State's Office wanted to audit all our campaigns and we found under the current system should this bill pass a discrepancy in the expense

reporting of X amount of dollars and that same candidate checked the box for an in kind contribution, are they covered?

Jim Silrum: Perhaps. The statements that you and legislative district committees would have to file never show a beginning or ending balance. The only thing that could be done is look at the reportable contributions coming in and the total of the expenditure categories going out and seeing if they somewhat match.

Vice Chair Louser: Should this bill pass, for any candidate that currently has funds sitting in an account, do we report that now as a contribution to our campaign?

Jim Silrum: No, because you do not report any kind of a balance.

Rep. Rohr: Are the records you keep in perpetuity on each of our campaigns?

Jim Silrum: State law says that we must keep them for 10 years.

Neutral:

Pat Finken, Campaign Volunteer and Ad Agency Owner, appeared in a neutral position. If a district committee collects dollars and expends those dollars on your behalf, technically under state law right now you are supposed to as a candidate report that as a contribution to your candidacy. I don't know that everybody does that. I am guilty of some of the campaigns I have been that it is not. This simplifies it. The district deals with their dollars. The candidates deal with their dollars.

Chairman Kasper: All parties are supportive of transparency, not just republicans.

Rep. B. Koppelman: Are you suggesting wherever the funds are deposited, that individual or group would report them?

Pat Finken: This is really two different issues. I am talking about on the expense side. When a district expends money, you are supposed to report it as a candidate as an in kind contribution to your campaign. If the check is made out to you, technically as the law exists today you are supposed to report it as a contribution and then you are supposed to give it to the district.

Rep. Olson: Technically if I receive a \$20,000 check which I then endorse and forward over to a multicandidate committee of my district, my district then receives that \$20,000 contribution from me, and then the district goes ahead and expends all \$20,000 on advertising on my behalf. Now I show another \$20,000 in kind contribution too looking like I have \$40,000 in contributions when actually it is only \$20,000. Is that how you understand this would work?

Pat Finken: Under current law that is what you would have. This fixes it.

Rep. Olson: Once the district has that \$20,000 transferred over to them, the expenses they were going to expend on behalf of my campaign would no longer need to be reported as in kind by me, because they are being reported as expenses by the district?

Pat Finken: Under the new version of this, that is correct. It says we are only going to have one entity report instead of this overlap that exists today. If it is a district income or a district outgo, you are reporting as a district. If it is a candidate income or a candidate outgo, you report it as a candidate.

Rep. Olson: Do you think we need another category in the expenditures, so we don't show this \$20,000 miscellaneous and rather show it as being a transfer to another political campaign committee or district or that sort of thing?

Pat Finken: There has been discussion about whether or not there should have been that. If you want to add categories, that is fine. The intent of the people working on this is that we are trying to clean this up so that it is really simple, and we don't have this overlap. This bill brings it more close to practice today than what perhaps exists in past campaigns.

Chairman Kasper closed the hearing.

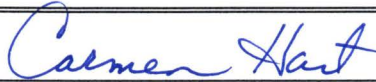
2017 HOUSE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee
Fort Union, State Capitol

SB 2343
3/24/2017
29690

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to a prohibition on using campaign funds for personal use; relating to reports of expenditures related to political activities, and to provide a penalty

Minutes:

Attachments 1-2

Vice Chair Louser opened the meeting on SB 2343. Chairman Kasper had been called on an emergency. He handed out Attachments 1-2 which is an amendment and a Christmas tree version.

Jim Silrum, Deputy Director, Secretary of State's Office, appeared. He went over the attachments. (:01:14-:06:38)

Rep. B. Koppelman: That was my understanding. I found it to be a little impractical for those that are serving to differentiate between when they are serving as a legislator, and later that day they are doing something personally, and later yet they are in a parade. If you are going to write \$10,000 in your campaign account, and you are going to essentially fund your own campaign through cash, I think it is more practical to be able to accomplish that. Maybe you could also point out in the amendments how we discussed possibly when you have to have an account for a candidate or committee.

Rep. Schneider: Referring to Line 26, Page 3, if you buy your yard signs, is that an in kind contribution to your campaign that would not be reportable?

Rep. B. Koppelman: From my perspective, that is not reportable.

Vice Chair Louser: In an instance currently where a contributor would give \$300 worth of in kind donations in the 2016 election cycle, they had the reportable contribution with the box on the website. Are we now removing any reference to in kind and, therefore, a contributor can contribute \$350 or \$5,000 worth of services but not report it?

Jim Silrum: No. It specifically says in kind contributions from a candidate or to the candidate's campaign. If I were to give you an in kind contribution that is above \$200, you would still need to disclose that.

Vice Chair Louser: We are suggesting for the candidate to contribute in kind to their own campaign, that is not a reportable contribution.

Jim Silrum: Correct.

Rep. Rohr: Our district chair pays parade fees. Apparently, we were supposed to be taking 1/3 of that and pooling it as in kind toward our campaign contributions. That eliminates that now too?

Jim Silrum: You need to look at Subsection F, Page 3, the value of advertising paid by a political party, multicandidate political committee, or caucus which is in support of a candidate. These are the items which are not considered contributions. Since you are in my district if I write a check for signs or advertising, you as candidates along with your running mates would not have to report as an expenditure or an in kind contribution.

Rep. Vetter: District 31 republicans or whatever you want to call that, they would report that?

Jim Silrum: Correct.

Rep. Schneider: Referring to Section C on that same page, we want to know the money spent by a candidate on the candidate's own behalf. That is considered a contribution. What is not considered a contribution is in kind contributions from a candidate to the candidate's campaign. If you bought your own lawn signs and contributed them, that would be an in kind contribution to your campaign, and it wouldn't count. All you have to do to disguise the money that you put into your own campaign that we want reported under this is to put it into something. That could be tens of thousands dollars and counted as an in kind contribution. I am not sure what was intended here.

Jim Silrum: You are correct in that if an individual using their own money pays for their own lawn signs, according to the way this is worded, that would not have to be disclosed on the campaign disclosure statement. If on the other hand, the candidate would write a check to their campaign and their campaign were to write a check for their yard signs, the check that would be written from the candidate to their own campaign would be disclosed as a contribution and the expenditure for those yard signs would go into one of the expenditure buckets at the end of the year.

Rep. Olson: The law right now states that a contribution does not include money spent by a candidate on a candidate's own behalf?

Jim Silrum: That is correct.

Rep. Olson: This bill is striking that from what a contribution does not include and replacing the meaning of that with in kind contributions from a candidate to a candidate's campaign?

Jim Silrum: You are correct in what is being deleted. The intent on the Senate side was that they wanted, for the sake of transparency, to show not only the money you received from others, but the money you are putting into your campaign yourself. To address the question, how much of those in kind contributions that come from yourself do you need to consider?

Last time I was here, there was much discussion about what is an in kind contribution and how do we value it? I think this was an attempt by those who are behind the amendment to say let us just address those minor contributions. Perhaps if a defining type word that was added there such as in kind contributions less than X would clarify that.

Rep. Olson: Is an independent expenditure an expenditure that is made by some other individual without coordination with the campaign?

Jim Silrum: Right.

Rep. Olson: There are expenditures to any campaign such as money going to elect an individual that we don't necessarily know how much is being spent, because it is not being reported by the candidate or the candidate's campaign. It could be a PAC or other individuals that want that person elected who are maybe buying advertising. If they do that, they would have to state who they are like paid by so and so?

Jim Silrum: Yes. Those who make the independent expenditure have a filing requirement which must be done within 48 hours of doing that expenditure. This bill now says that if an independent expenditure is made in support or opposition to a political party or a candidate, the filer must disclose that it is either in opposition to or in support of and who that candidate or political party is.

Rep. Olson: If they spent \$50 on boosting a facebook post about a candidate, do they have to disclose in that facebook post, this is paid for by John Doe on behalf of Joe Doe and report to you that \$50 they spent?

Jim Silrum: It is any amount. However, those independent expenditures are those done by corporations, LLCs, etc. If I as an individual take out an ad saying Rep. Olson should not be elected, that is free speech, and I would not be required to disclose what I did on that.

Rep. Olson: If a natural person spends \$5,000 for yard signs that say don't elect so and so or elect so and so, are they required to report who those yard signs have been paid for by, and are they required to report to the Secretary of the State how much they expended on those signs?

Jim Silrum: On Page 5, Line 3, person is defined. He read Line 2, Page 22. I am wondering if we might need to contemplate another amendment here because of the fact that it only says independent expenditure for initiated or referred measures.

Vice Chair Louser: On Line 19, are we referencing the candidate?

Jim Silrum: Yes, but that is in the statement itself. The leading paragraph is what indicates who must file those and why they must file them. We may need to discuss the addition of something that says not only initiated or referred measures or petitions and support of or opposition to a candidate or a political party. In essence, a business entity of some sort would have to disclose their independent expenditures, not an individual.

Vice Chair Louser: Would it be the committee's wishes to require an individual that is making an independent expenditure for a candidate make that individual report that expenditure?

Rep. Steiner: I would imagine we would if it was over a certain amount. If you have a wealthy friend that gives you \$1 million, that definitely impacts the campaign.

Rep. Olson: I don't know if it is legal to require an individual in their own capacity as a natural person to report how they spend their money regardless of what purpose it is used for. Does the law require statements of who political advertisements are paid for by apply to individuals who would independently spend money on say, a billboard?

Jim Silrum: I am hesitant to answer. I know it is clearly defined for when a district party or candidate does, but we need to check on an individual. He rephrased Rep. Louser's earlier question.

Vice Chair Louser: This goes back to Citizens United and whether in the light of supreme court designated corporations have the ability to speak freely and spend unlimited amounts of money which created super PACS and corporations advocating for or against candidates, and that is what an independent expenditure is. In case of a firm that has a \$1 million, I think you would have a hard time saying that was an independent expenditure if it was your friend. In the case where they are advocating for or against you, there has to be absolutely no connection between the campaign and the expenditure. What we are talking about is including individuals into that category. I can't even say if I know of anywhere in the country where that has been done, and perhaps we need that answer.

Jim Silrum: Right now corporations, all those lists, would only have to file an independent expenditure if it is relating to an initiated measure or petition. As I see it first, is whether _ should report if they do against or for a candidate or party?

Rep. Olson: I think that was the intent of the bill. We want details of candidates if you spend money on them as a corporation, but we don't require you to follow it if you spend money on a candidate.

Vice Chair Louser: We will probably see version 14.

Jim Silrum: I am afraid to say you will.

Rep. Vetter: Right now we don't have to report any kind of contributions that we make ourselves. If we write out a check to Vetter for public office, I don't have to report that. With this new law, you would have to report that check. I think the reason why they are leaving out the in kind contributions is because we are bringing the expenditures into the mix and at the end the accounting has to match up.

Rep. B. Koppelman: Lines 19-22 were part of Mr. Silrum's amendments that were suggested for us. I wonder if those amendments were flawed in the sense that they were too broad for this section of the law. I don't believe a corporation in the state of North Dakota

can directly give to a campaign. They certainly can't give cash to a campaign, but they can to a super PAC who can then give to a campaign.

Jim Silrum: I would draw your attention to the title of the section which is corporate contributions and expenditures. The section of law is about what corporations, limited liability companies, cooperative corporations can and cannot do. Under Citizens United, it is acceptable because of free speech for corporations to have their say about anything politically related. They just have to disclose the fact that they are doing that. Leaving Lines 19-22 in here are important, and I would encourage you to amend the leading paragraph of Subsection 3 to include not only initiated measure and petitions but candidates and political parties.

Rep. B. Koppelman: Anything the campaign is making expenditures for, theoretically, at some point, they have received income for it.

Jim Silrum: He continued on with Page 4. (:42:59-:43:38)

Vice Chair Louser: There are probably going to be questions of candidates or legislators about how do they know what qualifies as what category. Are you leaving that determination up to the candidate?

Jim Silrum: It is the responsibility of the filer to determine what those expenditure buckets would be. He continued on Page 5. (:44:18-:47:37) On Page 8, Line 21, there was a suggested amendment that was not incorporated into this. Right now 16.1-08.1-03 is listed there but that should be Section 5 of this act, because 16.1-08.1.03 is being repealed. It was something Legislative Council forgot in the drafting of the amendment. He continued. (:48:19-:54:32) On Page 11, Line 1, there is a need for an amendment. What has been forgotten is the multicandidate committee. He continued on. (:55:15-:56:50)

Vice Chair Louser: Are you suggesting that the overstrike should stay?

Jim Silrum: Yes. He continued on. (:57:00-:59:09)

Vice Chair Louser: You have mentioned 5,000 a couple times. It is 500. Correct?

Jim Silrum: For these, it is 5,000.

Vice Chair Louser: With the personal contribution, the 48-hour requirement, it is 500 for an individual candidate?

Jim Silrum: That is correct. Subsection 2 deals with those. If during that 39 days before an election, you get a contribution that is \$5,000 or more from an individual, you should also have to report the employer and occupation of them. Without the change of the wording in Lines 18-19, you wouldn't have had to. He continued on starting with Page 12. (1:00:02-1:09:15)

Rep. B. Koppelman: On Page 23, Line 22, should school district races be somehow noted there?

Jim Silrum: School candidates do not ever have to file campaign disclosures.

Rep. B. Koppelman: They are excluded from this whole chapter?

Jim Silrum: They are.

Rep. Schneider: Page 19, Line 11, was it decided to take that all out, or was it included someplace else?

Jim Silrum: That is found in the next section which is Subsection 3 of 03.5. He continued on Page 24. (1:11:04-1:11:23)

Vice Chair Louser: We have at least five areas to address and potential amendments that were discussed in the presentation of the bill.

The meeting was adjourned. We will revisit this bill next week.

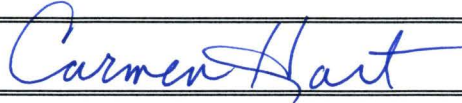
2017 HOUSE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee
Fort Union Room, State Capitol

SB 2343
3/30/2017
29843

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to a prohibition on using campaign funds for personal use; relating to reports of expenditures related to political activities, and to provide a penalty

Minutes:

Attachments 1-2

Vice Chair Louser opened the meeting on SB 2343. Chairman Kasper was out on an emergency.

Jim Silrum, Deputy Secretary of State, appeared. He went over the amendments and the Christmas tree version. Attachments 1-2. (:06:02-:09:15)

Rep. Steiner: On Page 10, when you say the overstrike is removed, that means on a previous one it was overstruck and now you are allowing it to stand?

Jim Silrum: Correct. It had been new language added, and then it was overstricken. Now the overstrike is being removed, but it is still new wording since this is a completely new section of law so the underlining has to be there. He continued on with the review. (:10:04-:13:07)

Vice Chair Louser: We have a request for one more amendment that is being worked on from Legislative Council which should be here shortly. Before we take a motion on these amendments, I wanted to have it presented to the committee for discussion and opportunities for questions for Mr. Silrum or anyone else.

Rep. Steiner: Page 3, in kind contributions from a candidate for the candidate's campaign; if we are creating yard signs in someone's garage and I buy pizza with cash, and I save the receipt, do I report that? If I write the check from my campaign account, obviously, it is part of operations. Is that what you are talking about from an in kind contribution for myself if I pay \$30 cash for pizza for my volunteers, or I roughly figure out hourly wages for volunteers putting yard signs out?

Jim Silrum: Lines 8-9 shows what the term contribution does not include. Line 26 reads in kind contributions from a candidate to the candidate's campaign. Anything that you do in

kind, you would not, according to this new language, have to disclose as a contribution. If you buy the pizza out of your own pocket, you would not have to disclose that. If you give \$30 to your campaign and your campaign writes a check, that would be considered a part of your contribution to the campaign. As soon as that amount goes above \$200, then you would have to say that you received \$X from yourself.

Rep. B. Koppelman: Line 12 references time for volunteers.

Vice Chair Louser: If a candidate wanted to spend \$10,000 of their own money on yard signs, how does that get treated in this situation?

Jim Silrum: Where does the money come from? If the money comes from your own personal account and if the expenditure is paid for from your own personal money, it does not have to be disclosed. If you give your campaign \$10,000 and your campaign buys those yard signs, you would have to disclose that you yourself gave your campaign \$10,000 and in your expenditure buckets at the end of year, you would add the \$10,000 expenditure into your advertising bucket.

Rep. Olson: Regarding Page 3, Lines 10-11, is it your understanding that if the campaign received a loan from First International Bank for \$10,000, you would list that as a contribution?

Jim Silrum: Turning to Page 2, Line 28, that means a loan is a contribution there. Under what a contribution does not include is a loan of money. Under current law, there were conflicting statutes. That original striking from the Senate side of Lines 10-11 was to remove that from what a contribution is not so that you could use a loan from a particular bank to run your campaign. That would be listed as a source of money for running your campaign.

Rep. Olson: I think they wanted to track loans given to you by individuals, corporations, etc. who are not regular lending institutions. A bank giving you a loan is really not anything like a contribution, so I think it might look kind of weird if we list a contribution from a bank. It looks like a bank gave money to your campaign when, in fact, it was nothing but a loan.

Jim Silrum: I would defer that to the Senate. The Secretary of State did not bring this bill. We became involved because we are the one to whom you report.

Rep. Vetter: Is the Senate concurring with what we are doing?

Vice Chair Louser: We won't know until we have a final product.

Senator Jon Casper appeared. There is a typing error on Page 10, Line 13. The green clause there after a should say statewide. Page 11, Line 2, we have the same issue there. Rep. Olson, what section were you referencing in the bill?

Rep. Olson: Page 3, Lines 10-11.

Senator Casper: I don't believe the intent of the Senate was to change the current practice. Currently, I don't think a loan for a campaign has ever been recorded as a contribution. I don't think I would have a problem or the Senate would have a problem with sustaining the current practice.

Rep. Steiner: Could it be listed as just loan? Are you going to have a special spot in the software that says loan? You just don't report that \$10,000?

Senator Casper: We don't report now.

Rep. B. Koppelman: You are reporting expense at some point when you repaid that loan under one of our five buckets?

Senator Casper: Yes.

Rep. Olson: If you don't report a loan from a financial institution, I don't think you should have to report it as an expense either, because it isn't going to match up. If you are paying back a personal loan or a loan that is not from a financial institution, that is where it would make sense for that to be an expense.

Senator Casper: That is correct. Essentially, it was for candidates to be allowed to reimburse themselves. They may have loaned themselves to start a campaign, because that is a very typical practice.

Rep. Vetter: Overall, with what we have done, are you fairly in agreement?

Senator Casper: I appreciate everyone's work on this. Overall, I feel very good about it, and I think the Senate will agree with me.

Rep. B. Koppelman: He made some suggestions for some minor changes. (:31:26-:33:38)

Rep. Dockter: I think we can take a break and figure out the wording. You pass the version and further amend.

Rep. Schneider: I am okay with that depending on the degree of restraint Rep. Koppelman exercises with the _ of amendments.

Rep. B. Koppelman: I don't intend to amend any further sections than I just suggested. I will move the amendment 014 and strike lines 21-24 on Page 22.

Rep. Dockter seconded the motion.

A roll call vote was taken. 10 Yeas, 1 Nay, 3 Absent.

Vice Chair Louser: We have before us amended bill 2343. We have two options. One would be to consider the discussion that we had and get Legislative Council to prepare version 15 for us to come back, or we will further amend if that is the wishes of the committee.

Rep. B. Koppelman: I would request we take a short break and come back with something typed up.

Rep. Dockter: We should still further amend Senator Casper's suggestion about statewide before we break. I move to further amend that on Page 10, Line 13 insert statewide between a and multicandidate and on Page 11, Line 2.

Rep. Steiner seconded the motion.

Rep. Vetter: Does that exclude for instance District 18 republicans? It is only for statewide?

Vice Chair Louser: Correct.

Rep. B. Koppelman: We have separate sections in law that deal with statewide candidates and local candidates. All of the amending we are doing in this chapter is done in two spots. Your legislators, county officials, city officials, etc. are all local candidates. Your statewide and supreme court justices are in the other.

Rep. Vetter: I thought the multicandidate was also in the same group as the statewide, but that is not correct?

Rep. B. Koppelman: There are multicandidate committees that potentially could be for statewide candidates and a separate multicandidate committee like the senator and two representative candidates for legislature in District 18. We want to make sure we are clear in both instances, and I think that is why Senator Casper wanted to quantify that.

A voice vote was taken. Motion carries.

They took a short recess.

Rep. B. Koppelman: We need to take off the overstrike on Page 3, Lines 10-11. I move the amendment.

Rep. Dockter seconded the motion.

Rep. Steiner: Page 2, Line 29, it has the word loan. A contribution means a loan. Do you have to remove that or is it understood that is a personal loan to your own?

Rep. Olson: That is the way the current law reads.

Rep. Steiner: Line 29 means a personal loan?

Rep. Olson: Correct, any kind of loan that is not from a bank.

Rep. Karls: Page 13, Lines 11 and 23, which year?

Vice Chair Louser: If you have a balance, it must be reported every year. With the passage of this bill if you have a balance in your account even if you are no longer a legislator or a candidate, it will have to be reported until that balance is 0.

Rep. B. Koppelman: I think what Rep. Karls is referring to is on Lines 10-11, Page 13. That is a reporting requirement for statewide political parties and certain political committees to report their balance. That is a different section that you were referring to as to what _ having you to enter a report. Correct?

Vice Chair Louser: Correct.

Rep. Karls: January 1 of the year of the actual campaign and election?

Vice Chair Louser: It is to be every reporting period which is every year.

Rep. Karls: Skipping down to Line 23, it says December 31 of the previous year?

Vice Chair Louser: Correct. This is all contributions received and expenditures made from January 1 through December 31 of the previous year. This would be the report that would be due in February on the previous year's activity.

Rep. Karls: The effective date of this bill is December 31 of this year? This will require a report from the previous year?

Rep. Dockter: It will be effective February 1, 2018.

Rep. Karls: This isn't retroactive?

Vice Chair Louser: Correct.

Rep. Dockter: You can look on the last page, Section 15.

Vice Chair Louser: That was language added in this latest version.

Rep. Karls: Page 12, Section 5, certain political committees. Have we defined what that is somewhere?

Jim Silrum appeared. All of the substantive changes are coming in Section 4. Section 5 is a new section of law, but it keeps those that already report expenditures like state parties, political action committees, measure committees, initiated sponsoring committees, and referendum committees.

Rep. Steiner: If we are not on the ballot, we don't have to file that year except at the end of the year we file how much money we have in our campaign account that we keep separate from our personal?

Jim Silrum: If you are not on the ballot, you file once a year at the end of the year.

Rep. B. Koppelman: You would still file your contributions the same way in a campaign year, and you still file your expenditures the same way you would in a campaign year. You just don't have the extra times to report each year, but the rules don't change and legislative candidates are not required to file beginning and ending fund balance reports under this bill.

