

Sixty-ninth
Legislative Assembly
of North Dakota

FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1377

Introduced by

Representatives D. Ruby, Henderson, Kasper, Kempenich, Koppelman, Wolff

Senators Boehm, Hogue, Myrdal, Wobbema

1 A BILL for an Act to amend and reenact subsection 17 of section 16.1-08.1-01, subsection 4 of
2 section 16.1-08.1-02.1, sections 16.1-08.1-02.3 and 16.1-08.1-02.4, subsection 3 of section
3 16.1-08.1-03.2, sections 16.1-08.1-03.7 and 16.1-08.1-06.2, subsection 11 of section 54-66-01,
4 and section 54-66-02 of the North Dakota Century Code, relating to inflationary adjustments for
5 campaign finance reporting thresholds.

6 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

7 **SECTION 1. AMENDMENT.** Subsection 17 of section 16.1-08.1-01 of the North Dakota
8 Century Code is amended and reenacted as follows:

9 17. "Ultimate and true source" means the person that knowingly contributed over two
10 hundred fifty dollars solely to influence a statewide election or an election for the
11 legislative assembly.

12 **SECTION 2. AMENDMENT.** Subsection 4 of section 16.1-08.1-02.1 of the North Dakota
13 Century Code is amended and reenacted as follows:

14 4. The statement filed according to this section must show the following:
15 a. The balance of the filer's convention accounts at the start and close of the
16 reporting period;
17 b. The total of all revenue received and expenditures made of two hundred fifty
18 dollars, or less;
19 c. The total of all revenue received and expenditures made in excess of two
20 hundred fifty dollars;
21 d. For each aggregated revenue received from a person in excess of two hundred
22 fifty dollars:

- 1 (1) The name of each person;
- 2 (2) The mailing address of each person;
- 3 (3) The date of the most recent receipt of revenue from each person; and
- 4 (4) The purpose or purposes for which the aggregated revenue total was
- 5 received from each person;
- 6 e. For each aggregated expenditure made to a person in excess of two hundred fifty
- 7 dollars:
- 8 (1) The name of each person or entity;
- 9 (2) The mailing address of each person or entity;
- 10 (3) The date of the most recent expense made to each person or entity; and
- 11 (4) The purpose or purposes for which the aggregated expenditure total was
- 12 disbursed to each person or entity; and
- 13 f. For each aggregated revenue from an individual which totals five thousand
- 14 dollars or more during the reporting period, the occupation, employer, and
- 15 principal place of business of the individual must be disclosed.

16 **SECTION 3. AMENDMENT.** Section 16.1-08.1-02.3 of the North Dakota Century Code is
17 amended and reenacted as follows:

18 **16.1-08.1-02.3. Pre-election, supplemental, and year-end campaign disclosure**
19 **statement requirements for candidates, candidate committees, multicandidate**
20 **committees, and nonstatewide political parties.**

- 21 1. Prior to the thirty-first day before a primary, general, or special election, a candidate or
- 22 candidate committee formed on behalf of the candidate, a multicandidate political
- 23 committee, or a political party other than a statewide political party soliciting or
- 24 accepting contributions shall file a campaign disclosure statement that includes all
- 25 contributions received from January first through the fortieth day before the election. A
- 26 candidate whose name is not on the ballot and who is not seeking election through
- 27 write-in votes, the candidate's candidate committee, and a political party that has not
- 28 endorsed or nominated any candidate in the election is not required to file a statement
- 29 under this subsection. The statement may be submitted for filing beginning on the
- 30 thirty-ninth day before the election. The statement must include:

