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2332

2001 SENATE GOVERNMENT AND VETERANS AFFAIRS

SB 2332

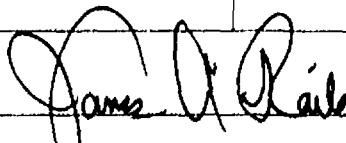
2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2332

Senate Government and Veterans Affairs Committee

Conference Committee

Hearing Date February 9, 2001

Tape Number	Side A	Side B	Meter #
1		X	3.9-21.6
February 15, 2001 2	X		40.0-57.7
Committee Clerk Signature			

Minutes: Chairman Krebsbach opened the hearing on SB 2332 which relates to the reporting of expenditures for political purposes; and to provide a penalty. Senator Linda Christenson, District 18, prime sponsor of the bill appeared before the committee. As people in public office there is one thing that we have learned over the years and that is that public trust is very fragile. Certainly it has taken a bruising and battering of late, so one of the things we are hoping our bills will do as a holistic picture of campaign finance reform or updating and upgrading is that we can somehow make people out in our public who trust us very dearly with so much make us more accountable for what we do. To make us more open, more willing and certainly more receptive to the idea that we are public servants. She likes to think of SB 2332 as being proactive. This is not punitive and it is certainly not accusatory. It's not something we haven't done it's just something we can do that will make the situation ever so much better. We look at the big picture who contributes to us, whom do we solicit, to whom are we grateful, to whom are we obliged and all of these questions are part of being sure that everything we do as campaigners is on the

record. This bill asks simply that at the point of \$200 we are willing to report in this case to the Secretary of State and to the record keeping, just to whom we have made these expenditures. My sense as an individual legislator is that these are records I keep anyway. She would not dare be careless about the places where she would spend her money. Money is often very hard to come by and even those who are generous with us, we want to be accountable. Accountability is something that runs throughout the concept of campaign finance reform. In this case when we spend more than \$200 we simply list to whom that expenditure was made. This is a small thing to ask. **Senator Dever** inquired if she might have any examples of expenditures that might be construed as inappropriate. **Senator Christenson** indicated that in no way is this meant to be accusatory or punitive. She has no examples which she thinks would be inappropriate. Far from it, she thinks just the idea of being up front about where our money goes is the greatest reassurance we could offer to anyone. **Senator Dever** indicated it seems to him that the only expenses that opponents really take an interest in what their opponents are spending money on is media. That is easy enough to find out anyway. **Senator Christenson** indicated that she would agree. Certainly there are ways in which we can access this but by putting it in this particular form in the Secretary of States Office this is going to in all probability eventually at least go on line and we want to make it available to as many people as possible. This should not be the Hunt for Red October to find these facts. It should be something that is evident and that we are very glad to share publicly. **Senator Kilzer** inquired how many of these things are already required by law. Aren't there laws in place now regarding expenditures? **Senator Christenson** indicated she certainly wished she could say that is the case, but what we attempt to do here is to put everything very clearly in this framework at this particular time. By centralizing it thorough the Secretary of States Office we are putting all the things in one place and making it more viable for

people to check this out if there are questions. **Senator Wardner** playing the devils advocate, saying somebody received \$2000 in political campaign donations. They were all under \$200 so there wouldn't be any record of it. So you really wouldn't know and then they turned in a list for \$1000 of where they spent it and then they used the other \$100 to have a good time someplace.

Would this take care of that? **Senator Christenson** If we were to be scrupulous and compare contributions with expenditures if we wanted to do that then possibly those kinds of questions would arise. However, all this asks is expenditures. If we have the entire picture where we have contributions, expenditures, etc. Then we do have a pretty good picture of the whole of organizational structure and the whole process with which it is being used. Because \$200 is the cut off point there is a great deal that would happen within a campaign that would not need to be reported. There were no further questions. **Gail Erickson** representing the ND Progressive Coalition appeared before the committee. A written copy of her testimony is attached. **Senator T. Mathern** inquired do you support this dollar amount, the \$200. Are there specific expenditures that are not appropriate for a candidate. **Ms. Erickson** indicated that the last part is a judgment call, she does think the people have a right to know how our vote is being influenced and what those expenditures are that are influencing our vote. That is what you are doing when you are campaigning. You are trying to influence our vote and I think we have a right to know that.