Voice vote was taken. Motion carries.

Vice Chair Louser: We have amended bill 2343 before us. Do we understand the bill as it is amended? Does everybody here understand how it affects legislative candidates as opposed to other candidates?

Rep. B. Koppelman made a motion for a DO PASS AS AMENDED on SB 2343.

Rep. Dockter seconded the motion.

Rep. Steiner: I would appreciate for our legislator colleagues having a sheet that explains the major changes and how they will need to move forward so that they have that in front of them when they vote on this bill.

Vice Chair Louser: Chairman Kasper is having me carrying this bill, so I will prepare as best I can. Rather than walking through section by section and being technical, I will talk about the practical applications of this bill and how it affects both legislators and other candidates.

Rep. Vetter: I think that is a great idea if you have some type of bullet points for legislators.

A roll call vote was taken. 12 Yeas, 0 Nays, 2 Absent. It will be rereferred to appropriations. (The rereferral to appropriations was decided at the 3-30-17 pm meeting, job 29850.)

Vice Chair Louser will carry the bill.

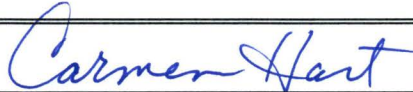
2017 HOUSE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee
Fort Union Room, State Capitol

SB 2343
3/30/2017
29850

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to a prohibition on using campaign funds for personal use; relating to reports of expenditures related to political activities, and to provide a penalty

Minutes:

Vice Chair Louser opened the meeting on SB 2343. Chairman Kasper had been out on an emergency. If you recall, any bill that has a fiscal note of \$50,000 or more and passed must be rereferred to appropriations. If \$49,900, then that wouldn't be the case. This bill had a fiscal note that referenced up to \$50,000, so we have a one penny issue here. Since the bill has not yet been signed by the chair, we have two options. We could, without objection to the committee, allow me to sign the report with the bill and include rereferral to appropriations with the understanding that appropriations may send it right out to the 14th order. The alternative would be if there were objection to me signing the report to be rereferred, then we would have to move to reconsider our actions from this morning to further amend and then vote on the bill with rereferral.

Rep. C. Johnson: The fiscal note says up to \$50,000? \$50,000 or more has to go to appropriations?

Vice Chair Louser: Correct.

Rep. C. Johnson: Because we say it is up to \$50,000, that includes \$50,000?

Vice Chair Louser: Yes, it does. One other alternative would be to maybe request another fiscal note of something less than that, but I don't see that as being necessarily appropriate.

Rep. Schneider: What is your preference?

Vice Chair Louser: If there is no objection by the committee, including it in the report to rerefer it to appropriations would be my preference.

Rep. Schneider: So move.

Rep. B. Koppelman seconded the motion.

Voice vote. Motion carries.

Vice Chair Louser: I will include the rereferral on the report. The meeting was adjourned.
(:02:44)

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2343

Page 1, line 1, replace "three" with "four"

Page 1, line 3, replace the first "section" with "sections"

Page 1, line 3, remove "subsections 6 and 7 of section"

Page 1, line 4, remove "sections"

Page 1, line 4, replace "and" with ", 16.1-08.1-03.2,"

Page 1, line 4, after the second comma insert "and 16.1-08.1-03.5,"

Page 1, line 7, remove "16.1-08.1-03.1,"

Page 1, line 9, remove "and"

Page 1, line 9, after "penalty" insert "; to provide for application; and to provide an effective date"

Page 3, after line 23 insert:

"g. In-kind contributions from a candidate to the candidate's campaign."

Page 4, line 17, remove "Consulting."

Page 4, line 18, remove "d."

Page 4, remove lines 19 and 20

Page 4, line 21, replace "g." with "d."

Page 4, line 22, replace "h." with "e."

Page 5, line 10, after "committee" insert "not connected to another organization and free to solicit funds from the general public"

Page 5, line 10, after the first comma insert "or"

Page 5, line 22, after the comma insert "including a caucus."

Page 6, replace lines 21 through 26 with:

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

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

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

2. A postconvention statement must be filed with the secretary of state sixty days after the close of the state nominating convention. The reporting period for the postconvention statement begins on the first day of January of the reporting year and ends thirty days after the close of the state nominating convention.
3. A year-end statement covering the entire calendar year must be filed with the secretary of state ~~no later than the thirty first day of January~~before February first of the following year even if no convention revenue was received or expenditures made within the calendar year.
4. The statement filed according to this section must show the following:
 - a. ~~The cash on hand in balance~~ of the filer's convention accounts at the start and close of the reporting period;
 - b. The gross total of all revenue received and expenditures made of two hundred dollars, or less;
 - c. The gross total of all revenue received and expenditures made in excess of two hundred dollars;
 - d. ~~The~~For each aggregated totals of all revenue received from a single person ~~or entity~~ in excess of two hundred dollars, ~~the~~:
 - (1) The name of each person ~~or entity~~, ~~the~~;
 - (2) The mailing address of each person ~~or entity~~, ~~the~~;
 - (3) The date of the most recent receipt of revenue from each person ~~or entity~~, ~~and the~~; and
 - (4) The purpose or purposes for which the aggregated revenue total was received from each person ~~or entity~~;
 - e. ~~The aggregated totals of all expenditures~~For each aggregated expenditure made to a single person ~~or entity~~ in excess of two hundred dollars, ~~the~~:
 - (1) The name of each person or entity, ~~the~~;
 - (2) The mailing address of each person or entity, ~~the~~;
 - (3) The date of the most recent expense made to each person or entity, ~~and the~~; and
 - (4) The purpose or purposes for which the aggregated expenditure total was disbursed to each person or entity; and
 - f. ~~A political party shall report~~For each aggregated revenue from an individual which totals five thousand dollars or more during the reporting period, the occupation, employer, and principal place of business of each person from whom five thousand dollars or more of revenue was received in the aggregate during the reporting period the individual must be disclosed.
5. ~~For the purposes of this section, the term entity is defined as any group consisting of or representing more than one person.~~

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

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

State political party building fund statement required.

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

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

Page 6, remove lines 27 through 30

Page 7, remove lines 1 and 2

Page 7, line 6, replace "**political action**" with "**multicandidate**"

Page 7, line 10, remove "a political action committee."

Page 7, line 27, replace "and" with an underscored comma

Page 7, line 28, after the underscored comma insert "and a multicandidate committee."

Page 7, line 31, replace "report" with "statement"

Page 8, line 8, remove "a political action committee,"

Page 8, line 8, after the first "or" insert "a"

Page 8, line 13, replace "and" with an underscored comma

Page 8, line 14, after the underscored comma insert "and a multicandidate committee,"

Page 8, line 24, after the underscored semicolon insert "and"

Page 8, line 25, remove "The aggregate total of all expenditures from campaign funds of two hundred"

Page 8, remove lines 26 and 27

Page 8, line 28, remove "f."

Page 8, line 30, replace "report" with "statement"

Page 8, line 30, replace "subsection 1 or subsection 3" with "this section"

Page 9, line 3, after "contributions" insert "from individuals"

Page 9, line 3, replace "report" with "statement"

Page 9, line 3, remove the underscored colon

Page 9, line 4, replace "a. The" with "the"

Page 9, line 5, remove "; or"

Page 9, remove line 6

Page 9, line 7, remove "address of the contributor"

Page 9, after line 17, insert:

"8. To ensure accurate reporting and avoid commingling of campaign and personal funds, candidates shall use dedicated campaign accounts that are separate from any personal accounts."

Page 9, line 21, remove "**certain**"

Page 9, line 21, after "and" insert "**certain**"

Page 10, line 13, replace "received by" with "made to"

Page 11, line 15, replace "received by" with "made to"

Page 11, line 22, replace the first "report" with "statement"

Page 11, line 22, replace "subsection 1 or subsection 3" with "this section"

Page 11, line 22, replace the second "report" with "disclose"

Page 11, line 24, after "contributions" insert "from individuals"

Page 11, line 24, replace "report" with "statement"

Page 11, line 24, remove the underscored colon

Page 11, line 25, replace "a. The" with "the"

Page 11, line 26, remove "; or"

Page 11, remove line 27

Page 11, line 28, remove "address of the contributor"

Page 13, line 19, after "contribution" insert "and expenditure"

Page 13, line 19, replace "4" with "5"

Page 14, after line 10, insert:

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

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

1. A political committee as defined in section 16.1-08.1-01 shall register its name and contact information, its agent's name and contact information, and a designation as to whether the committee is incorporated solely for the purpose of liability protection, with the secretary of state. A candidate who does not have a candidate committee shall register the candidate's name and contact information and, if the candidate has an agent, the agent's name and contact information with the secretary of state. The registration required under this section for a candidate or political committee that has not previously registered with the secretary of state must be submitted within fifteen business days of the receipt of any contribution or expenditure made.
2. A candidate or political committee required to be registered under this section must register with the secretary of state each year during which the candidate holds public office or during which the political committee receives contributions or makes expenditures for political purposes, or has a balance in the campaign account. An individual who no longer holds public office or an individual who no longer seeks public office must register with the secretary of state each year in which contributions are received or expenditures are made for political purposes, or has a balance in the campaign account.
3. A political committee that organizes and registers according to federal law and makes an independent expenditure or makes a disbursement in excess of two hundred dollars to a nonfederal candidate seeking public office, a political party, or political committee in this state is not required to register as a political committee according to this section if the political committee reports according to section 16.1-08.1-03.7.
4. ~~An incidental political committee is required to register under this section only as a result of making a reportable expenditure or contribution in the aggregate during any reporting period, but the registration under this section does not change the nature of business for the organization.~~
5. Registration by a political committee under this section does not reserve the name for exclusive use nor does it constitute registration of a trade name under chapter 47-25."

Page 14, line 14, after "**companies**" insert "**, affiliates, subsidiaries**"

Page 14, line 16, after the third comma insert "affiliate, subsidiary."

Page 14, line 19, after the comma insert "affiliate, subsidiary."

Page 15, line 9, after the second comma, insert "affiliate, subsidiary."

Page 16, line 20, after the second comma insert "affiliate, subsidiary."

Page 16, line 22, after the first comma insert "affiliate, subsidiary."

Page 16, line 24, after the first comma insert "affiliate, subsidiary."

Page 16, line 29, after the second comma insert "affiliate, subsidiary."

Page 17, line 3, after the third comma insert "affiliate, subsidiary."

Page 17, after line 4, insert:

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

**16.1-08.1-03.5. Corporate contributions and expenditures -
ReportStatement required.**

1. Corporations, cooperative corporations, limited liability companies, affiliates, subsidiaries, and associations may make expenditures and contributions for promoting any general political philosophy or belief deemed in the best interest of the employees, stockholders, patrons, or members of the corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association other than a "political purpose" as defined by this chapter. A corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association may not make a contribution for a political purpose.
2. A corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association may make a donation of property or money to a state political party or nonprofit entity affiliated with or under the control of a state political party for deposit in a separate and segregated building fund. ~~Money in the fund must be used exclusively by the state political party or nonprofit entity affiliated with or under the control of a state political party for purchasing, maintaining, or renovating a building and for the purchase of fixtures for the building. A state political party or nonprofit entity affiliated with or under the control of a state political party receiving a donation under this subsection shall file a statement with the secretary of state no later than the thirty first day of January of each calendar year. The statement must include the name and mailing address of each donor, the amount of each donation, the date each donation was received, all expenditures made from the fund during the previous calendar year, and cash on hand in the fund at the start and close of the reporting period. Any income and financial gain generated from a building purchased, maintained, or renovated from donations authorized under this subsection and not otherwise authorized by law must be deposited in the building fund and must be reported when the political party or nonprofit entity files the statement required under this subsection.~~
3. A corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association may make an expenditure to a measure

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

- a. The full name of the corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association;
- b. The complete address of the corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association;
- c. The name of the recipient of the expenditure;
- d. If the expenditure is related to a measure or petition, the title of the measure or petition and whether the expenditure is made in support of or opposition to the measure or petition;
- e. If the expenditure is related to a measure, the election date on which the measure either will appear or did appear on the ballot;
- f. If the expenditure is related to a candidate, political committee, or political party, the name of the candidate, political committee, or political party, and whether the expenditure is made in support of or opposition to the candidate, political committee, or political party;
- g. The amount of the expenditure;
- g-h. The cumulative total amount of expenditures since the beginning of the calendar year which are required to be reported under this subsection;
- h-i. The telephone number and the printed name and signature of the individual completing the statement, attesting to the statement being true, complete, and correct; and
- i-j. The date on which the statement was signed."

Page 17, line 26, remove "under section"

Page 17, line 27, overstrike "16.1-08.1-03.11"

Page 17, line 27, remove "or to statements filed"

Page 17, line 27, remove "for county office"

Page 17, line 27, remove the second "by"

Page 17, line 28, replace "office" with "or city offices"

Page 18, line 4, overstrike "When the candidate files a"

Page 18, overstrike line 5

Page 18, line 6, overstrike "section"

Page 18, line 6, remove "4 of this Act"

Page 18, line 6, overstrike "complete through the day of the filing of the"

Page 18, overstrike line 7

Page 18, line 8, remove "16.1-08.1-03.1,"

Page 18, after line 10, insert:

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

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

Renumber accordingly

3/30/17 DR
1088

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2343

- Page 1, line 1, replace "three" with "four"
- Page 1, line 3, replace the first "section" with "sections"
- Page 1, line 3, remove "subsections 6 and 7 of section"
- Page 1, line 4, remove "sections"
- Page 1, line 4, replace "and" with ", 16.1-08.1-03.2,"
- Page 1, line 4, after the second comma insert "and 16.1-08.1-03.5,"
- Page 1, line 7, remove "16.1-08.1-03.1,"
- Page 1, line 9, remove "and"
- Page 1, line 9, after "penalty" insert "; to provide for application; and to provide an effective date"
- Page 3, line 8, remove the overstrike over "~~A loan of money from a bank or other lending institution made in the regular~~"
- Page 3, remove the overstrike over line 9
- Page 3, line 10, remove the overstrike over "b."
- Page 3, line 12, replace "b." with "c."
- Page 3, line 15, replace "c." with "d."
- Page 3, line 19, replace "d." with "e."
- Page 3, line 21, replace "e." with "f."
- Page 3, line 22, replace "f." with "g."
- Page 3, after line 23 insert:
 "h. In-kind contributions from a candidate to the candidate's campaign."
- Page 4, line 17, remove "Consulting;"
- Page 4, line 18, remove "d."
- Page 4, remove lines 19 and 20
- Page 4, line 21, replace "g." with "d."
- Page 4, line 22, replace "h." with "e."
- Page 5, line 10, after "committee" insert "not connected to another organization and free to solicit funds from the general public"
- Page 5, line 10, after the first comma insert "or"
- Page 5, line 22, after the comma insert "including a caucus."

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Page 6, replace lines 21 through 26 with:

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

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

1. State political parties shall establish separate and segregated accounts for the management of state nominating conventions. All revenue obtained and expenditures made for the planning and running of a state convention must be accounted for in these accounts.
2. A postconvention statement must be filed with the secretary of state sixty days after the close of the state nominating convention. The reporting period for the postconvention statement begins on the first day of January of the reporting year and ends thirty days after the close of the state nominating convention.
3. A year-end statement covering the entire calendar year must be filed with the secretary of state ~~no later than the thirty first day of January~~ before February first of the following year even if no convention revenue was received or expenditures made within the calendar year.
4. The statement filed according to this section must show the following:
 - a. ~~The cash on hand in~~ balance of the filer's convention accounts at the start and close of the reporting period;
 - b. The ~~gross~~ total of all revenue received and expenditures made of two hundred dollars, or less;
 - c. The ~~gross~~ total of all revenue received and expenditures made in excess of two hundred dollars;
 - d. ~~The~~ For each aggregated totals ~~of all~~ revenue received from a single person ~~or entity~~ in excess of two hundred dollars, ~~the~~:
 - (1) The name of each person ~~or entity~~, ~~the~~;
 - (2) The mailing address of each person ~~or entity~~, ~~the~~;
 - (3) The date of the most recent receipt of revenue from each person ~~or entity~~, ~~and the~~; and
 - (4) The purpose or purposes for which the aggregated revenue total was received from each person ~~or entity~~;
 - e. ~~The aggregated totals of all expenditures~~ For each aggregated expenditure made to a single person ~~or entity~~ in excess of two hundred dollars, ~~the~~:
 - (1) The name of each person or entity, ~~the~~;
 - (2) The mailing address of each person or entity, ~~the~~;
 - (3) The date of the most recent expense made to each person or entity, ~~and the~~; and

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- (4) The purpose or purposes for which the aggregated expenditure total was disbursed to each person or entity; and
- f. A political party shall report For each aggregated revenue from an individual which totals five thousand dollars or more during the reporting period, the occupation, employer, and principal place of business of each person from whom five thousand dollars or more of revenue was received in the aggregate during the reporting period the individual must be disclosed.
- 5. For the purposes of this section, the term entity is defined as any group consisting of or representing more than one person.
- 6. If a net gain from the convention is transferred to the accounts established for the support of the nomination or election of candidates, the total transferred must be reported as a contribution in the statements required by section 16.1-08.1-035 of this Act.
- 7. If a net loss from the convention is covered by a transfer from the accounts established for the support of the nomination or election of candidates, the total transferred must be reported as an expenditure in the statements required by section 16.1-08.1-035 of this Act.

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

State political party building fund statement required.

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

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

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9088

Page 6, remove lines 27 through 30

Page 7, remove lines 1 and 2

Page 7, line 6, replace "**political action**" with "**multicandidate**"

Page 7, line 10, remove "a political action committee."

Page 7, line 27, replace "and" with an underscored comma

Page 7, line 28, after the underscored comma insert "and a statewide multicandidate committee."

Page 7, line 31, replace "report" with "statement"

Page 8, line 8, remove "a political action committee."

Page 8, line 8, after the first "or" insert "a"

Page 8, line 13, replace "and" with an underscored comma

Page 8, line 14, after the underscored comma insert "and a statewide multicandidate committee."

Page 8, line 24, after the underscored semicolon insert "and"

Page 8, line 25, remove "The aggregate total of all expenditures from campaign funds of two hundred"

Page 8, remove lines 26 and 27

Page 8, line 28, remove "f."

Page 8, line 30, replace "report" with "statement"

Page 8, line 30, replace "subsection 1 or subsection 3" with "this section"

Page 9, line 3, after "contributions" insert "from individuals"

Page 9, line 3, replace "report" with "statement"

Page 9, line 3, remove the underscored colon

Page 9, line 4, replace "a. The" with "the"

Page 9, line 5, remove "; or"

Page 9, remove line 6

Page 9, line 7, remove "address of the contributor"

Page 9, after line 17, insert:

"8. To ensure accurate reporting and avoid commingling of campaign and personal funds, candidates shall use dedicated campaign accounts that are separate from any personal accounts."

Page 9, line 21, remove "**certain**"

Page 9, line 21, after "**and**" insert "**certain**"

Page 10, line 13, replace "received by" with "made to"

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- Page 11, line 15, replace "received by" with "made to"
- Page 11, line 22, replace the first "report" with "statement"
- Page 11, line 22, replace "subsection 1 or subsection 3" with "this section"
- Page 11, line 22, replace the second "report" with "disclose"
- Page 11, line 24, after "contributions" insert "from individuals"
- Page 11, line 24, replace "report" with "statement"
- Page 11, line 24, remove the underscored colon
- Page 11, line 25, replace "a. The" with "the"
- Page 11, line 26, remove "; or"
- Page 11, remove line 27
- Page 11, line 28, remove "address of the contributor"
- Page 13, line 19, after "contribution" insert "and expenditure"
- Page 13, line 19, replace "4" with "5"
- Page 14, after line 10, insert:

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

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

1. A political committee as defined in section 16.1-08.1-01 shall register its name and contact information, its agent's name and contact information, and a designation as to whether the committee is incorporated solely for the purpose of liability protection, with the secretary of state. A candidate who does not have a candidate committee shall register the candidate's name and contact information and, if the candidate has an agent, the agent's name and contact information with the secretary of state. The registration required under this section for a candidate or political committee that has not previously registered with the secretary of state must be submitted within fifteen business days of the receipt of any contribution or expenditure made.
2. A candidate or political committee required to be registered under this section must register with the secretary of state each year during which the candidate holds public office or during which the political committee receives contributions or makes expenditures for political purposes, or has a balance in the campaign account. An individual who no longer holds public office or an individual who no longer seeks public office must register with the secretary of state each year in which contributions are received or expenditures are made for political purposes, or has a balance in the campaign account.
3. A political committee that organizes and registers according to federal law and makes an independent expenditure or makes a disbursement in excess of two hundred dollars to a nonfederal candidate seeking public

office, a political party, or political committee in this state is not required to register as a political committee according to this section if the political committee reports according to section 16.1-08.1-03.7.

- 4. ~~An incidental political committee is required to register under this section only as a result of making a reportable expenditure or contribution in the aggregate during any reporting period, but the registration under this section does not change the nature of business for the organization.~~
- 5. Registration by a political committee under this section does not reserve the name for exclusive use nor does it constitute registration of a trade name under chapter 47-25."

Page 14, line 14, after "**companies**" insert "**affiliates, subsidiaries**"

Page 14, line 16, after the third comma insert "affiliate, subsidiary."

Page 14, line 19, after the comma insert "affiliate, subsidiary."

Page 15, line 9, after the second comma, insert "affiliate, subsidiary."

Page 16, line 20, after the second comma insert "affiliate, subsidiary."

Page 16, line 22, after the first comma insert "affiliate, subsidiary."

Page 16, line 24, after the comma insert "affiliate, subsidiary."

Page 16, line 29, after the second comma insert "affiliate, subsidiary."

Page 17, line 3, after the third comma insert "affiliate, subsidiary."