- 1 a. For each aggregated contribution from a contributor which totals in excess of two
2 hundred fifty dollars received during the reporting period:
 - 3 (1) The name and mailing address of the contributor;
 - 4 (2) The total amount of the contribution; and
 - 5 (3) The date the last contributed amount was received;
- 6 b. The total of all aggregated contributions from contributors which total in excess of
7 two hundred fifty dollars during the reporting period;
- 8 c. The total of all contributions received from contributors that contributed two
9 hundred fifty dollars or less each during the reporting period; and
- 10 d. For a statewide candidate, a candidate committee formed on behalf of a
11 statewide candidate, and a statewide multicandidate committee, the balance of
12 the campaign fund on the fortieth day before the election and the balance of the
13 campaign fund on January first.
- 14 2. Beginning on the thirty-ninth day before the election through the day before the
15 election, a person that files a statement under subsection 1 must file a supplemental
16 statement within forty-eight hours of the start of the day following the receipt of a
17 contribution or aggregate contribution from a contributor which is in excess of five
18 hundred dollars. The statement must include:
 - 19 a. The name and mailing address of the contributor;
 - 20 b. The total amount of the contribution received during the reporting period; and
 - 21 c. The date the last contributed amount was received.
- 22 3. Prior to February first, a candidate or candidate committee, a multicandidate political
23 committee, or a nonstatewide political party soliciting or accepting contributions shall
24 file a campaign disclosure statement that includes all contributions received and
25 expenditures, by expenditure category, made from January first through December
26 thirty-first of the previous year. The statement may be submitted for filing beginning on
27 January first. The statement must include:
 - 28 a. For a statewide candidate, a candidate committee formed on behalf of a
29 statewide candidate, and a statewide multicandidate committee, the balance of
30 the campaign fund on January first and on December thirty-first;

- b. For each aggregated contribution from a contributor which totals in excess of two hundred fifty dollars received during the reporting period:
 - (1) The name and mailing address of the contributor;
 - (2) The total amount of the contribution; and
 - (3) The date the last contributed amount was received;
- c. The total of all aggregated contributions from contributors which total in excess of two hundred fifty dollars during the reporting period;
- d. The total of all contributions received from contributors that contributed two hundred fifty dollars or less each during the reporting period; and
- e. The total of all other expenditures made during the previous year, separated into expenditure categories.

4. A person required to file a statement under this section, other than a candidate for judicial office, county office, city office, or school district office, or a candidate committee for a candidate exempted under this subsection, shall report each aggregated contribution from a contributor which totals five thousand dollars or more during the reporting period. For these contributions from individuals, the statement must include the contributor's occupation, employer, and the employer's principal place of business.
5. A candidate for city office in a city with a population under five thousand and a candidate committee for the candidate are exempt from this section. A candidate for school district office in a school district with a fall enrollment of fewer than one thousand students and a candidate committee for the candidate are exempt from this section.
6. A candidate for county office and a candidate committee for a candidate for county office shall file statements under this chapter with the county auditor. A candidate for city office who is required to file a statement under this chapter and a candidate committee for such a candidate shall file statements with the city auditor. A candidate for school district office who is required to file a statement under this chapter and a candidate committee for such a candidate shall file statements with the school district business manager. Any other person required to file a statement under this section shall file the statement with the secretary of state.

7. The filing officer shall assess and collect fees for any reports filed after the filing deadline.

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

SECTION 4. AMENDMENT. Section 16.1-08.1-02.4 of the North Dakota Century Code is amended and reenacted as follows:

16.1-08.1-02.4. Pre-election, supplemental, and year-end campaign disclosure statement requirements for statewide political parties and certain political committees.

1. Prior to the thirty-first day before a primary, general, or special election, a statewide political party or a political committee not required to file statements under section 16.1-08.1-02.3 which is soliciting or accepting contributions shall file a campaign disclosure statement that includes all contributions received and expenditures made from January first through the fortieth day before the election. A political party that has not endorsed or nominated a candidate in an election is not required to file a statement under this subsection. A statement required to be filed under this subsection may be submitted for filing beginning on the thirty-ninth day before the election. The statement must include:

- a. For each aggregated contribution from a contributor which totals in excess of two hundred fifty dollars received during the reporting period:
 - (1) The name and mailing address of the contributor;
 - (2) The total amount of the contribution; and
 - (3) The date the last contributed amount was received;
- b. The total of all aggregated contributions from contributors which total in excess of two hundred fifty dollars during the reporting period;
- c. The total of all contributions received from contributors that contributed two hundred fifty dollars or less each during the reporting period;
- d. For each recipient of an expenditure from campaign funds in excess of two hundred fifty dollars in the aggregate:
 - (1) The name and mailing address of the recipient;
 - (2) The total amount of the expenditure made to the recipient; and

