

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1456

2001 HOUSE POLITICAL SUBDIVISIONS

HB 1457



2001 HOUSE POLITICAL SUBDIVISIONS

HB 1456

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1456

House Political Subdivisions Committee

Conference Committee

Hearing Date 2-08-01

Tape Number	Side A	Side B	Meter #
1	xx		4300--end
1		xx	1--1180
1		x	2250 - 2300
Committee Clerk Signature <i>Pam Deane</i>			

Minutes: Chair Froseth opened the hearing on HB1456 relating to the filing of campaign contributions and expenditure statements by political committees; and to provide a penalty.

Rep. Joe Kroeber, Dist 48, Jamestown : testified in support. (SEE ATTACHED) I also have amendments that I would like the committee to consider part of the bill. Cory Fong found a slight mistake that needed to be cleared up.

Rep. Ekstrom : (4499) Can we raise the limit a bit so that every time you pop over that \$1,000 limit, you don't have to rush and file.

Rep. Kroeber : PAC's have to report over \$200, so we are already raising this to \$1,000 in aggregate. This is not a 48 hour reporting period. Don't confuse the last bill with this. This is for final aggregate report.

Rep. N. Johnson : Is there a definition of what a political committee is? Is there a penalty?

Cory : There is a definition and the answer to the second question is an infraction.

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House Political Subdivisions Committee  
Bill/Resolution Number HB1456  
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Rep. Grosz : I have the code in front of me. It's defined as: Any committee, club, association, or other group of persons receiving contributions or makes expenditures for political purposes.

Cory Fong, Sec. State's Office : (4915) I'm here to answer any questions. I'm glad Rep. Kroeber is including the amendments for line 20 and line 22. That is in line with the other reporting time lines. Candidates are not required to report, but generally everything goes through their committee. If a candidate decides I am not going to report anything as a candidate, they would be crucified. PAC's have to report any expenditures used for political purposes over \$200. Candidates and political parties don't have to report expenditures right now. This bill would be a significant change. There is a lot more reporting when you deal with expenditures. Sometimes you will be dealing with sensitive material. If you don't go over the \$1,000 threshold, you don't have to file.

Vice-Chair Severson : In section 2, lines 13 and 14, do you feel that is necessary?

Rep. Kroeber : In section 2, this is new ground that we are looking at. If this committee feels it needs changes, that is O.K. by me. Right now when we report, we have to list the name of the person that we got the money from and their address and their association (PAC's). The purpose of the expenditure might be self explanatory by who the check was written to.

Rep. Lonny Winrich, Dist. 18 : here in support of HB1456. There a loopholes in law now we want to close.

Rep. Grosz : (6060) I have a small worry about this. Will there be enough FTE's at the Sec. of State's Office to do this. Also, are there enough FTE's at the Auditor's Offices?

Rep. Winrich : I can't speak for the Sec. State's Office. Current reports from political parties or candidates are not audited. **(end side A, begin side B, Tape 1)** I don't think we will have much increase in the number of reports.

Vice-Chair Severson : This doesn't cover federal candidates?

Rep. Winrieh : I understand it doesn't. Federal law does.

Cory : To address Rep. Grosz question. I don't that our office will be impacted too much. We are looking at ways to use technology to make things easier and faster for reporters. We have rarely taken up an audit. We look at campaign contribution statements much closer now than in the past. We get clarification from candidates if we need to.

Rep. Herbel : Are we trying to fix something that is not a problem?

Cory : I think the bill's intent is to head off a problem. Our laws in ND are all based on disclosure and based on limitations. Some committees will have to start reporting with this bill.

Chair Froseth : (445) If a committee does not have to register with you, and they don't file, how do you know they exist?

Cory : That's a challenge. We will have to educate parties if this is passed.

Vice-Chair Severson :(499) What if there was a group called, HUNTERS FOR SEVERSON. Do they have to file as a political group?

Cory : If they were raising money for your election, yes they would. If they were HUNTERS FOR RESPONSIBLE GOVERNMENT who don't contribute funds for one candidate, no. If the local NRA would promote you, they would have to report under the conditions in this bill. The federal NRA promoting you are under the federal guidelines.

Rep. Delmore : Yes. But under the conditions described in here. They wouldn't have to automatically register, would they? If they fit the \$1,000 requirement, then you would have to be informed?

Cory : They are required to register with our office within receipt of any funds within five days. Reporting would be prompted any time they get contributions over \$200 or expend expenditures over \$200 if they have gone over the \$1,000 limit. According to this bill, yes they would.

Vice-Chair Severson : Rep. Kroeber, is this modeled after other legislation?

Rep. Kroeber : No, it is not. It is legislation that has been in before and failed. This is addressing situations that actually occur in the state of ND. We do have political committees that are formed that do not report, because they are not required to report.

Rep. Disrud : (1009) Is not a candidate responsible for the committee that is representing them?

Rep. Kroeber : Not by statute. In reality, if they did not want to, they wouldn't have to.

Rep. Ekstrom : I need clarification of the \$200 and the aggregate amount. A man will give me \$100. Then maybe the wife will give me \$100. Since this is two people, you don't have to report.

Rep. Kroeber : Yes, you can still get around it.

Rep. N. Johnson : Is this is passed, would this be the only section in law that requires a candidate, political party, or committee to itemize their expenditures?