Page 17, after line 4, insert:

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

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

- 1. Corporations, cooperative corporations, limited liability companies, affiliates, subsidiaries, and associations may make expenditures and contributions for promoting any general political philosophy or belief deemed in the best interest of the employees, stockholders, patrons, or members of the corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association other than a "political purpose" as defined by this chapter. A corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association may not make a contribution for a political purpose.
- 2. A corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association may make a donation of property or money to a state political party or nonprofit entity affiliated with or under the control of a state political party for deposit in a separate and segregated building fund. Money in the fund must be used exclusively by the state political party or nonprofit entity affiliated with or under the control of a state political party for purchasing, maintaining, or renovating a building and for the purchase of fixtures for the building. ~~A state political party or nonprofit~~

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~~entity affiliated with or under the control of a state political party receiving a donation under this subsection shall file a statement with the secretary of state no later than the thirty-first day of January of each calendar year. The statement must include the name and mailing address of each donor, the amount of each donation, the date each donation was received, all expenditures made from the fund during the previous calendar year, and cash on hand in the fund at the start and close of the reporting period. Any income and financial gain generated from a building purchased, maintained, or renovated from donations authorized under this subsection and not otherwise authorized by law must be deposited in the building fund and must be reported when the political party or nonprofit entity files the statement required under this subsection.~~

3. A corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association may make an expenditure to a measure committee as described in section 16.1-08.1-01 for the purpose of promoting the passage or defeat of an initiated or referred measure or petition or make an expenditure to any other person that makes an independent expenditure. A corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association may make an independent expenditure for a political purpose, including political advertising in support of or opposition to a candidate, political committee, or a political party, or for the purpose of promoting passage or defeat of initiated or referred measures or petitions. The corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association shall file a statement disclosing any expenditure made under this subsection with the secretary of state within forty-eight hours after making the expenditure. The statement must include:
 - a. The full name of the corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association;
 - b. The complete address of the corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association;
 - c. The name of the recipient of the expenditure;
 - d. If the expenditure is related to a measure or petition, the title of the measure or petition and whether the expenditure is made in support of or opposition to the measure or petition;
 - e. If the expenditure is related to a measure, the election date on which the measure either will appear or did appear on the ballot;
 - f. The amount of the expenditure;
 - g. The cumulative total amount of expenditures since the beginning of the calendar year which are required to be reported under this subsection;
 - h. The telephone number and the printed name and signature of the individual completing the statement, attesting to the statement being true, complete, and correct; and
 - i. The date on which the statement was signed."

Page 17, line 26, remove "under section"

3/30/17 DP
8 of 8

Page 17, line 27, overstrike "16.1-08.1-03.11"

Page 17, line 27, remove "or to statements filed"

Page 17, line 27, remove "for county office"

Page 17, line 27, remove the second "by"

Page 17, line 28, replace "office" with "or city offices"

Page 18, line 4, overstrike "When the candidate files a"

Page 18, overstrike line 5

Page 18, line 6, overstrike "section"

Page 18, line 6, remove "4 of this Act"

Page 18, line 6, overstrike "complete through the day of the filing of the"

Page 18, overstrike line 7

Page 18, line 8, remove "16.1-08.1-03.1,"

Page 18, after line 10, insert:

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

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

Renumber accordingly

Date: 3-30-17
 Roll Call Vote #: 1

2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2343

House Government and Veterans Affairs Committee

Subcommittee

Amendment LC# or Description: 17. 0962.05014

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By B. Koppelman Seconded By Dockter

Representatives	Yes	No	Representatives	Yes	No
Jim Kasper-Chairman	A		Pamela Anderson	A	
Scott Louser-Vice Chairman	X		Mary Schneider		X
Jason Dockter	X				
Craig A. Johnson	X				
Daniel Johnston	A				
Karen Karls	X				
Ben Koppelman	X				
Vernon Laning	X				
Christopher D. Olson	X				
Karen M. Rohr	X				
Vicky Steiner	X				
Steve Vetter	X				

Total (Yes) 10 No 1

Absent 3

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:
also, striking lines 21-24, P. 22.

Date: 3-30-17
 Roll Call Vote #: 2

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2343**

House Government and Veterans Affairs Committee

Subcommittee

Amendment LC# or Description: _____

- Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Dockter Seconded By Steiner

Representatives	Yes	No	Representatives	Yes	No
Jim Kasper-Chairman			Pamela Anderson		
Scott Louser-Vice Chairman			Mary Schneider		
Jason Dockter					
Craig A. Johnson					
Daniel Johnston					
Karen Karls					
Ben Koppelman					
Vernon Laning					
Christopher D. Olson					
Karen M. Rohr					
Vicky Steiner					
Steve Vetter					

Vote motion carries

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:
P. 10, Line 13, insert statewide between a and multicandidate and on P. 11, Line 2

Date: 3-30-17
 Roll Call Vote #: 3

2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2343

House Government and Veterans Affairs Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By B. Koppelman Seconded By Dockter

Representatives	Yes	No	Representatives	Yes	No
Jim Kasper-Chairman			Pamela Anderson		
Scott Louser-Vice Chairman			Mary Schneider		
Jason Dockter					
Craig A. Johnson					
Daniel Johnston					
Karen Karls			<i>voice</i>		
Ben Koppelman					
Vernon Laning			<i>vote</i>		
Christopher D. Olson			<i>motion carries</i>		
Karen M. Rohr					
Vicky Steiner					
Steve Vetter					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:
Take off overstrike, Page 3, Lines 10-11

Date: 3-30-17
 Roll Call Vote #: 4

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2343**

House Government and Veterans Affairs Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By B. Koppelman Seconded By Dockter

Representatives	Yes	No	Representatives	Yes	No
Jim Kasper-Chairman	A		Pamela Anderson	A	
Scott Louser-Vice Chairman	X		Mary Schneider	X	
Jason Dockter	X				
Craig A. Johnson	X				
Daniel Johnston	X				
Karen Karls	X				
Ben Koppelman	X				
Vernon Laning	X				
Christopher D. Olson	X				
Karen M. Rohr	X				
Vicky Steiner	X				
Steve Vetter	X				

Total (Yes) 12 No 0
 Absent 2
 Floor Assignment Louser

If the vote is on an amendment, briefly indicate intent:

Date: 3-30-17
 Roll Call Vote #: 1

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2343**

House Government and Veterans Affairs Committee

Subcommittee

Amendment LC# or Description: _____

- Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider

Referral to be added to Roll vote # 4 on 3-30-17 am.

Motion Made By Schneider Seconded By B. Koppelman

Representatives	Yes	No	Representatives	Yes	No
Jim Kasper-Chairman			Pamela Anderson		
Scott Louser-Vice Chairman			Mary Schneider		
Jason Dockter					
Craig A. Johnson					
Daniel Johnston					
Karen Karls					
Ben Koppelman					
Vernon Laning					
Christopher D. Olson					
Karen M. Rohr					
Vicky Steiner					
Steve Vetter					

*Voiced
 vote,
 motion
 carries*

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2343, as reengrossed: Government and Veterans Affairs Committee (Rep. Kasper, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Reengrossed SB 2343 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "three" with "four"

Page 1, line 3, replace the first "section" with "sections"

Page 1, line 3, remove "subsections 6 and 7 of section"

Page 1, line 4, remove "sections"

Page 1, line 4, replace "and" with ", 16.1-08.1-03.2,"

Page 1, line 4, after the second comma insert "and 16.1-08.1-03.5,"

Page 1, line 7, remove "16.1-08.1-03.1,"

Page 1, line 9, remove "and"

Page 1, line 9, after "penalty" insert "; to provide for application; and to provide an effective date"

Page 3, line 8, remove the overstrike over "~~A loan of money from a bank or other lending institution made in the regular~~"

Page 3, remove the overstrike over line 9

Page 3, line 10, remove the overstrike over "b."

Page 3, line 12, replace "b." with "c."

Page 3, line 15, replace "c." with "d."

Page 3, line 19, replace "d." with "e."

Page 3, line 21, replace "e." with "f."

Page 3, line 22, replace "f." with "g."

Page 3, after line 23 insert:

"h. In-kind contributions from a candidate to the candidate's campaign."

Page 4, line 17, remove "Consulting:"

Page 4, line 18, remove "d."

Page 4, remove lines 19 and 20

Page 4, line 21, replace "g." with "d."

Page 4, line 22, replace "h." with "e."

Page 5, line 10, after "committee" insert "not connected to another organization and free to solicit funds from the general public"

Page 5, line 10, after the first comma insert "or"

Page 5, line 22, after the comma insert "including a caucus."

Page 6, replace lines 21 through 26 with:

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

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

1. State political parties shall establish separate and segregated accounts for the management of state nominating conventions. All revenue obtained and expenditures made for the planning and running of a state convention must be accounted for in these accounts.
2. A postconvention statement must be filed with the secretary of state sixty days after the close of the state nominating convention. The reporting period for the postconvention statement begins on the first day of January of the reporting year and ends thirty days after the close of the state nominating convention.
3. A year-end statement covering the entire calendar year must be filed with the secretary of state ~~no later than the thirty first day of January~~before February first of the following year even if no convention revenue was received or expenditures made within the calendar year.
4. The statement filed according to this section must show the following:
 - a. ~~The cash on hand in balance~~of the filer's convention accounts at the start and close of the reporting period;
 - b. The ~~gross~~ total of all revenue received and expenditures made of two hundred dollars, or less;
 - c. The ~~gross~~ total of all revenue received and expenditures made in excess of two hundred dollars;
 - d. ~~The~~For each aggregated ~~totals of all~~ revenue received from a single person ~~or entity~~ in excess of two hundred dollars, ~~the~~:
 - (1) The name of each person ~~or entity, the~~;
 - (2) The mailing address of each person ~~or entity, the~~;
 - (3) The date of the most recent receipt of revenue from each person ~~or entity, and the~~; and
 - (4) The purpose or purposes for which the aggregated revenue total was received from each person ~~or entity~~;
 - e. ~~The aggregated totals of all expenditures~~For each aggregated expenditure made to a single person ~~or entity~~ in excess of two hundred dollars, ~~the~~:
 - (1) The name of each person or entity, ~~the~~;
 - (2) The mailing address of each person or entity, ~~the~~;
 - (3) The date of the most recent expense made to each person or entity, ~~and the~~; and

- (4) The purpose or purposes for which the aggregated expenditure total was disbursed to each person or entity; and
- f. ~~A political party shall report~~For each aggregated revenue from an individual which totals five thousand dollars or more during the reporting period, the occupation, employer, and principal place of business of each person from whom five thousand dollars or more of revenue was received in the aggregate during the reporting period the individual must be disclosed.
5. ~~For the purposes of this section, the term entity is defined as any group consisting of or representing more than one person.~~
6. ~~If a net gain from the convention is transferred to the accounts established for the support of the nomination or election of candidates, the total transferred must be reported as a contribution in the statements required by section 16.1-08.1-035 of this Act.~~
- ~~7.6.~~ If a net loss from the convention is covered by a transfer from the accounts established for the support of the nomination or election of candidates, the total transferred must be reported as an expenditure in the statements required by section 16.1-08.1-035 of this Act.

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

State political party building fund statement required.

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

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

Page 6, remove lines 27 through 30

Page 7, remove lines 1 and 2

Page 7, line 6, replace "**political action**" with "**multicandidate**"

Page 7, line 10, remove "a political action committee."

Page 7, line 27, replace "and" with an underscored comma

Page 7, line 28, after the underscored comma insert "and a statewide multicandidate committee."

Page 7, line 31, replace "report" with "statement"

Page 8, line 8, remove "a political action committee."

Page 8, line 8, after the first "or" insert "a"

Page 8, line 13, replace "and" with an underscored comma

Page 8, line 14, after the underscored comma insert "and a statewide multicandidate committee."

Page 8, line 24, after the underscored semicolon insert "and"

Page 8, line 25, remove "The aggregate total of all expenditures from campaign funds of two hundred"

Page 8, remove lines 26 and 27

Page 8, line 28, remove "f."

Page 8, line 30, replace "report" with "statement"

Page 8, line 30, replace "subsection 1 or subsection 3" with "this section"

Page 9, line 3, after "contributions" insert "from individuals"

Page 9, line 3, replace "report" with "statement"

Page 9, line 3, remove the underscored colon

Page 9, line 4, replace "a. The" with "the"

Page 9, line 5, remove "; or"

Page 9, remove line 6

Page 9, line 7, remove "address of the contributor"

Page 9, after line 17, insert:

"8. To ensure accurate reporting and avoid commingling of campaign and personal funds, candidates shall use dedicated campaign accounts that are separate from any personal accounts."

Page 9, line 21, remove "**certain**"

Page 9, line 21, after "**and**" insert "**certain**"

Page 10, line 13, replace "received by" with "made to"

Page 11, line 15, replace "received by" with "made to"

Page 11, line 22, replace the first "report" with "statement"

Page 11, line 22, replace "subsection 1 or subsection 3" with "this section"

Page 11, line 22, replace the second "report" with "disclose"

Page 11, line 24, after "contributions" insert "from individuals"

Page 11, line 24, replace "report" with "statement"

Page 11, line 24, remove the underscored colon

Page 11, line 25, replace "a. The" with "the"

Page 11, line 26, remove "; or"

Page 11, remove line 27

Page 11, line 28, remove "address of the contributor"

Page 13, line 19, after "contribution" insert "and expenditure"

Page 13, line 19, replace "4" with "5"

Page 14, after line 10, insert:

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

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

1. A political committee as defined in section 16.1-08.1-01 shall register its name and contact information, its agent's name and contact information, and a designation as to whether the committee is incorporated solely for the purpose of liability protection, with the secretary of state. A candidate who does not have a candidate committee shall register the candidate's name and contact information and, if the candidate has an agent, the agent's name and contact information with the secretary of state. The registration required under this section for a candidate or political committee that has not previously registered with the secretary of state must be submitted within fifteen business days of the receipt of any contribution or expenditure made.
2. A candidate or political committee required to be registered under this section must register with the secretary of state each year during which the candidate holds public office or during which the political committee receives contributions or makes expenditures for political purposes, or has a balance in the campaign account. An individual who no longer holds public office or an individual who no longer seeks public office must register with the secretary of state each year in which contributions are received or expenditures are made for political purposes, or has a balance in the campaign account.
3. A political committee that organizes and registers according to federal law and makes an independent expenditure or makes a disbursement in excess of two hundred dollars to a nonfederal candidate seeking public office, a political party, or political committee in this state is not required to register as a political committee according to this section if the political committee reports according to section 16.1-08.1-03.7.
4. ~~An incidental political committee is required to register under this section only as a result of making a reportable expenditure or contribution in the~~

~~aggregate during any reporting period, but the registration under this section does not change the nature of business for the organization.~~

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

Page 14, line 14, after "**companies**" insert "**, affiliates, subsidiaries**"

Page 14, line 16, after the third comma insert "affiliate, subsidiary."

Page 14, line 19, after the comma insert "affiliate, subsidiary."

Page 15, line 9, after the second comma, insert "affiliate, subsidiary."

Page 16, line 20, after the second comma insert "affiliate, subsidiary."

Page 16, line 22, after the first comma insert "affiliate, subsidiary."

Page 16, line 24, after the comma insert "affiliate, subsidiary."

Page 16, line 29, after the second comma insert "affiliate, subsidiary."

Page 17, line 3, after the third comma insert "affiliate, subsidiary."

Page 17, after line 4, insert:

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

16.1-08.1-03.5. Corporate contributions and expenditures - ReportStatement required.

1. Corporations, cooperative corporations, limited liability companies, affiliates, subsidiaries, and associations may make expenditures and contributions for promoting any general political philosophy or belief deemed in the best interest of the employees, stockholders, patrons, or members of the corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association other than a "political purpose" as defined by this chapter. A corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association may not make a contribution for a political purpose.
2. A corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association may make a donation of property or money to a state political party or nonprofit entity affiliated with or under the control of a state political party for deposit in a separate and segregated building fund. ~~Money in the fund must be used exclusively by the state political party or nonprofit entity affiliated with or under the control of a state political party for purchasing, maintaining, or renovating a building and for the purchase of fixtures for the building. A state political party or nonprofit entity affiliated with or under the control of a state political party receiving a donation under this subsection shall file a statement with the secretary of state no later than the thirty first day of January of each calendar year. The statement must include the name and mailing address of each donor, the amount of each donation, the date each donation was received, all expenditures made from the fund during the previous calendar year, and cash on hand in the fund at the start and close of the reporting period. Any income and financial gain generated from a building purchased, maintained, or renovated from donations authorized under this subsection and not otherwise authorized by law must be deposited in~~

~~the building fund and must be reported when the political party or nonprofit entity files the statement required under this subsection.~~

3. A corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association may make an expenditure to a measure committee as described in section 16.1-08.1-01 for the purpose of promoting the passage or defeat of an initiated or referred measure or petition or make an expenditure to any other person that makes an independent expenditure. A corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association may make an independent expenditure for a political purpose, including political advertising in support of or opposition to a candidate, political committee, or a political party, or for the purpose of promoting passage or defeat of initiated or referred measures or petitions. The corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association shall file a statement disclosing any expenditure made under this subsection with the secretary of state within forty-eight hours after making the expenditure. The statement must include:
 - a. The full name of the corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association;
 - b. The complete address of the corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association;
 - c. The name of the recipient of the expenditure;
 - d. If the expenditure is related to a measure or petition, the title of the measure or petition and whether the expenditure is made in support of or opposition to the measure or petition;
 - e. If the expenditure is related to a measure, the election date on which the measure either will appear or did appear on the ballot;
 - f. The amount of the expenditure;
 - g. The cumulative total amount of expenditures since the beginning of the calendar year which are required to be reported under this subsection;
 - h. The telephone number and the printed name and signature of the individual completing the statement, attesting to the statement being true, complete, and correct; and
 - i. The date on which the statement was signed."

Page 17, line 26, remove "under section"

Page 17, line 27, overstrike "16.1-08.1-03.11"

Page 17, line 27, remove "or to statements filed"

Page 17, line 27, remove "for county office"

Page 17, line 27, remove the second "by"

Page 17, line 28, replace "office" with "or city offices"

Page 18, line 4, overstrike "When the candidate files a"

Page 18, overstrike line 5

Page 18, line 6, overstrike "section"

Page 18, line 6, remove "4 of this Act"

Page 18, line 6, overstrike "complete through the day of the filing of the"

Page 18, overstrike line 7

Page 18, line 8, remove "16.1-08.1-03.1,"

Page 18, after line 10, insert:

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

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

Re-number accordingly

2017 TESTIMONY

SB 2343

TO: ND Senate Committee on Government and Veterans Affairs
FROM: Jonathan Casper, ND Senator - District 27, Fargo
DATE: February, 2 2017
RE: SB 2343 - Campaign Finance Reform

TESTIMONY ON SB 2343

Madam Chair, members of the Committee, this legislation involves comprehensive campaign finance reform that expands the reporting detail required under North Dakota law

The bill maintains all existing campaign finance reporting law while adding the following provisions:

- Applies requirements equally to all statewide and legislative political candidates;
- Expands existing reporting requirements to include a candidate's personal campaign contributions and investments;
- Includes expenditure reporting to be broken out into specific categories, and
- Explicitly prohibits personal use of campaign contributions

I believe our candidates for office and elected officials are honorable men and women. I have not seen any examples of inappropriate campaign contributions or expenditures. Right now, we have the best open records laws in the nation and we give our citizens full access to their government. This bill follows in that tradition and gives voters the information they need to make good decisions about their elected officials.

I believe North Dakota has an ethics committee in every coffee shop, café, and gathering place in each community around our state. When we provide citizens with more information through more transparency, we give them

If passed, the law would apply to political candidates, campaign committees, persons or committees working to pass or defeat initiated or referred measures, and political parties. The categories for expenditure reporting include advertising, consulting, postage, printing, travel, operations, loan repayment and miscellaneous.

North Dakota is a small population state. By comparison, most of our state and local political campaigns are small, low budget affairs. This legislation balances the need for oversight of larger campaigns with the realities of smaller campaign finances.

Madam Chair, members of the Committee, With this legislation, we will give the people of North Dakota greater access to information about the political campaign finances of those they elect. In doing so, we will ensure our political system remains free of corruption and undue influence.

SB 2343 2/3/17

#1
pg 1

PROPOSED AMENDMENTS TO SENATE BILL NO. 2343

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact two new sections to chapter 16.1-08.1 of the North Dakota Century Code, relating to campaign disclosure statements; to amend and reenact section 16.1-08.1-01, subsections 6 and 7 of section 16.1-08.1-02.1, sections 16.1-08.1-03.1 and 16.1-08.1-03.3, subsection 3 of section 16.1-08.1-05, and subsection 5 of section 16.1-12-02.2 of the North Dakota Century Code, relating to definitions, campaign disclosure statements, and use of campaign contributions; to repeal sections 16.1-08.1-02, 16.1-08.1-03, 16.1-08.1-03.1, 16.1-08.1-03.8, 16.1-08.1-03.9, 16.1-08.1-03.10, 16.1-08.1-03.12, 16.1-08.1-03.13, and 16.1-08.1-04 of the North Dakota Century Code, relating to campaign disclosure statements; and to provide a penalty.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

16.1-08.1-01. Definitions.

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

1. "Affiliate" means an organization that controls, is controlled by, or is under common control with another organization. For purposes of this definition, control means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an organization, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise. Control is presumed to exist if an organization, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing fifty percent or more of the voting securities of any other organization.
2. "Association" means any club, association, union, brotherhood, fraternity, organization, or group of any kind of two or more persons, including labor unions, trade associations, professional associations, or governmental associations, which is united for any purpose, business, or object and which assesses any dues, membership fees, or license fees in any amount, or which maintains a treasury fund in any amount. The term does not include corporations, cooperative corporations, limited liability companies, political committees, or political parties.
3. "Candidate" means an individual who seeks nomination for election or election to public office, and includes:
 - a. An individual holding public office;

- b. An individual who has publicly declared that individual's candidacy for nomination for election or election to public office or has filed or accepted a nomination for public office;
 - c. An individual who has formed a campaign or other committee for that individual's candidacy for public office;
 - d. An individual who has circulated a nominating petition to have that individual's name placed on the ballot; and
 - e. An individual who has, in any manner, solicited or received a contribution for that individual's candidacy for public office, whether before or after the election for that office.
4. "Conduit" means a person that is not a political party, political committee, or candidate and which receives a contribution of money and transfers the contribution to a candidate, political party, or political committee when the contribution is designated specifically for the candidate, political party, or political committee and the person has no discretion as to the recipient and the amount transferred. The term includes a transactional intermediary, including a credit card company or a money transfer service that pays or transfers money to a candidate on behalf of another person.
5. "Contribution" means a gift, transfer, conveyance, provision, receipt, subscription, loan, advance, deposit of money, or anything of value, made for the purpose of influencing the nomination for election, or election, of any person to public office or aiding or opposing the circulation or passage of a statewide initiative or referendum petition or measure. The term also means a contract, promise, or agreement, express or implied, whether or not legally enforceable, to make a contribution for any of the above purposes. The term includes funds received by a candidate for public office or a political party or committee which are transferred or signed over to that candidate, party, or committee from another candidate, party, or political committee or other source including a conduit. The term "anything of value" includes any good or service of more than a nominal value. The term "nominal value" means the cost, price, or worth of the good or service is trivial, token, or of no appreciable value. The term "contribution" does not include:
- a. ~~A loan of money from a bank or other lending institution made in the regular course of business.~~
 - b. ~~Time spent by volunteer campaign or political party workers.~~
 - c. ~~Money spent by a candidate on the candidate's own behalf.~~
 - d. ~~b. Money or anything of value received for commercial transactions, including rents, advertising, or sponsorships made as a part of a fair market value bargained-for exchange.~~
 - e. ~~c. Money or anything of value received by a candidate in that person's personal capacity, including pursuant to a contract or agreement made for personal or private employment purposes, and not received for anything other than a political purpose or to influence the performance of that person's official duty.~~

- f.d. ~~Contributions of products~~ Products or services for which the actual cost or fair market value are reimbursed by a payment of money.
- g.e. An independent expenditure.
6. "Cooperative corporations", "corporations", and "limited liability companies" are as defined in this code, and for purposes of this chapter "corporations" includes nonprofit corporations. However, if a political committee, the only purpose of which is accepting contributions and making expenditures for a political purpose, incorporates for liability purposes only, the committee is not considered a corporation for the purposes of this chapter.
7. "Expenditure" means:
- a. A gift, transfer, conveyance, provision, loan, advance, payment, distribution, disbursement, outlay, or deposit of money or anything of value, except a loan of money from a bank or other lending institution made in the regular course of business, made for a political purpose or for the purpose of influencing the passage or defeat of a measure.
 - b. A contract, promise, or agreement, express or implied, whether or not legally enforceable, to make any expenditure.
 - c. The transfer of funds by a political committee to another political committee.
 - d. An independent expenditure.
8. ~~"Incidental committee" means a committee, club, association, or other group of persons that makes a contribution or expenditure, but for which making contributions and expenditures for political purposes is not its primary purpose.~~ "Expenditure categories" means the categories into which expenditures must be grouped for reports under this chapter. The expenditure categories are:
- a. Advertising;
 - b. Campaign loan repayment;
 - c. Consulting;
 - d. Operations;
 - e. Postage;
 - f. Printing;
 - g. Travel; and
 - h. Miscellaneous.
9. "Independent expenditure" means an expenditure made for a political purpose or for the purpose of influencing the passage or defeat of a measure if the expenditure is made without the express or implied consent, authorization, or cooperation of, and not in concert with or at the request or suggestion of, any candidate ~~or a candidate,~~ committee, ~~or measure~~ committeepolitical party.

