

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 ~~sections~~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 ~~e. Money spent by a candidate on the candidate's own behalf.~~

14 ~~d. b. c.~~ Money or anything of value received for commercial transactions, including rents,
15 advertising, or sponsorships made as a part of a fair market value bargained-for
16 exchange.

17 ~~e. c. d.~~ Money or anything of value received by a candidate in that person's personal
18 capacity, including pursuant to a contract or agreement made for personal or
19 private employment purposes, and not received for anything other than a political
20 purpose or to influence the performance of that person's official duty.

21 ~~f. d. e.~~ Contributions of products Products or services for which the actual cost or fair
22 market value are reimbursed by a payment of money.

23 ~~g. e. f.~~ An independent expenditure.

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

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

27 6. "Cooperative corporations", "corporations", and "limited liability companies" are as
28 defined in this code, and for purposes of this chapter "corporations" includes nonprofit
29 corporations. However, if a political committee, the only purpose of which is accepting
30 contributions and making expenditures for a political purpose, incorporates for liability

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

3 7. "Expenditure" means:

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

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

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

12 d. An independent expenditure.;

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

18 a. Advertising;

19 b. Campaign loan repayment;

20 c. 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 statewide multicandidate committee~~, the balance of
14 the 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 statewide multicandidate committee~~, the balance of
3 the 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 ~~report~~statement 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 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 ~~e. 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 ~~who~~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 ~~who~~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. The amount of the expenditure;
- 22 g. The cumulative total amount of expenditures since the beginning of the calendar
23 year which are required to be reported under this subsection;
- 24 h. The telephone number and the printed name and signature of the individual
25 completing the statement, attesting to the statement being true, complete, and
26 correct; and
- 27 i. The date on which the statement was signed.

28 **SECTION 10.** A new section to chapter 16.1-08.1 of the North Dakota Century Code is
29 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 becomes effective on February 1, 2018.

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