Appearing in neutral position on the bill was **Corey Fong**, with the Secretary of States Office. He indicated on line 12 of the bill it refers to this report being made 14 days before each primary election and the 21st day before the general election. He indicated he thought this needed to be changed to 12 days for both. On lines 9 and 10 he thought there needs to be some reference to what these expenditures are made for, and he thinks the term for any political purpose needs to be included. Some brief questions were offered by **Chairman Krebsbach** and

Senator Dever. Responses were made by **Mr. Fong.** (Tape 1, Side B, Meter #'s 19.5-21.6).

There was nothing further. **Chairman Krebsbach** closed the hearing on SB 2332.

February 15, 2001, **Senator T. Matherne** presented amendments to the committee. He indicated that the amendments were put together with the assistance of Corey Fong with the office of the Secretary of State. These amendments basically clean up the bill in light of Mr. Fong's testimony. The amendments are basically a hog house amendment. It hog houses the bill eliminating the need for creating a new and separate section for expenditure reporting. The amendments add expenditure reporting to the existing sections of law that already outline candidate and political party reporting. In Corey Fong's words this version of the amendment is cleaner and makes following the law easier. It avoids cluttering up the law with a new separate section of the law. Basically this bill would require the reporting of expenditures from political campaigns. The amendments continue that process but make it part of the process that is already in place in reporting contributions. It would create no new section of the law and make the reporting of an expenditure due at the same time that reports of the contributions is due. At this time **Senator T. Matherne** moved the adoption of the amendments to SB2316, seconded by

Senator C. Nelson. Roll Call Vote indicated 6 Yeas, 0 Nays, and 0 Absent or Not Voting. A motion for Do Not Pass as Amended was made by **Senator Kilzer**, seconded by **Senator Dever.**

Senator C. Nelson indicated that most of the stuff that people want to know about an election, obviously they want to know who major contributors are, and you can go to the Secretary of state's Office and get that. I think another thing that they are wanting to know more and more because they are getting more and more tired of seeing TV ads at least on our side of the state when you get blasted with both states over and over and over again, it becomes how much money are they actually spending? In our campaign on the local level, she would guess that her

Page 5

Senate Government and Veterans Affairs Committee

Bill/Resolution Number SB 2332

Hearing Date February 9, 2001

only expenditure that she would have to claim would be the printing company. It doesn't take long to exceed \$200.00. Once you've exceeded it, it's on the record but anything less than \$200.00 is just general in the pot, how much money did you spend. I think that this is what this is asking for. **Chairman Krebsbach, Senators Dever, T. Matherne, and Wardner** offered comments. Roll Call Vote indicated 4 Yeas, 2 Nays, and 0 Absent or Not Voting. **Senator Dever** will carry the bill.

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

**2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2332**

Senate GOVERNMENT AND VETERAN'S AFFAIRS Committee

- Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number

Action Taken Motion to Amend

Motion Made By Sen. T. Mathern Seconded By Sen. C. Nelson

Total (Yes) 0 No 0

Absent **O**

Floor Assignment

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

Date: 2/19/01
Roll Call Vote #: 2

**2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2332**

Senate GOVERNMENT AND VETERAN'S AFFAIRS Committee

- Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number

Action Taken Do Not Pass as Amended

Motion Made By Sen. Kilzer Seconded By Sen. Dever

Total (Yes) 4 No 2

Absent 0

Floor Assignment Sen. Dover

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

REPORT OF STANDING COMMITTEE

SB 2332: Government and Veterans Affairs Committee (Sen. Krebsbach, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (4 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2332 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 amend and reenact sections 16.1-08.1-02 and 16.1-08.1-03 of the North Dakota Century Code, relating to the reporting of expenditures made for political purposes by candidates and political parties.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 16.1-08.1-02 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

16.1-08.1-02. Contributions and expenditures statement required of candidates.

1. Any candidate who is soliciting or accepting contributions or making expenditures for any political purpose shall make and file a statement in accordance with this section.
2. The candidate shall include in the statement the name and mailing address of all contributors who contributed in excess of two hundred dollars in the aggregate during the reporting period to the candidate, the amount of each reportable contribution, and the date each reportable contribution was received. The statement must also include a listing of the total amount of expenditures made for political purposes during the reporting period and identify to whom any expenditure in excess of two hundred dollars was made for political purposes during the reporting period.
3. The candidate shall file the statement in the office of the secretary of state no later than the twelfth day before the date of the election in which the candidate's name appears on the ballot or in which the candidate seeks election through write-in votes complete from the beginning of that calendar year through the twentieth day before the date of the election. The candidate shall file a complete statement for the entire calendar year no later than the thirty-first day of January of the following year, regardless of whether the candidate's name appeared on the ballot for any office during that calendar year or whether the candidate did not seek election at any election through write-in votes.
4. Even if the candidate has not received any contributions or made any expenditures for political purposes in excess of two hundred dollars during the reporting period, the candidate shall file a statement as required by this chapter.