Rep. Kroeber : PAC's are already doing this. To my knowledge, the state groups are not.

Chair Froseth : Is there any more testimony for or against? Hearing none, HB1456 is closed.

**Slide B, tape 1 (2250)** Chair Froseth : We will hold this bill for amendments.



2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1456 b

House Political Subdivisions Committee

Conference Committee

Hearing Date 2-15-01

Tape Number	Side A	Side B	Meter #
2	xx		2020--3400
Committee Clerk Signature <i>Pamela</i>			

Minutes:Chair Froseth : Let's look at HB1456. Rep. Delmore has some amendments.

Rep. Delmore explained amendment 10698.0202. This amendment basically deletes lines 10 - 14 This will hold the political committees more accountable. Rep. Kroeber met with Cory for these changes.

Chair Froseth : Did you remove the expenditure part?

Rep. Delmore : Yes, it was removed.

Rep. Grosz : There are two amendments before you. The .0202 is clarification and the correct one to consider. He went on to explain .0202 amendment.

Rep. Fairfield : This amendment removes all disclosure of expenditures. Why do we want to eliminate that?

Rep. Eckre : It's nobody's business.

Chair Froseth : If you want to follow the campaign trail of money, just go to the campaign committee report that is filed. That is public access.

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House Political Subdivisions Committee  
Bill/Resolution Number HB1456 b  
Hearing Date 2-15-01

Rep. Ekstrom : (3104) If a political committee or another political campaign gives your campaign more than \$1,000, you have to report that within 48 hours. For large contributions, we are still covered under the law, so I'm not worried.

Rep. Maragos : I move amendments .0202.

Vice-Chair Severson : I second.

**VOICE VOTE: ALL YES with 2 No.**

Rep. Disrud : I move a DO PASS AS AMENDED.

Rep. Maragos : I second.

**VOTE: 15 YES and 0 NO with 0 absent. PASSED. Rep. Grosz will carry the bill.**

**Proposed Amendments to House Bill No. 1456**

Page 1, remove lines 10 through 14

Page 1, line 15, replace "3." with "2."

Page 1, line 19, replace "4." with "3."

Page 1, line 20, replace "fourteenth" with "twelfth"

Page 1, line 22, replace "eighteenth" with "twentieth"

Page 2, line 3, replace "5." with "4."

Renumber accordingly

10698.0201  
Title.

Prepared by the Legislative Council staff for  
Representative Kroeber  
February 7, 2001

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1456

Page 1, line 20, replace "fourteenth" with "twelfth"

Page 1, line 22, replace "eighteenth" with "twentieth"

Renumber accordingly

VR  
2/15/01

**HOUSE AMENDMENTS to HB1456**      **HOUSE POL. SUBS 2-16-01**  
Page 1, line 2, remove "and expenditure"

Page 1, line 7, remove "and expenditure"

Page 1, line 8, remove "or makes an expenditure"

Page 1, remove lines 10 through 14

Page 1, line 15, replace "3" with "2"

Page 1, line 17, remove ", the amount of each contribution in excess of two hundred"

Page 1, line 18, remove "dollars,"

Page 1, line 19, replace "4" with "3"

Page 1, line 20, replace "fourteenth" with "twelfth"

Page 1, line 22, replace "eighteenth" with "twentieth"

**HOUSE AMENDTS TO HB1456**      **HOUSE POL. SUBS. 2-16-01**  
Page 2, line 2, remove "or made a reportable expenditure"

Page 2, line 3, replace "5" with "4"

Page 2, line 4, remove "or made any expenditure of more than two hundred dollars"

Renumber accordingly

Date: 2-15-01  
Roll Call Vote #:

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1456

House POLITICAL SUBDIVISIONS Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number 10696.0202 .0300

Action Taken DO PASS As Amended

Motion Made By Rep. Disrud Seconded By Rep. Maragos

Representatives	Yes	No	Representatives	Yes	No
Chairman Glen Froseth	✓		Rep. Wayne W. Tieman	✓	
Vice-Chair Dale C. Severson	✓				
Rep. Lois Delmore	✓				
Rep. Rachael Disrud	✓				
Rep. Bruce Eckre	✓				
Rep. Mary Ekstrom	✓				
Rep. April Fairfield	✓				
Rep. Michael Grosz	✓				
Rep. Jane Gunter	✓				
Rep. Gil Herbel	✓				
Rep. Nancy Johnson	✓				
Rep. William E. Kretschmar	✓				
Rep. Carol A. Niemeier	✓				
Rep. Andrew G. Maragos	✓				

Total (Yes) 15 No 0

Absent 0

Floor Assignment Rep. Grosz

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

**REPORT OF STANDING COMMITTEE**

**HB 1456: Political Subdivisions Committee (Rep. Froseth, Chairman) recommends AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1456 was placed on the Sixth order on the calendar.

Page 1, line 2, remove "and expenditure"

Page 1, line 7, remove "and expenditure"

Page 1, line 8, remove "or makes an expenditure"

Page 1, remove lines 10 through 14

Page 1, line 15, replace "3" with "2"

Page 1, line 17, remove ", the amount of each contribution in excess of two hundred"

Page 1, line 18, remove "dollars,"

Page 1, line 19, replace "4" with "3"

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2001 SENATE GOVERNMENT AND VETERANS AFFAIRS

HB 1456