10. "Patron" means a person who owns equity interest in the form of stock, shares, or membership or maintains similar financial rights in a cooperative corporation.
11. "Person" means an individual, partnership, political committee, association, corporation, cooperative corporation, limited liability company, or other organization or group of persons.
12. "Personal benefit" means a benefit to the candidate or another person which is not for a political purpose or related to a candidate's responsibilities as a public officeholder, and any other benefit that would convert a contribution to personal income.
13. "Political committee" means any committee, club, association, or other group of persons which receives contributions or makes expenditures for political purposes and includes the following:
 - a. A political action committee, derived from a corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or an association that is prohibited from making a contribution for political purposes under section 16.1-08.1-03.5, and which that solicits or receives contributions from its employees or members or makes expenditures for political purposes on behalf of its employees or members;
 - b. A candidate committee, established to support an individual candidate seeking statewide, judicial, or legislative public office which solicits or receives contributions for political purposes;
 - c. A political organization governed by the Internal Revenue Code and registered with the federal election commission, which solicits or receives contributions or makes expenditures for political purposes;
 - d. A multicandidate political committee, established to support multiple groups or slates of candidates seeking public office, that which solicits or receives contributions for political purposes; and
 - e. A measure committee, including an initiative or referendum sponsoring committee at any stage of its organization, which solicits or receives contributions or makes expenditures for the purpose of aiding or opposing a measure sought to be voted upon by the voters of the state, including any activities undertaken for the purpose of drafting an initiative or referendum petition, seeking approval of the secretary of state for the circulation of a petition, or seeking approval of the submitted petitions; and
 - f. An incidental committee.
- ~~13.~~14. "Political party" means any association, committee, or organization which nominates a candidate for election to any office which may be filled by a vote of the electors of this state or any of its political subdivisions and whose name appears on the election ballot as the candidate of such association, committee, or organization.
- ~~14.~~15. "Political purpose" means any activity undertaken in support of or in opposition to the election or nomination of a candidate to public office and

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

- 15-16. "Public office" means every office to which an individual can be elected by vote of the people under the laws of this state.
- 16-17. "Subsidiary" means an affiliate of a corporation under the control of the corporation directly or indirectly through one or more intermediaries.

SECTION 2. AMENDMENT. Subsection 6 of section 16.1-08.1-02.1 of the North Dakota Century Code is amended and reenacted as follows:

- 6. If a net gain from the convention is transferred to the accounts established for the support of the nomination or election of candidates, the total transferred must be reported as a contribution in the statements required by section 16.1-08.1-034 of this Act.

SECTION 3. AMENDMENT. Subsection 7 of section 16.1-08.1-02.1 of the North Dakota Century Code is amended and reenacted as follows:

- 7. If a net loss from the convention is covered by a transfer from the accounts established for the support of the nomination or election of candidates, the total transferred must be reported as an expenditure in the statements required by section 16.1-08.1-034 of this Act.

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

Pre-election, supplemental, and year-end campaign disclosure statement requirements for candidates, political committees, and political parties.

- 1. Prior to the thirty-first day before a primary, general, or special election, a candidate or candidate committee formed on behalf of the candidate, a political committee, or political party shall file a campaign disclosure statement that includes all contributions received and expenditures made from January first through the fortieth day before the election. The statement may be submitted for filing beginning on the thirty-ninth day before the election. The statement must include:
 - a. For each aggregated contribution from a contributor which totals in excess of two hundred dollars received during the reporting period:
 - (1) The name and mailing address of the contributor;
 - (2) The total amount of the contribution; and

- (1) The name and mailing address of the recipient;
 - (2) The total amount of the expenditure; and
 - (3) The date the last expenditure was made to the recipient;
 - f. The aggregate total of all expenditures from campaign funds of two hundred dollars or less to recipients that are candidates, political committees, or political parties;
 - g. The total of all other expenditures made during the previous year, separated into expenditure categories; and
 - h. The balance of the campaign fund on December thirty-first.
4. A person required to file a report under subsection 1 or subsection 3, other than a candidate for judicial office or a candidate committee for a candidate for judicial office, shall report each aggregated contribution from a contributor which totals five thousand dollars or more during the reporting period. For these contributions, the report must include:
- a. The contributor's occupation, employer, and the employer's principal place of business; or
 - b. If the contributor was a political committee or political party, the name and mailing address of the contributor.
5. The filing officer shall assess and collect fees for any reports filed after the filing deadline. A person that filed a late report shall pay the late fee before any subsequent filing from the person may be accepted.

SECTION 5. AMENDMENT. Section 16.1-08.1-03.1 of the North Dakota Century Code is amended and reenacted as follows:

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

1. ~~Any person or measure committee, as described in section 16.1-08.1-01, that is soliciting or accepting a contribution for the purpose of aiding or opposing the circulation or passage of a statewide initiative or referendum petition or measure placed upon a statewide ballot by action of the legislative assembly at any election shall file a statement in accordance with this subsection if the person has received any contribution in excess of one hundred dollars. The statement must include the name and mailing address of each person that contributed in excess of one hundred dollars to the person, the amount of each reportable contribution, and the date each reportable contribution was received. The statement must include the name and mailing address of each recipient of an expenditure exceeding one hundred dollars in the aggregate, the amount of each reportable expenditure, and the date the expenditure was made.~~
2. ~~A person or measure committee as described in section 16.1-08.1-01 which is soliciting or accepting a contribution for the purpose of aiding or opposing the circulation or passage of a statewide initiative or referendum petition or measure placed upon a statewide ballot by action of the legislative assembly may not accept a contribution of more than one~~

~~hundred dollars from an out-of-state person or political committee unless the contribution is accompanied by a certified statement from the contributor listing the name, address, and amount contributed by each person that contributed more than one hundred dollars of the contribution. The statement must indicate if no person contributed in excess of one hundred dollars of the out-of-state person's or political committee's overall contribution. The certified statement must also list the occupation, employer, and principal place of business for each individual who contributed more than one hundred dollars of the contribution. The person soliciting or accepting a contribution for the purpose of aiding the circulation of a statewide initiative or referendum petition or of promoting passage or defeat of a statewide initiated or referred measure shall include this statement with the contribution statement required to be filed under subsection 1.~~

- ~~3. The statement required of a person or measure committee under subsection 1 must be filed with the secretary of state no later than the thirty-second day before the date of the election in which the measure appears or would have appeared on the ballot complete from the beginning of that calendar year through the fortieth day before the date of the election. A complete statement for the entire calendar year for each statement required to be filed under this section must be filed no later than the thirty-first day of January of the following year. Even if a person required to report according to this section has not received any contributions in excess of one hundred dollars during the reporting period, the person shall file a statement as required by this chapter. A statement filed according to this section during the reporting period must show the following:~~
- ~~a. The gross total of all contributions received and expenditures made in excess of one hundred dollars;~~
 - ~~b. The gross total of all contributions received and expenditures made of one hundred dollars, or less; and~~
 - ~~c. The cash on hand in the filer's account at the start and close of the reporting period~~

For each reportable contribution under section 4 of this Act, the threshold for reporting is one hundred dollars for any person or measure committee circulating or promoting passage or defeat of an initiated or referred measure.

2. For contributions received from an out-of-state contributor, a person or measure committee circulating or promoting passage or defeat of an initiated or referred measure shall include the following information regarding subcontributors in the statements required under section 4 of this Act:
- a. A designation as to whether any person contributed in excess of one hundred dollars of the total contribution;
 - b. The name and mailing address of each subcontributor that contributed in excess of one hundred dollars of the total contribution;
 - c. The contribution amounts of each disclosed subcontributor; and

- d. The occupation, employer, and address for the employer's principal place of business of each disclosed subcontributor.
3. An initiative and referendum sponsoring committee also shall file a disclosure statement by the date the secretary of state approves the petition for circulation, and shall file an additional statement on the date the petitions containing the required number of signatures are submitted to the secretary of state for review. The statements required under this subsection must be in the same form as the year-end statements under section 4 of this Act.
4. A sponsoring committee shall file a statement regarding its intent to compensate circulators before paying for petitions to be circulated.

SECTION 6. AMENDMENT. Section 16.1-08.1-03.3 of the North Dakota Century Code is amended and reenacted as follows:

16.1-08.1-03.3. Campaign contributions by corporations, cooperative corporations, limited liability companies, and associations - Violation - Penalty - Political action committees authorized.

1. A corporation, cooperative corporation, limited liability company, or association may establish, administer, and solicit contributions to a separate and segregated fund to be utilized for political purposes by the corporation, cooperative corporation, limited liability company, or association. It is unlawful for:
 - a. The person or persons controlling the fund to make contributions or expenditures utilizing money or anything of value secured by physical force, job discrimination, financial reprisals, or the threat of them; or utilize money from dues, fees, treasury funds, or other money required as a condition of membership in an association, or as a condition of employment; or utilize money obtained in any commercial transaction. Moneys from fees, dues, treasury funds, or money obtained in a commercial transaction may, however, be used to pay costs of administration of the fund.
 - b. Any person soliciting an employee, stockholder, patron, board member, or member for a contribution to the fund to fail to inform the employee or member of the political purposes of the fund at the time of the solicitation or of the general political philosophy intended to be advanced through committee activities.
 - c. Any person soliciting an employee or member for a contribution to the fund to fail to inform the employee or member at the time of the solicitation of the right to refuse to contribute without any reprisal.
 - d. Any contribution to be accepted without keeping an accurate record of the contributor and amount contributed and of amounts expended for political purposes.
 - e. Any contribution to be accepted from any person ~~who is~~ not an employee, a stockholder, a patron, a board member or a member of the corporation, cooperative corporation, limited liability company, or association maintaining the political action committee, except a corporation may accept a contribution from an employee, a

stockholder, a patron, a board member, or a member of an affiliate or a subsidiary of the corporation.

- f. Any expenditure made for political purposes to be reported under this section before control of the expenditure has been released by the political action committee except if there is a contract, a promise, or an agreement, expressed or implied, to make such expenditure.
2. ~~All political action committees, as described in section 16.1-08.1-01, formed for the purpose of administering the segregated fund provided for in this section shall file a statement showing the name and mailing address of each contributor of an amount in excess of two hundred dollars in the aggregate for the reporting period and a listing of all expenditures of an amount in excess of two hundred dollars in the aggregate made for political purposes with the secretary of state. The statement must include the amount of each reportable contribution and the date it was received and the amount of each reportable expenditure and the date it was made. A year-end statement covering the entire calendar year must be filed no later than the thirty-first day of January of the following year. A pre-election statement must be filed no later than the thirty-second day before any primary, special, or general election and must be complete from the beginning of the calendar year through the fortieth day before the election. Even if a political action committee has not received any contributions or made any expenditures in excess of two hundred dollars during the reporting period, the political action committee shall file a statement as required by this chapter. A statement filed according to this section during the reporting period must show the following:~~
 - a. ~~The gross total of all contributions received and expenditures made in excess of two hundred dollars;~~
 - b. ~~The gross total of all contributions received and expenditures made of two hundred dollars, or less; and~~
 - c. ~~The cash on hand in the filer's account at the start and close of the reporting period.~~
 3. ~~A political action committee shall report the occupation, employer, and principal place of business of each person, or the political committee if not already registered according to state or federal law, who contributed five thousand dollars or more in the aggregate during the reporting period.~~
 4. A person may not make a payment of that person's money or of another person's money to any other person for a political purpose in any name other than that of the person ~~whethat~~ that supplies the money and a person may not knowingly receive the payment nor enter nor cause the payment to be entered in that person's account or record in any name other than that of the person by ~~whom~~ which it actually was furnished.
 - 5.3. If an officer, employee, agent, attorney, or other representative of a corporation, cooperative corporation, limited liability company, or association makes any contribution prohibited by this section out of corporate, cooperative corporation, limited liability company, or association funds or otherwise violates this section, it is prima facie evidence of a

violation by the corporation, cooperative corporation, limited liability company, or association.

- 6-4. A violation of this section may be prosecuted in the county where the contribution is made or in any county in which it has been paid or distributed.
- 7-5. It is a class A misdemeanor for an officer, director, stockholder, manager, governor, member, attorney, agent, or representative of any corporation, cooperative corporation, limited liability company, or association to violate this section or to counsel or consent to any violation. Any person ~~who~~that solicits or knowingly receives any contribution in violation of this section is guilty of a class A misdemeanor.
- 8-6. Any officer, director, stockholder, manager, governor, member, attorney, agent, or representative who makes, counsels, or consents to the making of a contribution in violation of this section is liable to the company, corporation, limited liability company, or association for the amount so contributed.

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

Personal use of contributions prohibited.

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

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

SECTION 8. AMENDMENT. Subsection 3 of section 16.1-08.1-05 of the North Dakota Century Code is amended and reenacted as follows:

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

SECTION 9. AMENDMENT. Subsection 5 of section 16.1-12-02.2 of the North Dakota Century Code is amended and reenacted as follows:

5. An individual who intends to be a write-in candidate for any legislative district office shall file a certificate of write-in candidacy with the secretary of state. The certificate must contain the name, address, and signature of the candidate. Certificates must be filed by four p.m. on the fourth day before the election. When the candidate files a certificate, the candidate also shall file the contribution statement provided for under section 16.1-08.1-022 of this Act complete through the day of the filing of the certificate.

SECTION 10. REPEAL. Sections 16.1-08.1-02, 16.1-08.1-03, 16.1-08.1-03.1, 16.1-08.1-03.8, 16.1-08.1-03.9, 16.1-08.1-03.10, 16.1-08.1-03.12, 16.1-08.1-03.13, and 16.1-08.1-04 of the North Dakota Century Code are repealed."

Renumber accordingly

2-14-17 SB 2343

TO: ND Senate Committee on Appropriations
FROM: Jonathan Casper, ND Senator - District 27, Fargo
DATE: February, 14 2017
RE: SB 2343 - Campaign Finance Reform

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P1

TESTIMONY ON SB 2343

Chairman, members of the Committee, this legislation involves comprehensive campaign finance reform that expands the reporting detail required under North Dakota law

The bill maintains all existing campaign finance reporting law while adding the following provisions:

- Applies requirements equally to all statewide and legislative political candidates;
- Expands existing reporting requirements to include a candidate's personal campaign contributions and investments;
- Includes expenditure reporting to be broken out into specific categories, and
- Explicitly prohibits personal use of campaign contributions
- Removes requirement to report expenditures made by parties/committees as in-kind contributions to campaign

I believe our candidates for office and elected officials are honorable men and women. I have not seen any examples of inappropriate campaign contributions or expenditures. Right now, we have the best open records laws in the nation and we give our citizens full access to their government. This bill follows in that tradition and gives voters the information they need to make good decisions about their elected officials.

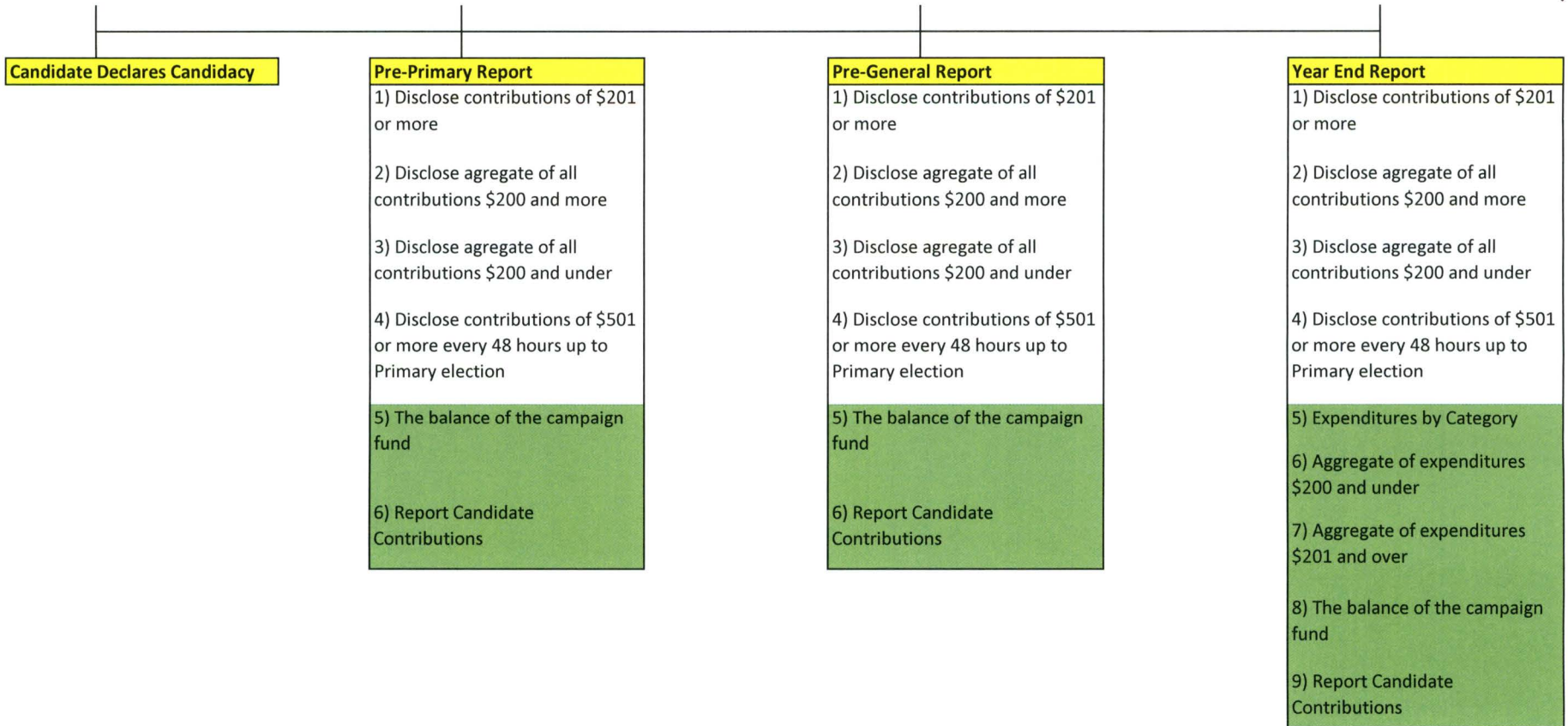
I believe North Dakota has an ethics committee in every coffee shop, café, and gathering place in each community around our state. When we provide citizens with more information through more transparency, we give them

If passed, the law would apply to political candidates, campaign committees, persons or committees working to pass or defeat initiated or referred measures, and political parties. The categories for expenditure reporting include advertising, consulting, postage, printing, travel, operations, loan repayment and miscellaneous.

North Dakota is a small population state. By comparison, most of our state and local political campaigns are small, low budget affairs. This legislation balances the need for oversight of larger campaigns with the realities of smaller campaign finances.

Chairman, members of the Committee, with this legislation, we will give the people of North Dakota greater access to information about the political campaign finances of those they elect. In doing so, we will ensure our political system remains free of corruption and undue influence.

2-14-17
SB 2343 #2
p1



February 14, 2017

SB 2343
2-14-17

#1

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2343

Page 1, line 1, replace "two" with "three"

Page 1, line 2, after "statements" insert "and use of campaign contributions"

Page 1, line 5, replace the second comma with "and"

Page 1, line 5, remove ", and"

Page 1, line 6, remove "use of campaign contributions"

Page 1, line 7, after the third comma insert "16.1-08.1-03.11,"

Page 3, after line 21, insert:

"f. The value of advertising paid by a political party, multicandidate political committee, or caucus which is in support of a candidate."

Page 7, line 2, replace "**political**" with "**candidate**"

Page 7, line 2, after the second underscored boldface comma insert "**political action committees,**"

Page 7, line 2, after "**and**" insert "**nonstatewide**"

Page 7, line 4, after the first underscored comma insert "a multicandidate political committee,"

Page 7, line 4, after "political" insert "action"

Page 7, line 4, after "or" insert "a"

Page 7, line 5, after "party" insert "other than a statewide political party soliciting or accepting contributions"

Page 7, line 6, remove "and expenditures made"

Page 7, line 7, after the underscored period insert "A candidate whose name is not on the ballot and who is not seeking election through write-in votes, the candidate's candidate committee, and a political party that has not endorsed or nominated any candidate in the election is not required to file a statement under this subsection."

Page 7, line 17, after the underscored semicolon insert "and"

Page 7, line 18, replace "The" with "For a statewide candidate and a candidate committee formed on behalf of a statewide candidate, the"

Page 7, line 18, remove the underscored semicolon

Page 7, line 19, replace "e. The" with "and the"

Page 7, line 19, remove "; and"

Page 7, line 20, remove "f. The total of all expenditures made during the reporting period"

Page 7, line 29, remove "formed on behalf of the"

Page 7, remove line 30

Page 7, line 31, remove "or who holds public office"

Page 7, line 31, after the first underscored comma insert "a multicandidate political committee,"

Page 7, line 31, after "political" insert "action"

Page 7, line 31, after the second "or" insert "nonstatewide"

Page 7, line 31, after "party" insert "soliciting or accepting contributions"

Page 8, line 1, after "expenditures" insert ", by expenditure category,"

Page 8, line 4, replace "The balance" with "For a statewide candidate and a candidate committee formed on behalf of a statewide candidate, the balance"

Page 8, line 4, after "first" insert "and on December thirty-first"

Page 8, remove lines 14 through 19

Page 8, line 20, replace "f." with "e."