- 1 (3) The date the last expended amount was made to the recipient;
- 2 e. The aggregate total of all expenditures from campaign funds in excess of two
- 3 hundred fifty dollars;
- 4 f. The aggregate total of all expenditures from campaign funds of two hundred fifty
- 5 dollars or less; and
- 6 g. The balance of the campaign fund on the fortieth day before the election and
- 7 balance of the campaign fund on January first.
- 8 2. Beginning on the thirty-ninth day before the election through the day before the
- 9 election, a person that files a statement under subsection 1 must file a supplemental
- 10 statement within forty-eight hours of the start of the day following the receipt of a
- 11 contribution or aggregate contribution from a contributor which is in excess of five
- 12 hundred dollars. The statement must include:
- 13 a. The name and mailing address of the contributor;
- 14 b. The total amount of the contribution received during the reporting period; and
- 15 c. The date the last contributed amount was received.
- 16 3. Prior to February first, a statewide political party or a political committee that is not
- 17 required to file a statement under section 16.1-08.1-2.3 shall file a campaign
- 18 disclosure statement that includes all contributions received and expenditures made
- 19 from January first through December thirty-first of the previous year. The statement
- 20 may be submitted for filing beginning on January first. The statement must include:
- 21 a. For each aggregated contribution from a contributor which totals in excess of two
- 22 hundred fifty dollars received during the reporting period:
- 23 (1) The name and mailing address of the contributor;
- 24 (2) The total amount of the contribution; and
- 25 (3) The date the last contributed amount was received;
- 26 b. The total of all aggregated contributions from contributors which total in excess of
- 27 two hundred fifty dollars during the reporting period;
- 28 c. The total of all contributions received from contributors that contributed two
- 29 hundred fifty dollars or less each during the reporting period;
- 30 d. For each recipient of an expenditure from campaign funds in excess of two
- 31 hundred fifty dollars in the aggregate:

- 1 (1) The name and mailing address of the recipient;
- 2 (2) The total amount of the expenditure made to the recipient; and
- 3 (3) The date the last expended amount was made to the recipient;
- 4 e. The aggregate total of all expenditures from campaign funds in excess of two
- 5 hundred fifty dollars;
- 6 f. The aggregate total of all expenditures from campaign funds of two hundred fifty
- 7 dollars or less; and
- 8 g. The balance of the campaign fund on January first and December thirty-first.
- 9 4. A person required to file a statement under this section shall disclose each aggregated
- 10 contribution from a contributor which totals five thousand dollars or more during the
- 11 reporting period. For these contributions from individuals, the statement must include
- 12 the contributor's occupation, employer, and the employer's principal place of business.
- 13 5. Statements under this section must be filed with the secretary of state.
- 14 6. The secretary of state shall assess and collect fees for any reports filed after the filing
- 15 deadline.

16 **SECTION 5. AMENDMENT.** Subsection 3 of section 16.1-08.1-03.2 of the North Dakota
17 Century Code is amended and reenacted as follows:

- 18 3. A political committee that organizes and registers according to federal law and makes
- 19 an independent expenditure or makes a disbursement in excess of two hundred fifty
- 20 dollars to a nonfederal candidate seeking public office, a political party, or political
- 21 committee in this state is not required to register as a political committee according to
- 22 this section if the political committee reports according to section 16.1-08.1-03.7.

23 **SECTION 6. AMENDMENT.** Section 16.1-08.1-03.7 of the North Dakota Century Code is
24 amended and reenacted as follows:

25 **16.1-08.1-03.7. Political committees that organize and register according to federal**
26 **law that make independent expenditures or disbursements to nonfederal candidates,**
27 **political parties, and political committees.**

28 A political committee that organizes and registers according to federal law and makes an
29 independent expenditure or makes a disbursement in excess of two hundred fifty dollars to a
30 nonfederal candidate seeking public office or to a political party or political committee in this
31 state shall file a copy of that portion of the committee's federal report detailing the independent

