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TO: Chairman Kasper and Members of the House Government and Veterans Affairs Committee

FR: Secretary of State Al Jaeger

RE: HB 1295 – Transferring administrative authority from Secretary of State to Ethics Commission

During the 2019 Legislative Session, HB 1521 (2019 Session Laws, Chapter 472) was adopted related to procedures and implementation pertaining to the Ethics Commission as established in Article XIV of the state's constitution. It was a complex bill consisting of 23 pages.

However, with the passage of HB 1521, there was one section amended and two sections created with requirements that are procedurally impossible for the Secretary of State's office to administer under its authority, staffing, and funding. For example, the Secretary of State does not have investigative authority. In addition, any decisions made by the Secretary of State would be subject to Chapter 28-32 of the Century Code governing Administrative Adjudicative proceedings, for which the agency is not funded.

Therefore, this bill transfers investigative responsibilities and penalty determinations to the Ethics Commission, which has the relevant constitutional and legislative authority. The Ethics Commission has agreed this transfer is appropriate. According to their testimony, they are also requesting amendments to the bill. Because these amendments pertain to their administrative options after the transfer is made, this office does not object.

Section 1, page 1, lines 15 through 22 and page 2, lines 1 through 3

The administrative investigative duties and penalty determinations are removed from the Secretary of State.

Section 2, page 2, line 11

Transfers the responsibilities listed in the section from the Secretary of State to the Ethics Commission.

Section 3, page 2, line 23

Transfers the responsibilities listed in the section from the Secretary of State to the Ethics Commission.

Section 3, page 2, lines 26 and 27

Provides for a notification process under which a lobbyist's registration is revoked.

Section 4, page 3, line 3

Because these laws are in effect, the Emergency Clause allows for an earlier effective date for the transfer from the Secretary of State to the Ethics Commission. Otherwise, August 1 would be the effective date for this legislation.