Page 8, line 22, after the underscored semicolon insert "and"

Page 8, line 23, replace "g." with "f."

Page 8, line 24, remove "; and"

Page 8, line 25, remove "h. The balance of the campaign fund on December thirty-first"

Page 8, line 27, after "office" insert ", county office, or city office,"

Page 8, line 27, replace "for judicial office" with "exempted under this subsection"

Page 9, line 5, after "5." insert "A candidate for city office in a city with a population under five thousand and a candidate committee for the candidate are exempt from this section."

6. A candidate for county office and a candidate committee for a candidate for county office shall file statements under this chapter with the county auditor. A candidate for city office who is required to file a statement under this chapter and a candidate committee for such a candidate shall file statements with the city auditor. Any other person required to file a statement under this section shall file the statement with the secretary of state.

7."

Page 9, line 6, remove "A person that filed a late report shall pay the late fee before any subsequent"

Page 9, replace line 7 with:

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

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

1. Prior to the thirty-first day before a primary, general, or special election, a statewide political party or a political committee not required to file statements under section 4 of this Act which is soliciting or accepting contributions shall file a campaign disclosure statement that includes all contributions received and expenditures made from January first through the fortieth day before the election. A political party that has not endorsed or nominated a candidate in an election is not required to file a statement under this subsection. A statement required to be filed under this subsection may be submitted for filing beginning on the thirty-ninth day before the election. The statement must include:
 - a. For each aggregated contribution from a contributor which totals in excess of two hundred dollars received during the reporting period:
 - (1) The name and mailing address of the contributor;
 - (2) The total amount of the contribution; and
 - (3) The date the last contributed amount was received;
 - b. The total of all aggregated contributions from contributors which total in excess of two hundred dollars during the reporting period;
 - c. The total of all contributions received from contributors that contributed two hundred dollars or less each during the reporting period;
 - d. For each recipient of an expenditure from campaign funds in excess of two hundred dollars in the aggregate:
 - (1) The name and mailing address of the recipient;
 - (2) The total amount of the expenditure received by the recipient; and
 - (3) The date the last expended amount was made to the recipient;
 - e. The aggregate total of all expenditures from campaign funds in excess of two hundred dollars;
 - f. The aggregate total of all expenditures from campaign funds of two hundred dollars or less; and
 - g. The balance of the campaign fund on the fortieth day before the election and balance of the campaign fund on January first.
2. Beginning on the thirty-ninth day before the election through the day before the election, a person that files a statement under subsection 1 must file a supplemental statement within forty-eight hours of the start of the day following the receipt of a contribution or aggregate contribution from a contributor which is in excess of five hundred dollars. The statement must include:
 - a. The name and mailing address of the contributor;

- b. The total amount of the contribution received during the reporting period; and
 - c. The date the last contributed amount was received.
3. Prior to February first, a statewide political party or a political committee that is not required to file a statement under section 4 of this Act shall file a campaign disclosure statement that includes all contributions received and expenditures made from January first through December thirty-first of the previous year. The statement may be submitted for filing beginning on January first. The statement must include:
- a. For each aggregated contribution from a contributor which totals in excess of two hundred dollars received during the reporting period:
 - (1) The name and mailing address of the contributor;
 - (2) The total amount of the contribution; and
 - (3) The date the last contributed amount was received;
 - b. The total of all aggregated contributions from contributors which total in excess of two hundred dollars during the reporting period;
 - c. The total of all contributions received from contributors that contributed two hundred dollars or less each during the reporting period;
 - d. For each recipient of an expenditure from campaign funds in excess of two hundred dollars in the aggregate:
 - (1) The name and mailing address of the recipient;
 - (2) The total amount of the expenditure received by the recipient; and
 - (3) The date the last expended amount was made to the recipient;
 - e. The aggregate total of all expenditures from campaign funds in excess of two hundred dollars;
 - f. The aggregate total of all expenditures from campaign funds of two hundred dollars or less; and
 - g. The balance of the campaign fund on January first and December thirty-first.
4. A person required to file a report under subsection 1 or subsection 3 shall report each aggregated contribution from a contributor which totals five thousand dollars or more during the reporting period. For these contributions, the report must include:
- a. The contributor's occupation, employer, and the employer's principal place of business; or
 - b. If the contributor was a political committee or political party, the name and mailing address of the contributor.
5. Statements under this section must be filed with the secretary of state.

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

Page 11, line 2, replace "4" with "5"

Page 11, line 15, replace "4" with "5"

Page 15, line 15, after the third comma insert "16.1-08.1-03.11,"

Renumber accordingly

February 14, 2017

SB 2343
2-15-17
#1

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2343

Page 1, line 1, replace "two" with "three"

Page 1, line 2, after "statements" insert "and use of campaign contributions"

Page 1, line 5, replace the second comma with "and"

Page 1, line 5, remove ", and"

Page 1, line 6, remove "use of campaign contributions"

Page 1, line 7, after the third comma insert "16.1-08.1-03.11,"

Page 3, after line 21, insert:

"f. The value of advertising paid by a political party, multicandidate political committee, or caucus which is in support of a candidate."

Page 7, line 2, replace "**political**" with "**candidate**"

Page 7, line 2, after the second underscored boldface comma insert "**political action committees,**"

Page 7, line 2, after "**and**" insert "**nonstatewide**"

Page 7, line 4, after the first underscored comma insert "a multicandidate political committee,"

Page 7, line 4, after "political" insert "action"

Page 7, line 4, after "or" insert "a"

Page 7, line 5, after "party" insert "other than a statewide political party soliciting or accepting contributions"

Page 7, line 6, remove "and expenditures made"

Page 7, line 7, after the underscored period insert "A candidate whose name is not on the ballot and who is not seeking election through write-in votes, the candidate's candidate committee, and a political party that has not endorsed or nominated any candidate in the election is not required to file a statement under this subsection."

Page 7, line 17, after the underscored semicolon insert "and"

Page 7, line 18, replace "The" with "For a statewide candidate and a candidate committee formed on behalf of a statewide candidate, the"

Page 7, line 18, remove the underscored semicolon

Page 7, line 19, replace "e. The" with "and the"

Page 7, line 19, remove "; and"

Page 7, line 20, remove "f. The total of all expenditures made during the reporting period"

Page 7, line 29, remove "formed on behalf of the"

Page 7, remove line 30

Page 7, line 31, remove "or who holds public office"

Page 7, line 31, after the first underscored comma insert "a multicandidate political committee."

Page 7, line 31, after "political" insert "action"

Page 7, line 31, after the second "or" insert "nonstatewide"

Page 7, line 31, after "party" insert "soliciting or accepting contributions"

Page 8, line 1, after "expenditures" insert ", by expenditure category."

Page 8, line 4, replace "The balance" with "For a statewide candidate and a candidate committee formed on behalf of a statewide candidate, the balance"

Page 8, line 4, after "first" insert "and on December thirty-first"

Page 8, remove lines 14 through 19

Page 8, line 20, replace "f." with "e."

Page 8, line 22, after the underscored semicolon insert "and"

Page 8, line 23, replace "g." with "f."

Page 8, line 24, remove "; and"

Page 8, line 25, remove "h. The balance of the campaign fund on December thirty-first"

Page 8, line 27, after "office" insert ", county office, or city office."

Page 8, line 27, replace "for judicial office" with "exempted under this subsection"

Page 9, line 5, after "5." insert "A candidate for city office in a city with a population under five thousand and a candidate committee for the candidate are exempt from this section."

6. A candidate for county office and a candidate committee for a candidate for county office shall file statements under this chapter with the county auditor. A candidate for city office who is required to file a statement under this chapter and a candidate committee for such a candidate shall file statements with the city auditor. Any other person required to file a statement under this section shall file the statement with the secretary of state.

7."

Page 9, line 6, remove "A person that filed a late report shall pay the late fee before any subsequent"

Page 9, replace line 7 with:

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

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

1. Prior to the thirty-first day before a primary, general, or special election, a statewide political party or a political committee not required to file statements under section 4 of this Act which is soliciting or accepting contributions shall file a campaign disclosure statement that includes all contributions received and expenditures made from January first through the fortieth day before the election. A political party that has not endorsed or nominated a candidate in an election is not required to file a statement under this subsection. A statement required to be filed under this subsection may be submitted for filing beginning on the thirty-ninth day before the election. The statement must include:
 - a. For each aggregated contribution from a contributor which totals in excess of two hundred dollars received during the reporting period:
 - (1) The name and mailing address of the contributor;
 - (2) The total amount of the contribution; and
 - (3) The date the last contributed amount was received;
 - b. The total of all aggregated contributions from contributors which total in excess of two hundred dollars during the reporting period;
 - c. The total of all contributions received from contributors that contributed two hundred dollars or less each during the reporting period;
 - d. For each recipient of an expenditure from campaign funds in excess of two hundred dollars in the aggregate:
 - (1) The name and mailing address of the recipient;
 - (2) The total amount of the expenditure received by the recipient; and
 - (3) The date the last expended amount was made to the recipient;
 - e. The aggregate total of all expenditures from campaign funds in excess of two hundred dollars;
 - f. The aggregate total of all expenditures from campaign funds of two hundred dollars or less; and
 - g. The balance of the campaign fund on the fortieth day before the election and balance of the campaign fund on January first.
2. Beginning on the thirty-ninth day before the election through the day before the election, a person that files a statement under subsection 1 must file a supplemental statement within forty-eight hours of the start of the day following the receipt of a contribution or aggregate contribution from a contributor which is in excess of five hundred dollars. The statement must include:
 - a. The name and mailing address of the contributor;

- b. The total amount of the contribution received during the reporting period; and
 - c. The date the last contributed amount was received.
- 3. Prior to February first, a statewide political party or a political committee that is not required to file a statement under section 4 of this Act shall file a campaign disclosure statement that includes all contributions received and expenditures made from January first through December thirty-first of the previous year. The statement may be submitted for filing beginning on January first. The statement must include:
 - a. For each aggregated contribution from a contributor which totals in excess of two hundred dollars received during the reporting period:
 - (1) The name and mailing address of the contributor;
 - (2) The total amount of the contribution; and
 - (3) The date the last contributed amount was received;
 - b. The total of all aggregated contributions from contributors which total in excess of two hundred dollars during the reporting period;
 - c. The total of all contributions received from contributors that contributed two hundred dollars or less each during the reporting period;
 - d. For each recipient of an expenditure from campaign funds in excess of two hundred dollars in the aggregate:
 - (1) The name and mailing address of the recipient;
 - (2) The total amount of the expenditure received by the recipient; and
 - (3) The date the last expended amount was made to the recipient;
 - e. The aggregate total of all expenditures from campaign funds in excess of two hundred dollars;
 - f. The aggregate total of all expenditures from campaign funds of two hundred dollars or less; and
 - g. The balance of the campaign fund on January first and December thirty-first.
- 4. A person required to file a report under subsection 1 or subsection 3 shall report each aggregated contribution from a contributor which totals five thousand dollars or more during the reporting period. For these contributions, the report must include:
 - a. The contributor's occupation, employer, and the employer's principal place of business; or
 - b. If the contributor was a political committee or political party, the name and mailing address of the contributor.
- 5. Statements under this section must be filed with the secretary of state.

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

Page 11, line 2, replace "4" with "5"

Page 11, line 15, replace "4" with "5"

Page 15, line 15, after the third comma insert "16.1-08.1-03.11,"

Renumber accordingly

Attachment 1
2343
3-16-17

TO: ND House Committee on Government and Veterans Affairs
FROM: Jonathan Casper, ND Senator - District 27, Fargo
DATE: March 3, 2017
RE: SB 2343 - Campaign Finance Reform

TESTIMONY ON SB 2343

Mr. Chairman, members of the Committee, this legislation involves comprehensive campaign finance reform that expands the reporting detail required under North Dakota law.

The bill maintains all existing campaign finance reporting law while adding the following provisions:

- Applies requirements equally to all statewide and legislative political candidates;
- Expands existing reporting requirements to include a candidate's personal campaign contributions and investments;
- Includes expenditure reporting to be broken out into specific categories, and
- Explicitly prohibits personal use of campaign contributions

I believe our candidates for office and elected officials are honorable men and women. I have not seen any examples of inappropriate campaign contributions or expenditures. Right now, we have the best open records laws in the nation and we give our citizens full access to their government. This bill follows in that tradition and gives voters the information they need to make good decisions about their elected officials.

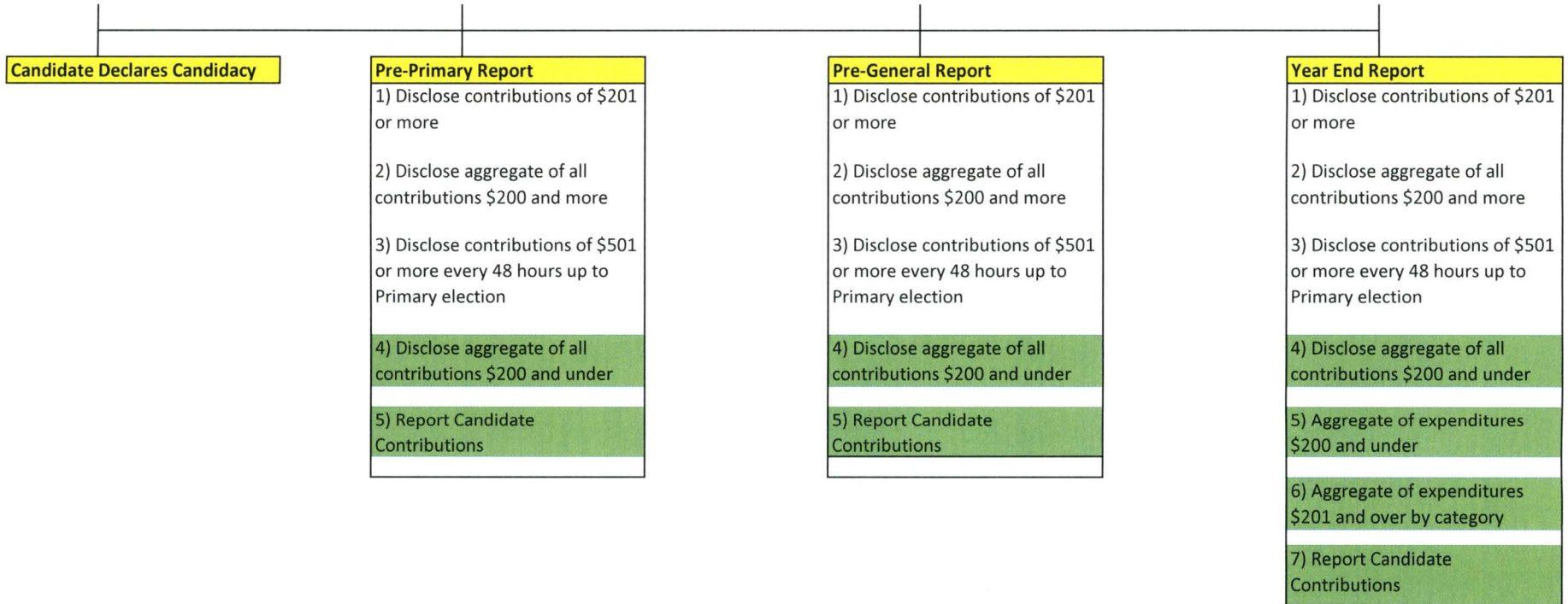
I believe North Dakota has an ethics committee in every coffee shop, café, and gathering place in each community around our state. When we provide citizens with more information through more transparency, we give them

If passed, the law would apply to political candidates, campaign committees, persons or committees working to pass or defeat initiated or referred measures, and political parties. The categories for expenditure reporting include advertising, consulting, postage, printing, travel, operations, loan repayment and miscellaneous.

North Dakota is a small population state. By comparison, most of our state and local political campaigns are small, low budget affairs. This legislation balances the need for oversight of larger campaigns with the realities of smaller campaign finances.

Mr. Chairman, members of the Committee, With this legislation, we will give the people of North Dakota greater access to information about the political campaign finances of those they elect. In doing so, we will ensure our political system remains free of corruption and undue influence.

SB 2343 Changes to Disclosure Requirement for Legislative Campaigns



17.0962.05013
Title.

Prepared by the Legislative Council staff for Representative Louser 3-24-17
March 23, 2017

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2343

Page 1, line 1, replace "three" with "four"

Page 1, line 3, replace the first "section" with "sections"

Page 1, line 3, remove "subsections 6 and 7 of section"

Page 1, line 4, remove "sections"

Page 1, line 4, replace "and" with ", 16.1-08.1-03.2,"

Page 1, line 4, after the second comma insert "and 16.1-08.1-03.5,"

Page 1, line 7, remove "16.1-08.1-03.1,"

Page 1, line 9, remove "and"

Page 1, line 9, after "penalty" insert "; and to provide an effective date"

Page 3, after line 23 insert:

"g. In-kind contributions from a candidate to the candidate's campaign."

Page 4, line 17, remove "Consulting:"

Page 4, line 18, remove "d."

Page 4, remove lines 19 and 20

Page 4, line 21, replace "g." with "d."

Page 4, line 22, replace "h." with "e."

Page 5, line 10, after "committee" insert "not connected to another organization and free to solicit funds from the general public"

Page 5, line 10, after the first comma insert "or"

Page 5, line 22, after the comma insert "including a caucus."

Page 6, replace lines 21 through 26 with:

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

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

1. State political parties shall establish separate and segregated accounts for the management of state nominating conventions. All revenue obtained and expenditures made for the planning and running of a state convention must be accounted for in these accounts.
2. A postconvention statement must be filed with the secretary of state sixty days after the close of the state nominating convention. The reporting

period for the postconvention statement begins on the first day of January of the reporting year and ends thirty days after the close of the state nominating convention.

3. A year-end statement covering the entire calendar year must be filed with the secretary of state ~~no later than the thirty-first day of January~~ before February first of the following year even if no convention revenue was received or expenditures made within the calendar year.
4. The statement filed according to this section must show the following:
 - a. The ~~cash-on-hand~~ balance of in the filer's convention accounts at the start and close of the reporting period;
 - b. The ~~gross~~ total of all revenue received and expenditures made of two hundred dollars, or less;
 - c. The ~~gross~~ total of all revenue received and expenditures made in excess of two hundred dollars;
 - d. ~~The~~ For each aggregated totals of all revenue received from a single person ~~or entity~~ in excess of two hundred dollars, ~~the~~:
 - (1) The name of each person ~~or entity~~, ~~the~~;
 - (2) The mailing address of each person ~~or entity~~, ~~the~~;
 - (3) The date of the most recent receipt of revenue from each person ~~or entity~~, ~~and the~~; and
 - (4) The purpose or purposes for which the aggregated revenue total was received from each person ~~or entity~~;
 - e. ~~The aggregated totals of all expenditures~~ For each aggregated expenditure made to a single person ~~or entity~~ in excess of two hundred dollars, ~~the~~:
 - (1) The name of each person or entity, ~~the~~;
 - (2) The mailing address of each person or entity, ~~the~~;
 - (3) The date of the most recent expense made to each person or entity, ~~and the~~; and
 - (4) The purpose or purposes for which the aggregated expenditure total was disbursed to each person or entity; and
 - f. ~~A political party shall report~~ For each aggregated revenue from an individual which totals five thousand dollars or more during the reporting period, the occupation, employer, and principal place of business of each person from whom ~~five thousand dollars or more of revenue was received in the aggregate during the reporting period~~ the individual must be disclosed.
5. ~~For the purposes of this section, the term entity is defined as any group consisting of or representing more than one person.~~

6. If a net gain from the convention is transferred to the accounts established for the support of the nomination or election of candidates, the total transferred must be reported as a contribution in the statements required by section ~~16.1-08.1-035~~ of this Act.
- 7.6. If a net loss from the convention is covered by a transfer from the accounts established for the support of the nomination or election of candidates, the total transferred must be reported as an expenditure in the statements required by section 16.1-08.1-03.

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

State political party building fund statement required.

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

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

Page 6, remove lines 27 through 30

Page 7, remove lines 1 and 2

Page 7, line 6, replace "**political action**" with "**multicandidate**"

Page 7, line 10, remove "a political action committee."

Page 7, line 27, replace "and" with an underscored comma

Page 7, line 28, after the underscored comma insert "and a multicandidate committee."

Page 7, line 29, remove "and the balance of the campaign fund on January first"

Page 7, line 31, replace "report" with "statement"

Page 8, line 8, remove "a political action committee."

Page 8, line 8, after the first "or" insert "a"

Page 8, line 24, after the underscored semicolon insert "and"

Page 8, line 25, remove "The aggregate total of all expenditures from campaign funds of two hundred"

Page 8, remove lines 26 and 27

Page 8, line 28, remove "f."

Page 8, line 30, replace "report" with "statement"

Page 8, line 30, replace "subsection 1 or subsection 3" with "this section"

Page 9, line 3, after "contributions" insert "from individuals"

Page 9, line 3, replace "report" with "statement"

Page 9, line 3, remove the underscored colon

Page 9, line 4, replace "a. The" with "the"

Page 9, line 5, remove "; or"

Page 9, remove line 6

Page 9, line 7, remove "address of the contributor"

Page 9, after line 17, insert:

"8. To ensure accurate reporting and avoid commingling of campaign and personal funds, candidates shall use dedicated campaign accounts that are separate from any personal accounts."