SECTION 2. AMENDMENT. Section 16.1-08.1-03 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

16.1-08.1-03. Contributions and expenditures statement required of political parties.

1. Any political party that receives contributions or makes expenditures for political purposes in excess of two hundred dollars in the aggregate during

the reporting period shall make and file a statement containing in accordance with this section. The statement must include a detailed list of all contributions received from a person or political committee which exceed two hundred dollars in amount. The statement must include the name and mailing address of all contributors listed, the amount of each reportable contribution, and the date each reportable contribution was received. The statement must also include a listing of the total amount of expenditures made for political purposes during the reporting period and identify to whom any expenditure in excess of two hundred dollars was made for political purposes during the reporting period.

2. A yearend statement covering the entire calendar year must be filed with the secretary of state no later than the thirty-first day of January of the following year. A preelection statement must be filed no later than the twelfth day before any election at which the party has endorsed or will nominate a candidate and must be complete from the beginning of that calendar year through the twentieth day before the election.
3. Even if the political party has not received any contributions or made any expenditures for political purposes in excess of two hundred dollars during the reporting period, the political party shall file a statement as required by this chapter."

Renumber accordingly

2001 TESTIMONY

SB 2332

Proposed Amendments to House Bill No. 2332

Page 1, remove lines 1 through 15 and immediately insert thereafter:

"A BILL for an Act to amend and reenact sections 16.1-08.1-02 and 16.1-08.1-03 of the North Dakota Century Code, relating to the reporting of expenditures made for political purposes by candidates and political parties.

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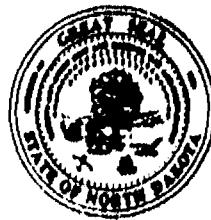
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Renumber accordingly

ALVIN A. JAEGER
SECRETARY OF STATE
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SECRETARY OF STATE

February 12, 2001

TO: Senator Tim Mather, Senate Government and Veterans Affairs Committee
FR: Cory Fong, Secretary of State's office
RE: SBs 2316 and 2332 - Campaign Finance Bills *Cory*

Attached are the amendments that you requested I draft for SBs 2316 and 2332.

SB 2316

E As you instructed, the attached amendments remove section 4 of SB 2316 that would require occupation reporting of PAC committees.

SB 2332

I have provided you with two versions of amendments to SB 2332 for your consideration.

The first version of amendments cleans up the current bill and clarifies that expenditures made for political purposes are required to be reported. The first version also adjusts the reporting deadlines to coincide with the current pre-primary, pre-general, and year-end reporting deadlines already in place.

The second version of amendments does everything the first version does and hoghouses the bill and eliminates the need for creating a new and separate section for expenditure reporting. The amendments add expenditure reporting to the existing sections of law that already outline candidate and political party reporting, sections 16.1-08.1-02 and 16.1-08.1-03.

choose I think the second version of amendments is cleaner and makes following the law easier. Not to mention, the second version avoids cluttering up the law with a new and separate section of law.

If you or the members of the committee have any further questions concerning SBs 2316 and 2332 or would like me to explain these amendments, please feel free to contact me. I may be reached at 328-3660.

Testimony In Favor of SB 2332

My name is Gail Erickson, and I am representing the ND Progressive coalition in asking your support for SB 2332.

SB 2332 would require an expenditure statement of candidates, political committees, and political parties, listing the total expenditures for the election cycle and itemizing the recipient of any expenses exceeding \$200.

Ordinary citizens have lost faith in our electoral system. They know that the cost of campaigns is escalating, and they feel it is a system clothed in secrecy and closed to all but the wealthy. SB 2332 is one small step in opening up the campaign finance system so citizens know what the costs to candidates are. Lack of full disclosure only alienates voters, and convinces them that the system is hopelessly out of control.

We have the right to know the expenditures made to influence our votes.

Please support SB 2332.

Gail H. Erickson
ND Progressive Coalition
410 E Thayer Ave Ste 2, Bismarck
(701) 224-8090
Lobbyist # 470