1 expenditure or the disbursement made. The political committee shall file a copy of the
2 committee's federal report, and supplementary information as necessary under this section, with
3 the secretary of state at the time of filing the report with the applicable federal agency. The
4 report and supplementary information must include:

- 5 1. The name, mailing address, and treasurer of the political committee;
- 6 2. The recipient's name and mailing address;
- 7 3. The date and amount of the independent expenditure or disbursement; and
- 8 4. The ultimate and true source of funds listed by contributor and subcontributor of any
9 amount over two hundred fifty dollars collected or used to make the independent
10 expenditure or disbursement including:
 - 11 a. The name and address of the contributor;
 - 12 b. The total amount of the contribution; and
 - 13 c. The date the last contribution was received.

14 **SECTION 7. AMENDMENT.** Section 16.1-08.1-06.2 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **16.1-08.1-06.2. Secretary of state to provide instructions, make adjustments for**
17 **inflation, and conduct training.**

- 18 1. The secretary of state shall provide instructions and conduct training for the purpose of
19 promoting uniform application of campaign finance and disclosure requirements and
20 the uniform filing of statements, registrations, or reports according to this chapter.
- 21 2. The secretary ~~also of state~~ shall ~~determine adjustments~~adjust for inflation of the
22 reporting thresholds in this chapter by one hundred dollars once every ten years from
23 the last calendar year of adjustment and instruct persons submitting reports under this
24 chapter of the adjustments. ~~On~~The secretary of state shall make the adjustment by
25 January first of each adjustment year, ~~the secretary shall determine whether the~~
26 ~~accumulated change in the consumer price index for all urban consumers (all items,~~
27 ~~United States city average) , as applied to each reporting threshold in this chapter,~~
28 ~~would result in an adjustment of at least ten dollars of the threshold in effect on that~~
29 ~~date. If so, the secretary shall deem the reporting threshold adjusted by ten dollars.~~

30 **SECTION 8. AMENDMENT.** Subsection 11 of section 54-66-01 of the North Dakota Century
31 Code is amended and reenacted as follows:

- 1 11. "Ultimate and true source" means the person that knowingly contributed over two
2 hundred fifty dollars solely to lobby or influence state government action.

3 **SECTION 9. AMENDMENT.** Section 54-66-02 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **54-66-02. Disclosure of ultimate and true source of funds.**

- 6 1. A lobbyist who expends an amount greater than two hundred fifty dollars to lobby shall
7 file with the secretary of state a report that includes the known ultimate and true
8 source of funds for the expenditure. The report must be filed with the lobbyist
9 expenditure report required under subsection 2 of section 54-05.1-03.
- 10 2. A person that expends an amount greater than two hundred fifty dollars, not including
11 the individual's own travel expenses and membership dues, to influence state
12 government action shall file with the secretary of state a report including the known
13 ultimate and true source of funds for the expenditure. A report under this subsection
14 must be filed on or before the August first following the date of the expenditure. The
15 secretary of state shall provide a form for reports under this subsection and make the
16 form electronically accessible to the public. The secretary of state also shall charge
17 and collect fees for late filing of the reports as follows:
- 18 a. Twenty-five dollars for a report filed within sixty days after the deadline; or
19 b. Fifty dollars for a report filed more than sixty days after the deadline.
- 20 3. The secretary of state shall compile the reports required under this section and make
21 the reports electronically accessible to the public.
- 22 4. A resident taxpayer may commence an action in a district court of this state against a
23 person required to comply with this section to compel compliance if all other
24 enforcement measures under this chapter have been exhausted and the taxpayer
25 reasonably believes the person has failed to comply with this section.
- 26 5. The secretary of state shall determine adjustments for inflation of the reporting
27 thresholds in this section and instruct persons submitting reports under this section of
28 the adjustments. On January first of each year, the secretary shall determine whether
29 the accumulated change in the consumer price index for all urban consumers (all
30 items, United States city average), as applied to each reporting threshold in this
31 section, would result in an adjustment of at least ten dollars of the threshold in effect

- 1 on that date. If so, the secretary of state shall deem the reporting threshold adjusted
- 2 by ten dollars.