Page 9, line 21, remove "certain"

Page 9, line 21, after "and" insert "certain"

Page 10, line 13, replace "received by" with "made to"

Page 11, line 15, replace "received by" with "made to"

Page 11, line 22, replace the first "report" with "statement"

Page 11, line 22, replace "subsection 1 or subsection 3" with "this section"

Page 11, line 22, replace the second "report" with "disclose"

Page 11, line 24, after "contributions" insert "from individuals"

Page 11, line 24, replace "report" with "statement"

Page 11, line 24, remove the underscored colon

Page 11, line 25, replace "a. The" with "the"

Page 11, line 26, remove "; or"

Page 11, remove line 27

Page 11, line 28, remove "address of the contributor"

Page 13, line 19, after "contribution" insert "and expenditure"

Page 13, line 19, replace "4" with "5"

Page 14, after line 10, insert:

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

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

1. A political committee as defined in section 16.1-08.1-01 shall register its name and contact information, its agent's name and contact information, and a designation as to whether the committee is incorporated solely for the purpose of liability protection, with the secretary of state. A candidate who does not have a candidate committee shall register the candidate's name and contact information and, if the candidate has an agent, the agent's name and contact information with the secretary of state. The registration required under this section for a candidate or political committee that has not previously registered with the secretary of state must be submitted within fifteen business days of the receipt of any contribution or expenditure made.
2. A candidate or political committee required to be registered under this section must register with the secretary of state each year during which the candidate holds public office or during which the political committee receives contributions ~~or~~ makes expenditures for political purposes, or has a balance in the campaign account. An individual who no longer holds public office or an individual who no longer seeks public office must register with the secretary of state each year in which contributions are received ~~or~~ expenditures are made for political purposes, or has a balance in the campaign account.
3. A political committee that organizes and registers according to federal law and makes an independent expenditure or makes a disbursement in excess of two hundred dollars to a nonfederal candidate seeking public office, a political party, or political committee in this state is not required to register as a political committee according to this section if the political committee reports according to section 16.1-08.1-03.7.
4. ~~An incidental political committee is required to register under this section only as a result of making a reportable expenditure or contribution in the aggregate during any reporting period, but the registration under this section does not change the nature of business for the organization.~~
5. Registration by a political committee under this section does not reserve the name for exclusive use nor does it constitute registration of a trade name under chapter 47-25."

Page 14, line 14, after "**companies**" insert ", affiliates, subsidiaries"

Page 14, line 16, after the third comma insert "affiliate, subsidiary,"

Page 14, line 19, after the comma insert "affiliate, subsidiary."

Page 15, line 9, after the second comma, insert "affiliate, subsidiary."

Page 16, line 20, after the second comma insert "affiliate, subsidiary."

Page 16, line 22, after the first comma insert "affiliate, subsidiary."

Page 16, line 24, after the first comma insert "affiliate, subsidiary."

Page 16, line 29, after the second comma insert "affiliate, subsidiary."

Page 17, line 3, after the third comma insert "affiliate, subsidiary."

Page 17, after line 4, insert:

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

**16.1-08.1-03.5. Corporate contributions and expenditures -
ReportStatement required.**

1. Corporations, cooperative corporations, limited liability companies, affiliates, subsidiaries, and associations may make expenditures and contributions for promoting any general political philosophy or belief deemed in the best interest of the employees, stockholders, patrons, or members of the corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association other than a "political purpose" as defined by this chapter. A corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association may not make a contribution for a political purpose.
2. A corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association may make a donation of property or money to a state political party or nonprofit entity affiliated with or under the control of a state political party for deposit in a separate and segregated building fund. ~~Money in the fund must be used exclusively by the state political party or nonprofit entity affiliated with or under the control of a state political party for purchasing, maintaining, or renovating a building and for the purchase of fixtures for the building. A state political party or nonprofit entity affiliated with or under the control of a state political party receiving a donation under this subsection shall file a statement with the secretary of state no later than the thirty first day of January of each calendar year. The statement must include the name and mailing address of each donor, the amount of each donation, the date each donation was received, all expenditures made from the fund during the previous calendar year, and cash on hand in the fund at the start and close of the reporting period. Any income and financial gain generated from a building purchased, maintained, or renovated from donations authorized under this subsection and not otherwise authorized by law must be deposited in the building fund and must be reported when the political party or nonprofit entity files the statement required under this subsection.~~
3. A corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association may make an expenditure to a measure committee as described in section 16.1-08.1-01 for the purpose of promoting the passage or defeat of an initiated or referred measure or

petition or make an expenditure to any other person that makes an independent expenditure. A corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association may make an independent expenditure for a political purpose or for the purpose of promoting passage or defeat of initiated or referred measures or petitions. The corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association shall file a statement disclosing any expenditure made under this subsection with the secretary of state within forty-eight hours after making the expenditure. The statement must include:

- a. The full name of the corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association;
- b. The complete address of the corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association;
- c. The name of the recipient of the expenditure;
- d. If the expenditure is related to a measure or petition, the title of the measure or petition and whether the expenditure is made in support of or opposition to the measure or petition;
- e. If the expenditure is related to a measure, the election date on which the measure either will appear or did appear on the ballot;
- f. If the expenditure is related to a candidate, political committee, or political party, the name of the candidate, political committee, or political party, and whether the expenditure is made in support of or opposition to the candidate, political committee, or political party;
- g. The amount of the expenditure;
- g-h. The cumulative total amount of expenditures since the beginning of the calendar year which are required to be reported under this subsection;
- ~~h-i.~~ The telephone number and the printed name and signature of the individual completing the statement, attesting to the statement being true, complete, and correct; and
- ~~i-j.~~ The date on which the statement was signed."

Page 17, line 26, remove "under section"

Page 17, line 27, overstrike "16.1-08.1-03.11"

Page 17, line 27, remove "or to statements filed"

Page 17, line 27, remove "for county office"

Page 17, line 27, remove the second "by"

Page 17, line 28, replace "office" with "or city offices"

Page 18, line 4, overstrike "When the candidate files a"

Page 18, overstrike line 5

Page 18, line 6, overstrike "section"

Page 18, line 6, remove "4 of this Act"

Page 18, line 6, overstrike "complete through the day of the filing of the"

Page 18, overstrike line 7

Page 18, line 8, remove "16.1-08.1-03.1,"

Page 18, after line 10, insert:

"SECTION 14. EFFECTIVE DATE. This Act is effective for campaign years that begin after December 31, 2017."

Re-number accordingly

Sixty-fifth
Legislative Assembly
of North Dakota

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 ~~three~~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 ~~section~~sections 16.1-08.1-01, ~~subsections 6 and 7 of~~
4 ~~section~~ 16.1-08.1-02.1, ~~sections~~ 16.1-08.1-03.1 ~~and~~, 16.1-08.1-03.2, 16.1-08.1-03.3, and
5 16.1-08.1-03.5, subsection 3 of section 16.1-08.1-05, and subsection 5 of section 16.1-12-02.2
6 of the North Dakota Century Code, relating to definitions and campaign disclosure statements;
7 to repeal sections 16.1-08.1-02, 16.1-08.1-03, ~~16.1-08.1-03.1~~, 16.1-08.1-03.8, 16.1-08.1-03.9,
8 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 16.1-08.1-04 of the
9 North Dakota Century Code, relating to campaign disclosure statements; ~~and~~ to provide a
10 penalty; and to provide an 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 c. ~~Money spent by a candidate on the candidate's own behalf.~~
 - 14 d. b. 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. c. 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. d. ~~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. e. An independent expenditure.
 - 24 f. The value of advertising paid by a political party, multicandidate political
25 committee, or caucus which is in support of a candidate.
 - 26 g. 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. Consulting;

21 ~~d.~~ Operations;

22 e. Postage;

23 ~~f.~~ Printing;

24 ~~g.d.~~ Travel; and

25 ~~h.e.~~ Miscellaneous.

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

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

1 the purpose of drafting an initiative or referendum petition, seeking approval of
2 the secretary of state for the circulation of a petition, or seeking approval of the
3 submitted petitions; and

4 f. An incidental committee.

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

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

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

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

24 ~~SECTION 2. AMENDMENT. Subsection 6 of section 16.1-08.1-02.1 of the North Dakota~~
25 ~~Century Code is amended and reenacted as follows:~~

26 ~~6. If a net gain from the convention is transferred to the accounts established for the~~
27 ~~support of the nomination or election of candidates, the total transferred must be~~
28 ~~reported as a contribution in the statements required by section 16.1-08.1-034 of this~~
29 ~~Act.~~

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

1 **16.1-08.1-02.1. State political party convention revenue and expense statement**
2 **required.**

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

1 (1) The name of each person or entity, ~~the;~~

2 (2) The mailing address of each person or entity, ~~the;~~

3 (3) The date of the most recent expense made to each person or entity, ~~and~~
4 ~~the; and~~

5 (4) The purpose or purposes for which the aggregated expenditure total was
6 ~~disbursed to each person or entity; and~~

7 f. ~~A political party shall report~~ For each aggregated revenue from an individual
8 which totals five thousand dollars or more during the reporting period, the
9 occupation, employer, and principal place of business of ~~each person from whom~~
10 ~~five thousand dollars or more of revenue was received in the aggregate during~~
11 ~~the reporting period~~ the individual must be disclosed.

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

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

18 ~~7.6.~~ If a net loss from the convention is covered by a transfer from the accounts
19 established for the support of the nomination or election of candidates, the total
20 transferred must be reported as an expenditure in the statements required by section
21 16.1-08.1-03.

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

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

25 A state political party or nonprofit entity affiliated with or under the control of a state political
26 party which receives a donation for purchasing, maintaining, or renovating a building shall file a
27 statement with the secretary of state before February first of each calendar year. Any income or
28 financial gain generated from a building purchased, maintained, or renovated from donations
29 must be deposited in the building fund and must be disclosed when the political party or
30 nonprofit entity files the statement required under this section. Money in the fund may be used
31 only by the state political party or nonprofit entity affiliated with or under the control of a state

1 political party for purchasing, maintaining, or renovating a building including the purchase of
2 fixtures for the building. The statement may be submitted for filing beginning on January first
3 and must include:

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

12 ~~SECTION 3. AMENDMENT. Subsection 7 of section 16.1-08.1-02.1 of the North Dakota~~
13 ~~Century Code is amended and reenacted as follows:—~~

- 14 ~~7. If a net loss from the convention is covered by a transfer from the accounts~~
15 ~~established for the support of the nomination or election of candidates, the total~~
16 ~~transferred must be reported as an expenditure in the statements required by section~~
17 ~~16.1-08.1-034 of this Act.~~

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

20 **Pre-election, supplemental, and year-end campaign disclosure statement**
21 **requirements for candidates, candidate committees, ~~political action~~ multicandidate**
22 **committees, and nonstatewide political parties.**

- 23 1. Prior to the thirty-first day before a primary, general, or special election, a candidate or
24 candidate committee formed on behalf of the candidate, a multicandidate political
25 committee, ~~a political action committee,~~ or a political party other than a statewide
26 political party soliciting or accepting contributions shall file a campaign disclosure
27 statement that includes all contributions received from January first through the fortieth
28 day before the election. A candidate whose name is not on the ballot and who is not
29 seeking election through write-in votes, the candidate's candidate committee, and a
30 political party that has not endorsed or nominated any candidate in the election is not

- 1 required to file a statement under this subsection. The statement may be submitted for
2 filing beginning on the thirty-ninth day before the election. The statement 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; and
- 12 d. For a statewide candidate~~and~~, a candidate committee formed on behalf of a
13 statewide candidate, and a multicandidate committee, the balance of the
14 campaign fund on the fortieth day before the election~~and the balance of the~~
15 campaign fund on January first.
- 16 2. Beginning on the thirty-ninth day before the election through the day before the
17 election, a person that files a reportstatement under subsection 1 must file a
18 supplemental statement within forty-eight hours of the start of the day following the
19 receipt of a contribution or aggregate contribution from a contributor which is in excess
20 of five hundred dollars. The statement must include:
- 21 a. The name and mailing address of the contributor;
22 b. The total amount of the contribution received during the reporting period; and
23 c. The date the last contributed amount was received.
- 24 3. Prior to February first, a candidate or candidate committee, a multicandidate political
25 committee, a political action committee, or a nonstatewide political party soliciting or
26 accepting contributions shall file a campaign disclosure statement that includes all
27 contributions received and expenditures, by expenditure category, made from January
28 first through December thirty-first of the previous year. The statement may be
29 submitted for filing beginning on January first. The statement must include:

- 1 a. For a statewide candidate and a candidate committee formed on behalf of a
2 statewide candidate, the balance of the campaign fund on January first and on
3 December thirty-first;
- 4 b. For each aggregated contribution from a contributor which totals in excess of two
5 hundred dollars received during the reporting period:
- 6 (1) The name and mailing address of the contributor;
7 (2) The total amount of the contribution; and
8 (3) The date the last contributed amount was received;
- 9 c. The total of all aggregated contributions from contributors which total in excess of
10 two hundred dollars during the reporting period;
- 11 d. The total of all contributions received from contributors that contributed two
12 hundred dollars or less each during the reporting period; and
- 13 e. ~~The aggregate total of all expenditures from campaign funds of two hundred~~
14 ~~dollars or less to recipients that are candidates, political committees, or political~~
15 ~~parties; and~~
- 16 ~~f. The total of all other expenditures made during the previous year, separated into~~
17 ~~expenditure categories.~~
- 18 4. A person required to file a reportstatement under subsection 1 or subsection 3this
19 section, other than a candidate for judicial office, county office, or city office, or a
20 candidate committee for a candidate exempted under this subsection, shall report
21 each aggregated contribution from a contributor which totals five thousand dollars or
22 more during the reporting period. For these contributions from individuals, the
23 reportstatement must include:
- 24 ~~a. The~~ the contributor's occupation, employer, and the employer's principal place of
25 business; or
- 26 ~~b. If the contributor was a political committee or political party, the name and mailing~~
27 ~~address of the contributor.~~
- 28 5. A candidate for city office in a city with a population under five thousand and a
29 candidate committee for the candidate are exempt from this section.
- 30 6. A candidate for county office and a candidate committee for a candidate for county
31 office shall file statements under this chapter with the county auditor. A candidate for

1 city office who is required to file a statement under this chapter and a candidate
2 committee for such a candidate shall file statements with the city auditor. Any other
3 person required to file a statement under this section shall file the statement with the
4 secretary of state.

5 7. The filing officer shall assess and collect fees for any reports filed after the filing
6 deadline.

7 8. To ensure accurate reporting and avoid commingling of campaign and personal funds,
8 candidates shall use dedicated campaign accounts that are separate from any
9 personal accounts.

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

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

14 1. Prior to the thirty-first day before a primary, general, or special election, a statewide
15 political party or a political committee not required to file statements under section 4 of
16 this Act which is soliciting or accepting contributions shall file a campaign disclosure
17 statement that includes all contributions received and expenditures made from
18 January first through the fortieth day before the election. A political party that has not
19 endorsed or nominated a candidate in an election is not required to file a statement
20 under this subsection. A statement required to be filed under this subsection may be
21 submitted for filing beginning on the thirty-ninth day before the election. The statement
22 must include:

23 a. For each aggregated contribution from a contributor which totals in excess of two
24 hundred dollars received during the reporting period:

- 25 (1) The name and mailing address of the contributor;
26 (2) The total amount of the contribution; and
27 (3) The date the last contributed amount was received;

28 b. The total of all aggregated contributions from contributors which total in excess of
29 two hundred dollars during the reporting period;

30 c. The total of all contributions received from contributors that contributed two
31 hundred dollars or less each during the reporting period;

- 1 d. For each recipient of an expenditure from campaign funds in excess of two
2 hundred dollars in the aggregate:
3 (1) The name and mailing address of the recipient;
4 (2) The total amount of the expenditure received by made to the recipient; and
5 (3) The date the last expended amount was made to the recipient;
6 e. The aggregate total of all expenditures from campaign funds in excess of two
7 hundred dollars;
8 f. The aggregate total of all expenditures from campaign funds of two hundred
9 dollars or less; and
10 g. The balance of the campaign fund on the fortieth day before the election and
11 balance of the campaign fund on January first.
12 2. Beginning on the thirty-ninth day before the election through the day before the
13 election, a person that files a statement under subsection 1 must file a supplemental
14 statement within forty-eight hours of the start of the day following the receipt of a
15 contribution or aggregate contribution from a contributor which is in excess of five
16 hundred dollars. The statement must include:
17 a. The name and mailing address of the contributor;
18 b. The total amount of the contribution received during the reporting period; and
19 c. The date the last contributed amount was received.
20 3. Prior to February first, a statewide political party or a political committee that is not
21 required to file a statement under section 4 of this Act shall file a campaign disclosure
22 statement that includes all contributions received and expenditures made from
23 January first through December thirty-first of the previous year. The statement may be
24 submitted for filing beginning on January first. The statement must include:
25 a. For each aggregated contribution from a contributor which totals in excess of two
26 hundred dollars received during the reporting period:
27 (1) The name and mailing address of the contributor;
28 (2) The total amount of the contribution; and
29 (3) The date the last contributed amount was received;
30 b. The total of all aggregated contributions from contributors which total in excess of
31 two hundred dollars during the reporting period;

- 1 c. The total of all contributions received from contributors that contributed two
2 hundred dollars or less each during the reporting period;
- 3 d. For each recipient of an expenditure from campaign funds in excess of two
4 hundred dollars in the aggregate:
- 5 (1) The name and mailing address of the recipient;
6 (2) The total amount of the expenditure ~~received by~~made to the recipient; and
7 (3) The date the last expended amount was made to the recipient;
- 8 e. The aggregate total of all expenditures from campaign funds in excess of two
9 hundred dollars;
- 10 f. The aggregate total of all expenditures from campaign funds of two hundred
11 dollars or less; and
- 12 g. The balance of the campaign fund on January first and December thirty-first.
- 13 4. A person required to file a ~~report~~statement under ~~subsection 1 or subsection 3~~this
14 section shall ~~report~~disclose each aggregated contribution from a contributor which
15 totals five thousand dollars or more during the reporting period. For these contributions
16 from individuals, the ~~report~~statement must include:
- 17 ~~a. Thethe contributor's occupation, employer, and the employer's principal place of~~
18 ~~business; or~~
- 19 ~~b. If the contributor was a political committee or political party, the name and mailing~~
20 ~~address of the contributor.~~
- 21 5. Statements under this section must be filed with the secretary of state.
- 22 6. The secretary of state shall assess and collect fees for any reports filed after the filing
23 deadline.

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

26 **16.1-08.1-03.1. ~~Contributions statement~~Special requirements for statements required**
27 **of measure committees circulating or promoting passage or defeat of initiated or**
28 **referred measure.**

- 29 1. ~~Any person or measure committee, as described in section 16.1-08.1-01, that is~~
30 ~~soliciting or accepting a contribution for the purpose of aiding or opposing the~~
31 ~~circulation or passage of a statewide initiative or referendum petition or measure~~

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

1 ~~thirty first day of January of the following year. Even if a person required to report~~
2 ~~according to this section has not received any contributions in excess of one hundred~~
3 ~~dollars during the reporting period, the person shall file a statement as required by this~~
4 ~~chapter. A statement filed according to this section during the reporting period must~~
5 ~~show the following:~~

- 6 ~~a. The gross total of all contributions received and expenditures made in excess of~~
7 ~~one hundred dollars;~~
8 ~~b. The gross total of all contributions received and expenditures made of one~~
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.~~ For each reportable contribution and expenditure under section 45 of this
12 Act, the threshold for reporting is one hundred dollars for any person or measure
13 committee circulating or promoting passage or defeat of an initiated or referred
14 measure.

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

- 19 a. A designation as to whether any person contributed in excess of one hundred
20 dollars of the total contribution;
21 b. The name and mailing address of each subcontributor that contributed in excess
22 of one hundred dollars of the total contribution;
23 c. The contribution amounts of each disclosed subcontributor; and
24 d. The occupation, employer, and address for the employer's principal place of
25 business of each disclosed subcontributor.

26 3. An initiative and referendum sponsoring committee also shall file a disclosure
27 statement by the date the secretary of state approves the petition for circulation, and
28 shall file an additional statement on the date the petitions containing the required
29 number of signatures are submitted to the secretary of state for review. The
30 statements required under this subsection must be in the same form as the year-end
31 statements under section 5 of this Act.

- 1 4. A sponsoring committee shall file a statement regarding its intent to compensate
2 circulators before paying for petitions to be circulated.

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

5 **16.1-08.1-03.2. Political committee and candidate registration.**

- 6 1. A political committee as defined in section 16.1-08.1-01 shall register its name and
7 contact information, its agent's name and contact information, and a designation as to
8 whether the committee is incorporated solely for the purpose of liability protection, with
9 the secretary of state. A candidate who does not have a candidate committee shall
10 register the candidate's name and contact information and, if the candidate has an
11 agent, the agent's name and contact information with the secretary of state. The
12 registration required under this section for a candidate or political committee that has
13 not previously registered with the secretary of state must be submitted within fifteen
14 business days of the receipt of any contribution or expenditure made.
- 15 2. A candidate or political committee required to be registered under this section must
16 register with the secretary of state each year during which the candidate holds public
17 office or during which the political committee receives contributions ~~or~~, makes
18 expenditures for political purposes, or has a balance in the campaign account. An
19 individual who no longer holds public office or an individual who no longer seeks public
20 office must register with the secretary of state each year in which contributions are
21 received ~~or~~, expenditures are made for political purposes, or has a balance in the
22 campaign account.
- 23 3. A political committee that organizes and registers according to federal law and makes
24 an independent expenditure or makes a disbursement in excess of two hundred
25 dollars to a nonfederal candidate seeking public office, a political party, or political
26 committee in this state is not required to register as a political committee according to
27 this section if the political committee reports according to section 16.1-08.1-03.7.
- 28 4. ~~An incidental political committee is required to register under this section only as a~~
29 ~~result of making a reportable expenditure or contribution in the aggregate during any~~
30 ~~reporting period, but the registration under this section does not change the nature of~~
31 ~~business for the organization.~~

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

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

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

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

- a. The person or persons controlling the fund to make contributions or expenditures utilizing money or anything of value secured by physical force, job discrimination, financial reprisals, or the threat of them; or utilize money from dues, fees, treasury funds, or other money required as a condition of membership in an association, or as a condition of employment; or utilize money obtained in any commercial transaction. Moneys from fees, dues, treasury funds, or money obtained in a commercial transaction may, however, be used to pay costs of administration of the fund.
- b. Any person soliciting an employee, stockholder, patron, board member, or member for a contribution to the fund to fail to inform the employee or member of the political purposes of the fund at the time of the solicitation or of the general political philosophy intended to be advanced through committee activities.
- c. Any person soliciting an employee or member for a contribution to the fund to fail to inform the employee or member at the time of the solicitation of the right to refuse to contribute without any reprisal.
- d. Any contribution to be accepted without keeping an accurate record of the contributor and amount contributed and of amounts expended for political purposes.

