

2019 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1037

2019 HOUSE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee Fort Union Room, State Capitol

HB 1037
1/31/2019
31927

- Subcommittee
 Conference Committee

Committee Clerk Signature Carmen Hart

Explanation or reason for introduction of bill/resolution:

Relating to campaign finance disclosure statements for measure committees

Minutes:

Chairman Kasper opened the hearing on HB 1037.

Claire Ness, Legislative Council, appeared in a neutral position. It was approved by the initiated and referred measures commission over the summer. Under Chapter 16.1-08.1, there are several different reporting requirements for political parties and other political committees including persons who are engaged in activities regarding ballot measures. For those who are engaged in ballot measure activities, there are heightened requirements for their disclosure of contributions from out of state entities in person. HB 1037 would apply those heightened reporting requirements to contributions from any contributor to an activity for a ballot measure, not just the out of state ones.

Rep. Rohr: Clarify subcontributor language.

Claire Ness: Under Chapter 16.1-08.1, there is a duty to provide information about subcontributors as well as contributors, and subcontributors are not defined. It is interpreted to be the people who make up a bundled contribution.

Rep. Karls: Couldn't a bundled contribution involve thousands of people?

Claire Ness: It could be any number. For ballot measure activity, the threshold is \$100, and a subcontributor who contributed less than that would not be subject to those disclosure requirements.

Vice Chair Steiner: What if you have a group of 10,000 that contributed \$1,000 and has a charter that says they don't have to reveal by the IRS code? Is there a conflict there?

Claire Ness: There could be. In that case, the law in ND is silent, and it hasn't been clarified. The federal law strictly requires a nondisclosure of those individuals. I would assume that

the federal law in this hypothetical would trump our state law. However, if it is not addressed in the federal, then our state law doesn't address it either. Then you have an open question.

Chairman Kasper: This is increasing transparency because we are adding in state contributors to be disclosed as opposed to only out of state?

Claire Ness: Correct.

Neutral

Jim Silrum, Deputy Secretary of State, appeared in a neutral position. The understanding of our office whenever asked about subcontributors is this. When a contribution comes from an out of state organization, they are asked if anyone gave more than \$100 toward that lump sum that was given. They might state that this is a lump sum from our organization itself. We would say it is our understanding that no one person can do more than \$100, and they would ask to tack this on to whatever the organization is going to give. We have the ability to disclose our understanding, and that is good until such time as the attorney general or court would rule otherwise.

Rep. Schneider: Do we know how much they contribute or just that conglomerate group contributed over \$100?

Mr. Silrum: You do know the amount of the subcontributor. You know the lump amount for the entirety and how much for each.

Rep. Karls: What about groups who raise money on the internet?

Mr. Silrum: Currently, the law specifically says that if there is a pot of money collected through the internet that will go for and against a particular measure, any of those in excess of \$100 would have to be disclosed. For this one, it would need to be disclosed for all contributions toward measures.

Chairman Kasper: We have had large amounts of money being contributed to measure action ballots. When those entities file a report with your office, are they then giving us complete information we need for those subcontributors so that the out of state and in state organizations are complying with the law?

Mr. Silrum: To the best of our knowledge, yes they are.

Chairman Kasper: In light of Measure 1 that passed, does that measure require the information to be disclosed?

Mr. Silrum: I can't remember if subcontributors are listed there or not.

Rep. Schneider: What is the timing on this? Is it after the measure has passed, or are there periodic reporting periods like we would have with our contributions?

Mr. Silrum: Now there are far more disclosure requirements for anything to do with a measure than in the past. Any group involved with a measure either for or against have similar reporting requirements to yours.

Chairman Kasper closed the hearing.

Chairman Kasper opened the meeting a little later to take action on this bill. (13:03)

Rep. B. Koppelman made a motion for a DO PASS.

Rep. Schauer seconded the motion.

Rep. Louser: This came out of the overall discussion in that commission on restricting out of state money, and ultimately the commission felt that was a free speech issue. We don't have that ability to restrict out of state money, but we should be treating everybody the same when we were looking at anything that said out of state. This makes good sense.

Rep. Schneider: The initiated measure is the voice of our people in the state to have their will heard. That makes it different from those out of state contributors. I think that the reporting requirements of this have a chilling effect on contributions from in state people for in state actions, so I would vote no on this.

Rep. Rohr: Do we need to consider amending this bill to define subcontributor? Line 9?

Chairman Kasper: This is already in statute. I think it is apparent in the campaign law.

Rep. Hoverson: It seems like \$100 is trivial. Would there be any openness to \$1,000?

Chairman Kasper: \$100 is current statute.

Rep. B. Koppelman: Rep. Hoverson's suggestion might be a counter of the intent of Measure 1. If we wanted to do something like that, that bill should have a hearing.

Rep. Louser: We are just talking about subcontributors to a bundled campaign, not the \$200 plus that you would give directly to a measure or a candidate.

Rep. Karls: The wording states the name and mailing address of each subcontributor. Would that be the equivalent of a private organization revealing their mailing list?