- 1 e. Any contribution to be accepted from any person ~~who~~ is not an employee, a
2 stockholder, a patron, a board member or a member of the corporation,
3 cooperative corporation, limited liability company, affiliate, subsidiary, or
4 association maintaining the political action committee, except a corporation may
5 accept a contribution from an employee, a stockholder, a patron, a board
6 member, or a member of an affiliate or a subsidiary of the corporation.
- 7 f. Any expenditure made for political purposes to be reported under this section
8 before control of the expenditure has been released by the political action
9 committee except if there is a contract, a promise, or an agreement, expressed or
10 implied, to make such expenditure.
- 11 2. ~~All political action committees, as described in section 16.1-08.1-01, formed for the~~
12 ~~purpose of administering the segregated fund provided for in this section shall file a~~
13 ~~statement showing the name and mailing address of each contributor of an amount in~~
14 ~~excess of two hundred dollars in the aggregate for the reporting period and a listing of~~
15 ~~all expenditures of an amount in excess of two hundred dollars in the aggregate made~~
16 ~~for political purposes with the secretary of state. The statement must include the~~
17 ~~amount of each reportable contribution and the date it was received and the amount of~~
18 ~~each reportable expenditure and the date it was made. A year-end statement covering~~
19 ~~the entire calendar year must be filed no later than the thirty-first day of January of the~~
20 ~~following year. A pre-election statement must be filed no later than the thirty-second~~
21 ~~day before any primary, special, or general election and must be complete from the~~
22 ~~beginning of the calendar year through the fortieth day before the election. Even if a~~
23 ~~political action committee has not received any contributions or made any~~
24 ~~expenditures in excess of two hundred dollars during the reporting period, the political~~
25 ~~action committee shall file a statement as required by this chapter. A statement filed~~
26 ~~according to this section during the reporting period must show the following:~~
- 27 a. ~~The gross total of all contributions received and expenditures made in excess of~~
28 ~~two hundred dollars;~~
- 29 b. ~~The gross total of all contributions received and expenditures made of two~~
30 ~~hundred dollars, or less; and~~

- 1 e. ~~The cash on hand in the filer's account at the start and close of the reporting~~
2 ~~period.~~
- 3 3. ~~A political action committee shall report the occupation, employer, and principal place~~
4 ~~of business of each person, or the political committee if not already registered~~
5 ~~according to state or federal law, who contributed five thousand dollars or more in the~~
6 ~~aggregate during the reporting period.~~
- 7 4. A person may not make a payment of that person's money or of another person's
8 money to any other person for a political purpose in any name other than that of the
9 person ~~wh~~that supplies the money and a person may not knowingly receive the
10 payment nor enter nor cause the payment to be entered in that person's account or
11 record in any name other than that of the person by ~~whom~~which it actually was
12 furnished.
- 13 5.3. If an officer, employee, agent, attorney, or other representative of a corporation,
14 cooperative corporation, limited liability company, affiliate, subsidiary, or association
15 makes any contribution prohibited by this section out of corporate, cooperative
16 corporation, limited liability company, affiliate, subsidiary, or association funds or
17 otherwise violates this section, it is prima facie evidence of a violation by the
18 corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or
19 association.
- 20 6.4. A violation of this section may be prosecuted in the county where the contribution is
21 made or in any county in which it has been paid or distributed.
- 22 7.5. It is a class A misdemeanor for an officer, director, stockholder, manager, governor,
23 member, attorney, agent, or representative of any corporation, cooperative
24 corporation, limited liability company, affiliate, subsidiary, or association to violate this
25 section or to counsel or consent to any violation. Any person ~~wh~~that solicits or
26 knowingly receives any contribution in violation of this section is guilty of a class A
27 misdemeanor.
- 28 8.6. Any officer, director, stockholder, manager, governor, member, attorney, agent, or
29 representative who makes, counsels, or consents to the making of a contribution in
30 violation of this section is liable to the company, corporation, limited liability company,
31 affiliate, subsidiary, or association for the amount so contributed.

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

3 **16.1-08.1-03.5. Corporate contributions and expenditures - ~~Report~~Statement required.**

- 4 1. Corporations, cooperative corporations, limited liability companies, affiliates,
5 subsidiaries, and associations may make expenditures and contributions for promoting
6 any general political philosophy or belief deemed in the best interest of the employees,
7 stockholders, patrons, or members of the corporation, cooperative corporation, limited
8 liability company, affiliate, subsidiary, or association other than a "political purpose" as
9 defined by this chapter. A corporation, cooperative corporation, limited liability
10 company, affiliate, subsidiary, or association may not make a contribution for a political
11 purpose.
- 12 2. A corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or
13 association may make a donation of property or money to a state political party or
14 nonprofit entity affiliated with or under the control of a state political party for deposit in
15 a separate and segregated building fund. ~~Money in the fund must be used exclusively~~
16 ~~by the state political party or nonprofit entity affiliated with or under the control of a~~
17 ~~state political party for purchasing, maintaining, or renovating a building and for the~~
18 ~~purchase of fixtures for the building. A state political party or nonprofit entity affiliated~~
19 ~~with or under the control of a state political party receiving a donation under this~~
20 ~~subsection shall file a statement with the secretary of state no later than the thirty-first~~
21 ~~day of January of each calendar year. The statement must include the name and~~
22 ~~mailing address of each donor, the amount of each donation, the date each donation~~
23 ~~was received, all expenditures made from the fund during the previous calendar year,~~
24 ~~and cash on hand in the fund at the start and close of the reporting period. Any income~~
25 ~~and financial gain generated from a building purchased, maintained, or renovated from~~
26 ~~donations authorized under this subsection and not otherwise authorized by law must~~
27 ~~be deposited in the building fund and must be reported when the political party or~~
28 ~~nonprofit entity files the statement required under this subsection.~~
- 29 3. A corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or
30 association may make an expenditure to a measure committee as described in section
31 16.1-08.1-01 for the purpose of promoting the passage or defeat of an initiated or

1 referred measure or petition or make an expenditure to any other person that makes
2 an independent expenditure. A corporation, cooperative corporation, limited liability
3 company, affiliate, subsidiary, or association may make an independent expenditure
4 for a political purpose or for the purpose of promoting passage or defeat of initiated or
5 referred measures or petitions. The corporation, cooperative corporation, limited
6 liability company, affiliate, subsidiary, or association shall file a statement disclosing
7 any expenditure made under this subsection with the secretary of state within
8 forty-eight hours after making the expenditure. The statement must include:

- 9 a. The full name of the corporation, cooperative corporation, limited liability
10 company, affiliate, subsidiary, or association;
- 11 b. The complete address of the corporation, cooperative corporation, limited liability
12 company, affiliate, subsidiary, or association;
- 13 c. The name of the recipient of the expenditure;
- 14 d. If the expenditure is related to a measure or petition, the title of the measure or
15 petition and whether the expenditure is made in support of or opposition to the
16 measure or petition;
- 17 e. If the expenditure is related to a measure, the election date on which the
18 measure either will appear or did appear on the ballot;
- 19 f. If the expenditure is related to a candidate, political committee, or political party,
20 the name of the candidate, political committee, or political party, and whether the
21 expenditure is made in support of or opposition to the candidate, political
22 committee, or political party;
- 23 g. The amount of the expenditure;
- 24 g.h. The cumulative total amount of expenditures since the beginning of the calendar
25 year which are required to be reported under this subsection;
- 26 h.i. The telephone number and the printed name and signature of the individual
27 completing the statement, attesting to the statement being true, complete, and
28 correct; and
- 29 h.j. The date on which the statement was signed.

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

1 **Personal use of contributions prohibited.**

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

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

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

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

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

25 5. An individual who intends to be a write-in candidate for any legislative district office
26 shall file a certificate of write-in candidacy with the secretary of state. The certificate
27 must contain the name, address, and signature of the candidate. Certificates must be
28 filed by four p.m. on the fourth day before the election. ~~When the candidate files a~~
29 ~~certificate, the candidate also shall file the contribution statement provided for under~~
30 ~~section 16.1-08.1-024 of this Act complete through the day of the filing of the~~
31 ~~certificate.~~

1 **SECTION 13. REPEAL.** Sections 16.1-08.1-02, 16.1-08.1-03, ~~16.1-08.1-03.1,~~
2 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,
3 16.1-08.1-03.13, and 16.1-08.1-04 of the North Dakota Century Code are repealed.

4 **SECTION 14. EFFECTIVE DATE.** This Act is effective for campaign years that begin after
5 December 31, 2017.

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2343

- Page 1, line 1, replace "three" with "four"
- Page 1, line 3, replace the first "section" with "sections"
- Page 1, line 3, remove "subsections 6 and 7 of section"
- Page 1, line 4, remove "sections"
- Page 1, line 4, replace "and" with ", 16.1-08.1-03.2,"
- Page 1, line 4, after the second comma insert "and 16.1-08.1-03.5,"
- Page 1, line 7, remove "16.1-08.1-03.1,"
- Page 1, line 9, remove "and"
- Page 1, line 9, after "penalty" insert "; to provide for application; and to provide an effective date"

Page 3, after line 23 insert:

"g. In-kind contributions from a candidate to the candidate's campaign."

- Page 4, line 17, remove "Consulting:"
- Page 4, line 18, remove "d."
- Page 4, remove lines 19 and 20
- Page 4, line 21, replace "g." with "d."
- Page 4, line 22, replace "h." with "e."
- Page 5, line 10, after "committee" insert "not connected to another organization and free to solicit funds from the general public"
- Page 5, line 10, after the first comma insert "or"
- Page 5, line 22, after the comma insert "including a caucus."

Page 6, replace lines 21 through 26 with:

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

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

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

2. A postconvention statement must be filed with the secretary of state sixty days after the close of the state nominating convention. The reporting period for the postconvention statement begins on the first day of January of the reporting year and ends thirty days after the close of the state nominating convention.
3. A year-end statement covering the entire calendar year must be filed with the secretary of state ~~no later than the thirty first day of January~~ before February first of the following year even if no convention revenue was received or expenditures made within the calendar year.
4. The statement filed according to this section must show the following:
 - a. ~~The cash on hand in~~ balance of the filer's convention accounts at the start and close of the reporting period;
 - b. The ~~gross~~ total of all revenue received and expenditures made of two hundred dollars, or less;
 - c. The ~~gross~~ total of all revenue received and expenditures made in excess of two hundred dollars;
 - d. ~~The~~ For each aggregated totals of all revenue received from a single person or entity in excess of two hundred dollars, ~~the~~:
 - (1) The name of each person or entity, ~~the~~;
 - (2) The mailing address of each person or entity, ~~the~~;
 - (3) The date of the most recent receipt of revenue from each person or entity, ~~and the~~; and
 - (4) The purpose or purposes for which the aggregated revenue total was received from each person or entity;
 - e. ~~The aggregated totals of all expenditures~~ For each aggregated expenditure made to a single person or entity in excess of two hundred dollars, ~~the~~:
 - (1) The name of each person or entity, ~~the~~;
 - (2) The mailing address of each person or entity, ~~the~~;
 - (3) The date of the most recent expense made to each person or entity, ~~and the~~; and
 - (4) The purpose or purposes for which the aggregated expenditure total was disbursed to each person or entity; and
 - f. ~~A political party shall report~~ For each aggregated revenue from an individual which totals five thousand dollars or more during the reporting period, the occupation, employer, and principal place of business of each person from whom ~~five thousand dollars or more of revenue was received in the aggregate during the reporting period~~ the individual must be disclosed.
5. ~~For the purposes of this section, the term entity is defined as any group consisting of or representing more than one person.~~

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

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

State political party building fund statement required.

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

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

Page 6, remove lines 27 through 30

Page 7, remove lines 1 and 2

Page 7, line 6, replace "**political action**" with "**multicandidate**"

Page 7, line 10, remove "a political action committee."

Page 7, line 27, replace "and" with an underscored comma

Page 7, line 28, after the underscored comma insert "and a multicandidate committee."

Page 7, line 31, replace "report" with "statement"

Page 8, line 8, remove "a political action committee,"

Page 8, line 8, after the first "or" insert "a"

Page 8, line 13, replace "and" with an underscored comma

Page 8, line 14, after the underscored comma insert "and a multicandidate committee,"

Page 8, line 24, after the underscored semicolon insert "and"

Page 8, line 25, remove "The aggregate total of all expenditures from campaign funds of two hundred"

Page 8, remove lines 26 and 27

Page 8, line 28, remove "f."

Page 8, line 30, replace "report" with "statement"

Page 8, line 30, replace "subsection 1 or subsection 3" with "this section"

Page 9, line 3, after "contributions" insert "from individuals"

Page 9, line 3, replace "report" with "statement"

Page 9, line 3, remove the underscored colon

Page 9, line 4, replace "a. The" with "the"

Page 9, line 5, remove "; or"

Page 9, remove line 6

Page 9, line 7, remove "address of the contributor"

Page 9, after line 17, insert:

"8. To ensure accurate reporting and avoid commingling of campaign and personal funds, candidates shall use dedicated campaign accounts that are separate from any personal accounts."

Page 9, line 21, remove "certain"

Page 9, line 21, after "and" insert "certain"

Page 10, line 13, replace "received by" with "made to"

Page 11, line 15, replace "received by" with "made to"

Page 11, line 22, replace the first "report" with "statement"

Page 11, line 22, replace "subsection 1 or subsection 3" with "this section"

Page 11, line 22, replace the second "report" with "disclose"

Page 11, line 24, after "contributions" insert "from individuals"

Page 11, line 24, replace "report" with "statement"

Page 11, line 24, remove the underscored colon

Page 11, line 25, replace "a. The" with "the"

Page 11, line 26, remove "; or"

Page 11, remove line 27

Page 11, line 28, remove "address of the contributor"

Page 13, line 19, after "contribution" insert "and expenditure"

Page 13, line 19, replace "4" with "5"

Page 14, after line 10, insert:

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

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

1. A political committee as defined in section 16.1-08.1-01 shall register its name and contact information, its agent's name and contact information, and a designation as to whether the committee is incorporated solely for the purpose of liability protection, with the secretary of state. A candidate who does not have a candidate committee shall register the candidate's name and contact information and, if the candidate has an agent, the agent's name and contact information with the secretary of state. The registration required under this section for a candidate or political committee that has not previously registered with the secretary of state must be submitted within fifteen business days of the receipt of any contribution or expenditure made.
2. A candidate or political committee required to be registered under this section must register with the secretary of state each year during which the candidate holds public office or during which the political committee receives contributions ~~or~~, makes expenditures for political purposes, or has a balance in the campaign account. An individual who no longer holds public office or an individual who no longer seeks public office must register with the secretary of state each year in which contributions are received ~~or~~, expenditures are made for political purposes, or has a balance in the campaign account.
3. A political committee that organizes and registers according to federal law and makes an independent expenditure or makes a disbursement in excess of two hundred dollars to a nonfederal candidate seeking public office, a political party, or political committee in this state is not required to register as a political committee according to this section if the political committee reports according to section 16.1-08.1-03.7.
4. ~~An incidental political committee is required to register under this section only as a result of making a reportable expenditure or contribution in the aggregate during any reporting period, but the registration under this section does not change the nature of business for the organization.~~
5. Registration by a political committee under this section does not reserve the name for exclusive use nor does it constitute registration of a trade name under chapter 47-25."

Page 14, line 14, after "**companies**" insert "**, affiliates, subsidiaries**"

Page 14, line 16, after the third comma insert "affiliate, subsidiary."

Page 14, line 19, after the comma insert "affiliate, subsidiary."

Page 15, line 9, after the second comma, insert "affiliate, subsidiary."

Page 16, line 20, after the second comma insert "affiliate, subsidiary."

Page 16, line 22, after the first comma insert "affiliate, subsidiary."

Page 16, line 24, after the first comma insert "affiliate, subsidiary."

Page 16, line 29, after the second comma insert "affiliate, subsidiary."

Page 17, line 3, after the third comma insert "affiliate, subsidiary."

Page 17, after line 4, insert:

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

**16.1-08.1-03.5. Corporate contributions and expenditures -
ReportStatement required.**

1. Corporations, cooperative corporations, limited liability companies, affiliates, subsidiaries, and associations may make expenditures and contributions for promoting any general political philosophy or belief deemed in the best interest of the employees, stockholders, patrons, or members of the corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association other than a "political purpose" as defined by this chapter. A corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association may not make a contribution for a political purpose.
2. A corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association may make a donation of property or money to a state political party or nonprofit entity affiliated with or under the control of a state political party for deposit in a separate and segregated building fund. ~~Money in the fund must be used exclusively by the state political party or nonprofit entity affiliated with or under the control of a state political party for purchasing, maintaining, or renovating a building and for the purchase of fixtures for the building. A state political party or nonprofit entity affiliated with or under the control of a state political party receiving a donation under this subsection shall file a statement with the secretary of state no later than the thirty first day of January of each calendar year. The statement must include the name and mailing address of each donor, the amount of each donation, the date each donation was received, all expenditures made from the fund during the previous calendar year, and cash on hand in the fund at the start and close of the reporting period. Any income and financial gain generated from a building purchased, maintained, or renovated from donations authorized under this subsection and not otherwise authorized by law must be deposited in the building fund and must be reported when the political party or nonprofit entity files the statement required under this subsection.~~
3. A corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association may make an expenditure to a measure

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

- a. The full name of the corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association;
- b. The complete address of the corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association;
- c. The name of the recipient of the expenditure;
- d. If the expenditure is related to a measure or petition, the title of the measure or petition and whether the expenditure is made in support of or opposition to the measure or petition;
- e. If the expenditure is related to a measure, the election date on which the measure either will appear or did appear on the ballot;
- f. If the expenditure is related to a candidate, political committee, or political party, the name of the candidate, political committee, or political party, and whether the expenditure is made in support of or opposition to the candidate, political committee, or political party;
- g. The amount of the expenditure;
- ~~g~~.h. The cumulative total amount of expenditures since the beginning of the calendar year which are required to be reported under this subsection;
- ~~h~~.i. The telephone number and the printed name and signature of the individual completing the statement, attesting to the statement being true, complete, and correct; and
- ~~i~~.j. The date on which the statement was signed."

Page 17, line 26, remove "under section"

Page 17, line 27, overstrike "16.1-08.1-03.11"

Page 17, line 27, remove "or to statements filed"

Page 17, line 27, remove "for county office"

Page 17, line 27, remove the second "by"

Page 17, line 28, replace "office" with "or city offices"

Page 18, line 4, overstrike "When the candidate files a"

Page 18, overstrike line 5

Page 18, line 6, overstrike "section"

Page 18, line 6, remove "4 of this Act"

Page 18, line 6, overstrike "complete through the day of the filing of the"

Page 18, overstrike line 7

Page 18, line 8, remove "16.1-08.1-03.1,"

Page 18, after line 10, insert:

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

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

Renumber accordingly

Sixty-fifth
Legislative Assembly
of North Dakota

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 ~~three~~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 ~~section~~sections 16.1-08.1-01, ~~subsections 6 and 7 of~~
4 ~~section~~ 16.1-08.1-02.1, ~~sections~~ 16.1-08.1-03.1 ~~and~~, 16.1-08.1-03.2, 16.1-08.1-03.3, and
5 16.1-08.1-03.5, subsection 3 of section 16.1-08.1-05, and subsection 5 of section 16.1-12-02.2
6 of the North Dakota Century Code, relating to definitions and campaign disclosure statements;
7 to repeal sections 16.1-08.1-02, 16.1-08.1-03, ~~16.1-08.1-03.1~~, 16.1-08.1-03.8, 16.1-08.1-03.9,
8 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 16.1-08.1-04 of the
9 North Dakota Century Code, relating to campaign disclosure statements; ~~and~~ to provide a
10 penalty; to provide for application; and to provide an 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 c. ~~Money spent by a candidate on the candidate's own behalf.~~
 - 14 d. 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. 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. 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. An independent expenditure.
 - 24 f. The value of advertising paid by a political party, multicandidate political
25 committee, or caucus which is in support of a candidate.
 - 26 g. 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. Consulting;

21 ~~d.~~ Operations;

22 e. Postage;

23 ~~f.~~ Printing;

24 ~~g.d.~~ Travel; and

25 ~~h.e.~~ Miscellaneous.

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

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

1 the purpose of drafting an initiative or referendum petition, seeking approval of
2 the secretary of state for the circulation of a petition, or seeking approval of the
3 submitted petitions; and

4 f. ~~An incidental committee.~~

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

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

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

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

24 ~~SECTION 2. AMENDMENT. Subsection 6 of section 16.1-08.1-02.1 of the North Dakota~~
25 ~~Century Code is amended and reenacted as follows:~~

26 ~~6. If a net gain from the convention is transferred to the accounts established for the~~
27 ~~support of the nomination or election of candidates, the total transferred must be~~
28 ~~reported as a contribution in the statements required by section 16.1-08.1-034 of this~~
29 ~~Act.~~

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

1 **16.1-08.1-02.1. State political party convention revenue and expense statement**

2 **required.**

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

1 (1) The name of each person or entity, ~~the;~~

2 (2) The mailing address of each person or entity, ~~the;~~

3 (3) The date of the most recent expense made to each person or entity, ~~and~~
4 ~~the; and~~

5 (4) The purpose or purposes for which the aggregated expenditure total was
6 ~~disbursed to each person or entity; and~~

7 f. ~~A political party shall report~~ For each aggregated revenue from an individual
8 which totals five thousand dollars or more during the reporting period, the
9 occupation, employer, and principal place of business of ~~each person from whom~~
10 ~~five thousand dollars or more of revenue was received in the aggregate during~~
11 ~~the reporting period~~ the individual must be disclosed.

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

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

18 ~~7.6.~~ If a net loss from the convention is covered by a transfer from the accounts
19 established for the support of the nomination or election of candidates, the total
20 transferred must be reported as an expenditure in the statements required by section
21 ~~16.1-08.1-035~~ of this Act.