Chairman Kasper: No, it has to do with contributions for a political action.

Rep. Louser: Looking at Line 10, somebody has to give money for that purpose for that campaign.

Vice Chair Steiner: When meeting with that commission last summer, the citizens said why shouldn't we know all contributors, not just out of state.

Rep. Schneider: Our contributors don't have to be disclosed if they contribute \$200 or less.

House Government and Veterans Affairs Committee

HB 1037

1/31/19

Page 4

A roll call vote was taken. 10-3, 1 absent.

Rep. Rohr will carry the bill.

Date: 1-31-19
 Roll Call Vote #: 1

**2019 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1037**

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 Rep. B. Koppelman Seconded By Rep. Schauer

Representatives	Yes	No	Representatives	Yes	No
Chairman Jim Kasper	X		Rep. Pamela Anderson		X
Vice Chair Vicky Steiner	X		Rep. Mary Schneider		X
Rep. Jeff Hoverson		X			
Rep. Craig Johnson	A				
Rep. Daniel Johnston	X				
Rep. Karen Karls	X				
Rep. Ben Koppelman	X				
Rep. Vernon Laning	X				
Rep. Scott Louser	X				
Rep. Karen Rohr	X				
Rep. Austen Schauer	X				
Rep. Steve Vetter	X				

Total (Yes) 10 No 3

Absent 1

Floor Assignment Rep. Rohr

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

REPORT OF STANDING COMMITTEE

HB 1037: Government and Veterans Affairs Committee (Rep. Kasper, Chairman)
recommends **DO PASS** (10 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING).
HB 1037 was placed on the Eleventh order on the calendar.

2019 SENATE GOVERNMENT AND VETERANS AFFAIRS

HB 1037

2019 SENATE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee Sheyenne River Room, State Capitol

HB1037
3/8/2019
33437

- Subcommittee
 Conference Committee

Committee Clerk: Pam Dever

Explanation or reason for introduction of bill/resolution:

Relating to campaign finance disclosure statements for measure committees.

Minutes:

Chairman Davison: Let's open HB1037.

Claire Ness, Legislative Council: Here in a neutral position to explain HB1037. This originated with the Initiated/Refer Measure Study Commission. Under current law those who bring in petitions to circulate for an initiated measure, have to disclose their contributions. They have to disclose added information from out-of-state contributions. This bill would require the measure committees to disclose that information from all contributors, in state included. (1.11) Any questions?

Sen. Richard Marcellais: Does this include Canada?

Claire: Yes, that is out of state.

Chairman Davison: Any more in support? Agencies?

Jim Silrum, Deputy Secretary of State: (2.25) We know this would take an amendment or enhancement to our system, but it would not be that difficult. To further clarify, whether it is a sponsoring committee or a committee that any initiated things called ballot committees. It is 25 people who get together and want to circulate a petition. Sub-contributors need to be listed.

Sen. Shawn Veda: Is there a cap to give?

Jim: No, there is not a cap on the amount. Anything below \$100, the name is not disclosed. Current law says the threshold is anything over \$200 to follow the constitution. The constitution trumps the state law. (5.00)

Sen. Kristin Roers: What is the purpose of the occupation and address requirement? Why and what do we do with the information?

Jim: This is the same information that we gather from all of you when you get a check of \$5,000 or more. That is for transparency. If all the contributors come from the same company, we need to know. (6.06) We can't generate a report.

Sen. Kristin Roers: I did not know some contributors address to my campaign. I think the \$100 is a low amount.

Jim: I agree that is a valid point. But it only applies to you for large contributions over \$5,000. Corporations are so invested in the outcomes of measures. Corporations can give directly. They have to file a report within 48 hours.

Sen. Richard Marcellais: You mentioned a system change. When do you expect that is done?

Jim: It should be done before this bill goes into effect. Guessing around August 1, 2019. The change will make it easier. (9.40)

Chairman Davison: Anyone against? Hearing is closed. What are the committee wishes?

Sen. Shawn Vedaa: I move a DO PASS on HB1037.

Sen. Jay Elkin: I second.

Chairman Davison: Any discussion? Call roll: **YES -- 7 NO -- 0 -0-absent.**
HB1037 PASSED. Sen. Shawn Vedaa will carry the bill.

Done (11.04)

3-8-19

Date:
Roll Call Vote #: /

2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES HB 1037
BILL/RESOLUTION NO.

Senate 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 Sen Vedaa Seconded By Sen. Elkin

Senators	Yes	No	Senators	Yes	No
Chair Davison	—		Sen. Oban	—	
Vice Chair Meyer	—		Sen. Marcellais	—	
Sen. Elkin	—				
Sen. K. Roers	—				
Sen. Vedaa	—				

Total (Yes) 7 No 0

Absent -0-

Floor Assignment Sen. Vedaa

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

REPORT OF STANDING COMMITTEE

HB 1037: Government and Veterans Affairs Committee (Sen. Davison, Chairman)
recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
HB 1037 was placed on the Fourteenth order on the calendar.