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

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

25 A state political party or nonprofit entity affiliated with or under the control of a state political
26 party which receives a donation for purchasing, maintaining, or renovating a building shall file a
27 statement with the secretary of state before February first of each calendar year. Any income or
28 financial gain generated from a building purchased, maintained, or renovated from donations
29 must be deposited in the building fund and must be disclosed when the political party or
30 nonprofit entity files the statement required under this section. Money in the fund may be used
31 only by the state political party or nonprofit entity affiliated with or under the control of a state

1 political party for purchasing, maintaining, or renovating a building including the purchase of
2 fixtures for the building. The statement may be submitted for filing beginning on January first
3 and must include:

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

12 ~~SECTION 3. AMENDMENT. Subsection 7 of section 16.1-08.1-02.1 of the North Dakota~~
13 ~~Century Code is amended and reenacted as follows:—~~

14 ~~7. If a net loss from the convention is covered by a transfer from the accounts~~
15 ~~established for the support of the nomination or election of candidates, the total~~
16 ~~transferred must be reported as an expenditure in the statements required by section~~
17 ~~16.1-08.1-034 of this Act.~~

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

20 **Pre-election, supplemental, and year-end campaign disclosure statement**
21 **requirements for candidates, candidate committees, ~~political action~~ multicandidate**
22 **committees, and nonstatewide political parties.**

- 23 1. Prior to the thirty-first day before a primary, general, or special election, a candidate or
24 candidate committee formed on behalf of the candidate, a multicandidate political
25 committee, ~~a political action committee,~~ or a political party other than a statewide
26 political party soliciting or accepting contributions shall file a campaign disclosure
27 statement that includes all contributions received from January first through the fortieth
28 day before the election. A candidate whose name is not on the ballot and who is not
29 seeking election through write-in votes, the candidate's candidate committee, and a
30 political party that has not endorsed or nominated any candidate in the election is not

- 1 required to file a statement under this subsection. The statement may be submitted for
2 filing beginning on the thirty-ninth day before the election. The statement 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; and
- 12 d. For a statewide candidate ~~and~~, a candidate committee formed on behalf of a
13 statewide candidate, ~~and a multicandidate committee~~, the balance of the
14 campaign fund on the fortieth day before the election and the balance of the
15 campaign fund on January first.
- 16 2. Beginning on the thirty-ninth day before the election through the day before the
17 election, a person that files a ~~report~~statement under subsection 1 must file a
18 supplemental statement within forty-eight hours of the start of the day following the
19 receipt of a contribution or aggregate contribution from a contributor which is in excess
20 of five hundred dollars. The statement must include:
- 21 a. The name and mailing address of the contributor;
22 b. The total amount of the contribution received during the reporting period; and
23 c. The date the last contributed amount was received.
- 24 3. Prior to February first, a candidate or candidate committee, a multicandidate political
25 committee, ~~a political action committee~~, or a nonstatewide political party soliciting or
26 accepting contributions shall file a campaign disclosure statement that includes all
27 contributions received and expenditures, by expenditure category, made from January
28 first through December thirty-first of the previous year. The statement may be
29 submitted for filing beginning on January first. The statement must include:

- 1 a. For a statewide candidate ~~and~~, a candidate committee formed on behalf of a
2 statewide candidate, ~~and a multicandidate committee~~, the balance of the
3 campaign fund on January first and on December thirty-first;
- 4 b. For each aggregated contribution from a contributor which totals in excess of two
5 hundred dollars received during the reporting period:
- 6 (1) The name and mailing address of the contributor;
7 (2) The total amount of the contribution; and
8 (3) The date the last contributed amount was received;
- 9 c. The total of all aggregated contributions from contributors which total in excess of
10 two hundred dollars during the reporting period;
- 11 d. The total of all contributions received from contributors that contributed two
12 hundred dollars or less each during the reporting period; and
- 13 e. ~~The aggregate total of all expenditures from campaign funds of two hundred~~
14 ~~dollars or less to recipients that are candidates, political committees, or political~~
15 ~~parties; and~~
- 16 ~~f.~~ The total of all other expenditures made during the previous year, separated into
17 expenditure categories.
- 18 4. A person required to file a ~~reportstatement~~ under ~~subsection 1 or subsection 3~~~~this~~
19 section, other than a candidate for judicial office, county office, or city office, or a
20 candidate committee for a candidate exempted under this subsection, shall report
21 each aggregated contribution from a contributor which totals five thousand dollars or
22 more during the reporting period. For these contributions from individuals, the
23 ~~reportstatement~~ must include:
- 24 ~~a.~~ The contributor's occupation, employer, and the employer's principal place of
25 business; ~~or~~
- 26 ~~b.~~ If the contributor was a political committee or political party, the name and mailing
27 address of the contributor.
- 28 5. A candidate for city office in a city with a population under five thousand and a
29 candidate committee for the candidate are exempt from this section.
- 30 6. A candidate for county office and a candidate committee for a candidate for county
31 office shall file statements under this chapter with the county auditor. A candidate for

1 city office who is required to file a statement under this chapter and a candidate
2 committee for such a candidate shall file statements with the city auditor. Any other
3 person required to file a statement under this section shall file the statement with the
4 secretary of state.

5 7. The filing officer shall assess and collect fees for any reports filed after the filing
6 deadline.

7 8. To ensure accurate reporting and avoid commingling of campaign and personal funds,
8 candidates shall use dedicated campaign accounts that are separate from any
9 personal accounts.

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

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

14 1. Prior to the thirty-first day before a primary, general, or special election, a statewide
15 political party or a political committee not required to file statements under section 4 of
16 this Act which is soliciting or accepting contributions shall file a campaign disclosure
17 statement that includes all contributions received and expenditures made from
18 January first through the fortieth day before the election. A political party that has not
19 endorsed or nominated a candidate in an election is not required to file a statement
20 under this subsection. A statement required to be filed under this subsection may be
21 submitted for filing beginning on the thirty-ninth day before the election. The statement
22 must include:

23 a. For each aggregated contribution from a contributor which totals in excess of two
24 hundred dollars received during the reporting period:

25 (1) The name and mailing address of the contributor;

26 (2) The total amount of the contribution; and

27 (3) The date the last contributed amount was received;

28 b. The total of all aggregated contributions from contributors which total in excess of
29 two hundred dollars during the reporting period;

30 c. The total of all contributions received from contributors that contributed two
31 hundred dollars or less each during the reporting period;

- 1 d. For each recipient of an expenditure from campaign funds in excess of two
2 hundred dollars in the aggregate:
- 3 (1) The name and mailing address of the recipient;
4 (2) The total amount of the expenditure received by made to the recipient; and
5 (3) The date the last expended amount was made to the recipient;
- 6 e. The aggregate total of all expenditures from campaign funds in excess of two
7 hundred dollars;
- 8 f. The aggregate total of all expenditures from campaign funds of two hundred
9 dollars or less; and
- 10 g. The balance of the campaign fund on the fortieth day before the election and
11 balance of the campaign fund on January first.
- 12 2. Beginning on the thirty-ninth day before the election through the day before the
13 election, a person that files a statement under subsection 1 must file a supplemental
14 statement within forty-eight hours of the start of the day following the receipt of a
15 contribution or aggregate contribution from a contributor which is in excess of five
16 hundred dollars. The statement must include:
- 17 a. The name and mailing address of the contributor;
18 b. The total amount of the contribution received during the reporting period; and
19 c. The date the last contributed amount was received.
- 20 3. Prior to February first, a statewide political party or a political committee that is not
21 required to file a statement under section 4 of this Act shall file a campaign disclosure
22 statement that includes all contributions received and expenditures made from
23 January first through December thirty-first of the previous year. The statement may be
24 submitted for filing beginning on January first. The statement must include:
- 25 a. For each aggregated contribution from a contributor which totals in excess of two
26 hundred dollars received during the reporting period:
- 27 (1) The name and mailing address of the contributor;
28 (2) The total amount of the contribution; and
29 (3) The date the last contributed amount was received;
- 30 b. The total of all aggregated contributions from contributors which total in excess of
31 two hundred dollars during the reporting period;

- 1 c. The total of all contributions received from contributors that contributed two
2 hundred dollars or less each during the reporting period;
- 3 d. For each recipient of an expenditure from campaign funds in excess of two
4 hundred dollars in the aggregate:
- 5 (1) The name and mailing address of the recipient;
6 (2) The total amount of the expenditure ~~received by~~made to the recipient; and
7 (3) The date the last expended amount was made to the recipient;
- 8 e. The aggregate total of all expenditures from campaign funds in excess of two
9 hundred dollars;
- 10 f. The aggregate total of all expenditures from campaign funds of two hundred
11 dollars or less; and
- 12 g. The balance of the campaign fund on January first and December thirty-first.
- 13 4. A person required to file a ~~report~~statement under ~~subsection 1 or subsection 3~~this
14 section shall ~~report~~disclose each aggregated contribution from a contributor which
15 totals five thousand dollars or more during the reporting period. For these contributions
16 from individuals, the ~~report~~statement must include:
- 17 ~~a. The~~the contributor's occupation, employer, and the employer's principal place of
18 business; ~~or~~
- 19 ~~b. If the contributor was a political committee or political party, the name and mailing~~
20 address of the contributor.
- 21 5. Statements under this section must be filed with the secretary of state.
- 22 6. The secretary of state shall assess and collect fees for any reports filed after the filing
23 deadline.

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

26 **16.1-08.1-03.1. ~~Contributions statement~~Special requirements for statements required**
27 **of measure committees circulating or promoting passage or defeat of initiated or**
28 **referred measure.**

- 29 1. ~~Any person or measure committee, as described in section 16.1-08.1-01, that is~~
30 soliciting or accepting a contribution for the purpose of aiding or opposing the
31 circulation or passage of a statewide initiative or referendum petition or measure

1 placed upon a statewide ballot by action of the legislative assembly at any election
2 shall file a statement in accordance with this subsection if the person has received any
3 contribution in excess of one hundred dollars. The statement must include the name
4 and mailing address of each person that contributed in excess of one hundred dollars
5 to the person, the amount of each reportable contribution, and the date each
6 reportable contribution was received. The statement must include the name and
7 mailing address of each recipient of an expenditure exceeding one hundred dollars in
8 the aggregate, the amount of each reportable expenditure, and the date the
9 expenditure was made.

10 2. A person or measure committee as described in section 16.1-08.1-01 which is
11 soliciting or accepting a contribution for the purpose of aiding or opposing the
12 circulation or passage of a statewide initiative or referendum petition or measure
13 placed upon a statewide ballot by action of the legislative assembly may not accept a
14 contribution of more than one hundred dollars from an out-of-state person or political
15 committee unless the contribution is accompanied by a certified statement from the
16 contributor listing the name, address, and amount contributed by each person that
17 contributed more than one hundred dollars of the contribution. The statement must
18 indicate if no person contributed in excess of one hundred dollars of the out-of-state
19 person's or political committee's overall contribution. The certified statement must also
20 list the occupation, employer, and principal place of business for each individual who
21 contributed more than one hundred dollars of the contribution. The person soliciting or
22 accepting a contribution for the purpose of aiding the circulation of a statewide
23 initiative or referendum petition or of promoting passage or defeat of a statewide
24 initiated or referred measure shall include this statement with the contribution
25 statement required to be filed under subsection 1.

26 3. The statement required of a person or measure committee under subsection 1 must
27 be filed with the secretary of state no later than the thirty-second day before the date
28 of the election in which the measure appears or would have appeared on the ballot
29 complete from the beginning of that calendar year through the fortieth day before the
30 date of the election. A complete statement for the entire calendar year for each
31 statement required to be filed under this section must be filed no later than the

- 1 ~~thirty-first day of January of the following year. Even if a person required to report~~
2 ~~according to this section has not received any contributions in excess of one hundred~~
3 ~~dollars during the reporting period, the person shall file a statement as required by this~~
4 ~~chapter. A statement filed according to this section during the reporting period must~~
5 ~~show the following:~~
- 6 a. ~~The gross total of all contributions received and expenditures made in excess of~~
7 ~~one hundred dollars;~~
- 8 b. ~~The gross total of all contributions received and expenditures made of one~~
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~~For each reportable contribution and expenditure under section 45 of this
12 Act, the threshold for reporting is one hundred dollars for any person or measure
13 committee circulating or promoting passage or defeat of an initiated or referred
14 measure.
- 15 2. For contributions received from an out-of-state contributor, a person or measure
16 committee circulating or promoting passage or defeat of an initiated or referred
17 measure shall include the following information regarding subcontributors in the
18 statements required under section 5 of this Act:
- 19 a. A designation as to whether any person contributed in excess of one hundred
20 dollars of the total contribution;
- 21 b. The name and mailing address of each subcontributor that contributed in excess
22 of one hundred dollars of the total contribution;
- 23 c. The contribution amounts of each disclosed subcontributor; and
- 24 d. The occupation, employer, and address for the employer's principal place of
25 business of each disclosed subcontributor.
- 26 3. An initiative and referendum sponsoring committee also shall file a disclosure
27 statement by the date the secretary of state approves the petition for circulation, and
28 shall file an additional statement on the date the petitions containing the required
29 number of signatures are submitted to the secretary of state for review. The
30 statements required under this subsection must be in the same form as the year-end
31 statements under section 5 of this Act.

- 1 4. A sponsoring committee shall file a statement regarding its intent to compensate
2 circulators before paying for petitions to be circulated.

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

5 **16.1-08.1-03.2. Political committee and candidate registration.**

- 6 1. A political committee as defined in section 16.1-08.1-01 shall register its name and
7 contact information, its agent's name and contact information, and a designation as to
8 whether the committee is incorporated solely for the purpose of liability protection, with
9 the secretary of state. A candidate who does not have a candidate committee shall
10 register the candidate's name and contact information and, if the candidate has an
11 agent, the agent's name and contact information with the secretary of state. The
12 registration required under this section for a candidate or political committee that has
13 not previously registered with the secretary of state must be submitted within fifteen
14 business days of the receipt of any contribution or expenditure made.
- 15 2. A candidate or political committee required to be registered under this section must
16 register with the secretary of state each year during which the candidate holds public
17 office or during which the political committee receives contributions ~~or~~, makes
18 expenditures for political purposes, or has a balance in the campaign account. An
19 individual who no longer holds public office or an individual who no longer seeks public
20 office must register with the secretary of state each year in which contributions are
21 received ~~or~~, expenditures are made for political purposes, or has a balance in the
22 campaign account.
- 23 3. A political committee that organizes and registers according to federal law and makes
24 an independent expenditure or makes a disbursement in excess of two hundred
25 dollars to a nonfederal candidate seeking public office, a political party, or political
26 committee in this state is not required to register as a political committee according to
27 this section if the political committee reports according to section 16.1-08.1-03.7.
- 28 4. ~~An incidental political committee is required to register under this section only as a~~
29 ~~result of making a reportable expenditure or contribution in the aggregate during any~~
30 ~~reporting period, but the registration under this section does not change the nature of~~
31 ~~business for the organization.~~

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

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

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

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

- a. The person or persons controlling the fund to make contributions or expenditures utilizing money or anything of value secured by physical force, job discrimination, financial reprisals, or the threat of them; or utilize money from dues, fees, treasury funds, or other money required as a condition of membership in an association, or as a condition of employment; or utilize money obtained in any commercial transaction. Moneys from fees, dues, treasury funds, or money obtained in a commercial transaction may, however, be used to pay costs of administration of the fund.
- b. Any person soliciting an employee, stockholder, patron, board member, or member for a contribution to the fund to fail to inform the employee or member of the political purposes of the fund at the time of the solicitation or of the general political philosophy intended to be advanced through committee activities.
- c. Any person soliciting an employee or member for a contribution to the fund to fail to inform the employee or member at the time of the solicitation of the right to refuse to contribute without any reprisal.
- d. Any contribution to be accepted without keeping an accurate record of the contributor and amount contributed and of amounts expended for political purposes.

- 1 e. Any contribution to be accepted from any person ~~who is~~ not an employee, a
2 stockholder, a patron, a board member or a member of the corporation,
3 cooperative corporation, limited liability company, affiliate, subsidiary, or
4 association maintaining the political action committee, except a corporation may
5 accept a contribution from an employee, a stockholder, a patron, a board
6 member, or a member of an affiliate or a subsidiary of the corporation.
- 7 f. Any expenditure made for political purposes to be reported under this section
8 before control of the expenditure has been released by the political action
9 committee except if there is a contract, a promise, or an agreement, expressed or
10 implied, to make such expenditure.
- 11 2. ~~All political action committees, as described in section 16.1-08.1-01, formed for the~~
12 ~~purpose of administering the segregated fund provided for in this section shall file a~~
13 ~~statement showing the name and mailing address of each contributor of an amount in~~
14 ~~excess of two hundred dollars in the aggregate for the reporting period and a listing of~~
15 ~~all expenditures of an amount in excess of two hundred dollars in the aggregate made~~
16 ~~for political purposes with the secretary of state. The statement must include the~~
17 ~~amount of each reportable contribution and the date it was received and the amount of~~
18 ~~each reportable expenditure and the date it was made. A year-end statement covering~~
19 ~~the entire calendar year must be filed no later than the thirty-first day of January of the~~
20 ~~following year. A pre-election statement must be filed no later than the thirty-second~~
21 ~~day before any primary, special, or general election and must be complete from the~~
22 ~~beginning of the calendar year through the fortieth day before the election. Even if a~~
23 ~~political action committee has not received any contributions or made any~~
24 ~~expenditures in excess of two hundred dollars during the reporting period, the political~~
25 ~~action committee shall file a statement as required by this chapter. A statement filed~~
26 ~~according to this section during the reporting period must show the following:~~
- 27 a. ~~The gross total of all contributions received and expenditures made in excess of~~
28 ~~two hundred dollars;~~
- 29 b. ~~The gross total of all contributions received and expenditures made of two~~
30 ~~hundred dollars, or less; and~~

- 1 e. ~~The cash on hand in the filer's account at the start and close of the reporting~~
2 ~~period.~~
- 3 3. ~~A political action committee shall report the occupation, employer, and principal place~~
4 ~~of business of each person, or the political committee if not already registered~~
5 ~~according to state or federal law, who contributed five thousand dollars or more in the~~
6 ~~aggregate during the reporting period.~~
- 7 4. A person may not make a payment of that person's money or of another person's
8 money to any other person for a political purpose in any name other than that of the
9 person ~~wh~~that supplies the money and a person may not knowingly receive the
10 payment nor enter nor cause the payment to be entered in that person's account or
11 record in any name other than that of the person by ~~whom~~which it actually was
12 furnished.
- 13 5.3. If an officer, employee, agent, attorney, or other representative of a corporation,
14 cooperative corporation, limited liability company, affiliate, subsidiary, or association
15 makes any contribution prohibited by this section out of corporate, cooperative
16 corporation, limited liability company, affiliate, subsidiary, or association funds or
17 otherwise violates this section, it is prima facie evidence of a violation by the
18 corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or
19 association.
- 20 6.4. A violation of this section may be prosecuted in the county where the contribution is
21 made or in any county in which it has been paid or distributed.
- 22 7.5. It is a class A misdemeanor for an officer, director, stockholder, manager, governor,
23 member, attorney, agent, or representative of any corporation, cooperative
24 corporation, limited liability company, affiliate, subsidiary, or association to violate this
25 section or to counsel or consent to any violation. Any person ~~wh~~that solicits or
26 knowingly receives any contribution in violation of this section is guilty of a class A
27 misdemeanor.
- 28 8.6. Any officer, director, stockholder, manager, governor, member, attorney, agent, or
29 representative who makes, counsels, or consents to the making of a contribution in
30 violation of this section is liable to the company, corporation, limited liability company,
31 affiliate, subsidiary, or association for the amount so contributed.

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

3 **16.1-08.1-03.5. Corporate contributions and expenditures - ~~Report~~Statement required.**

- 4 1. Corporations, cooperative corporations, limited liability companies, affiliates,
5 subsidiaries, and associations may make expenditures and contributions for promoting
6 any general political philosophy or belief deemed in the best interest of the employees,
7 stockholders, patrons, or members of the corporation, cooperative corporation, limited
8 liability company, affiliate, subsidiary, or association other than a "political purpose" as
9 defined by this chapter. A corporation, cooperative corporation, limited liability
10 company, affiliate, subsidiary, or association may not make a contribution for a political
11 purpose.
- 12 2. A corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or
13 association may make a donation of property or money to a state political party or
14 nonprofit entity affiliated with or under the control of a state political party for deposit in
15 a separate and segregated building fund. ~~Money in the fund must be used exclusively~~
16 ~~by the state political party or nonprofit entity affiliated with or under the control of a~~
17 ~~state political party for purchasing, maintaining, or renovating a building and for the~~
18 ~~purchase of fixtures for the building. A state political party or nonprofit entity affiliated~~
19 ~~with or under the control of a state political party receiving a donation under this~~
20 ~~subsection shall file a statement with the secretary of state no later than the thirty-first~~
21 ~~day of January of each calendar year. The statement must include the name and~~
22 ~~mailing address of each donor, the amount of each donation, the date each donation~~
23 ~~was received, all expenditures made from the fund during the previous calendar year,~~
24 ~~and cash on hand in the fund at the start and close of the reporting period. Any income~~
25 ~~and financial gain generated from a building purchased, maintained, or renovated from~~
26 ~~donations authorized under this subsection and not otherwise authorized by law must~~
27 ~~be deposited in the building fund and must be reported when the political party or~~
28 ~~nonprofit entity files the statement required under this subsection.~~
- 29 3. A corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or
30 association may make an expenditure to a measure committee as described in section
31 16.1-08.1-01 for the purpose of promoting the passage or defeat of an initiated or

1 referred measure or petition or make an expenditure to any other person that makes
2 an independent expenditure. A corporation, cooperative corporation, limited liability
3 company, affiliate, subsidiary, or association may make an independent expenditure
4 for a political purpose, including political advertising in support of or opposition to a
5 candidate, political committee, or a political party, or for the purpose of promoting
6 passage or defeat of initiated or referred measures or petitions. The corporation,
7 cooperative corporation, limited liability company, affiliate, subsidiary, or association
8 shall file a statement disclosing any expenditure made under this subsection with the
9 secretary of state within forty-eight hours after making the expenditure. The statement
10 must include:

- 11 a. The full name of the corporation, cooperative corporation, limited liability
12 company, affiliate, subsidiary, or association;
- 13 b. The complete address of the corporation, cooperative corporation, limited liability
14 company, affiliate, subsidiary, or association;
- 15 c. The name of the recipient of the expenditure;
- 16 d. If the expenditure is related to a measure or petition, the title of the measure or
17 petition and whether the expenditure is made in support of or opposition to the
18 measure or petition;
- 19 e. If the expenditure is related to a measure, the election date on which the
20 measure either will appear or did appear on the ballot;
- 21 f. If the expenditure is related to a candidate, political committee, or political party,
22 the name of the candidate, political committee, or political party, and whether the
23 expenditure is made in support of or opposition to the candidate, political
24 committee, or political party;
- 25 g. The amount of the expenditure;
- 26 ~~g-h.~~ The cumulative total amount of expenditures since the beginning of the calendar
27 year which are required to be reported under this subsection;
- 28 ~~h-i.~~ The telephone number and the printed name and signature of the individual
29 completing the statement, attesting to the statement being true, complete, and
30 correct; and
- 31 ~~i-j.~~ The date on which the statement was signed.

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

3 **Personal use of contributions prohibited.**

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

- 6 1. Give a personal benefit to the candidate or another person;
- 7 2. Make a loan to another person;
- 8 3. Knowingly pay more than the fair market value for goods or services purchased for the
9 campaign; or
- 10 4. Pay a criminal fine or civil penalty.

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

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

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

- 27 5. An individual who intends to be a write-in candidate for any legislative district office
28 shall file a certificate of write-in candidacy with the secretary of state. The certificate
29 must contain the name, address, and signature of the candidate. Certificates must be
30 filed by four p.m. on the fourth day before the election. ~~When the candidate files a~~
31 ~~certificate, the candidate also shall file the contribution statement provided for under~~

1 ~~section 16.1-08.1-024 of this Act complete through the day of the filing of the~~
2 ~~certificate.~~

3 **SECTION 13. REPEAL.** Sections 16.1-08.1-02, 16.1-08.1-03, ~~16.1-08.1-03.1,~~
4 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,
5 16.1-08.1-03.13, and 16.1-08.1-04 of the North Dakota Century Code are repealed.

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

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