



# North Dakota House of Representatives

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Chair and House Political Subdivisions Committee,

North Dakota has a proud heritage of transparency, especially when it comes to campaign finance. As candidates and legislators, we reveal who donates to our campaigns and any personal financial interests that might be related to our public policy decisions. Disclosure is part of our commitment to being ethical and trustworthy. We also require political committees – multi-candidate, PACs, and ballot measures - to disclose their donors. We can be proud of these requirements, especially being one of only 11 states that places no limits on political contributions. We and the public need to know who is spending money to influence our elections.

North Dakota law now requires disclosing contributors of over \$200 to

- Candidate campaigns
- Political Committees (PACs)
- Ballot measure sponsors

HB 1451 makes no change at all to these existing procedures. But one major new form of political spending is left out. HB 1451 requires naming the donors to a new “Wild West” approach to election persuasion called “independent expenditures.”

This new kind of spending grew out of the 2010 U.S. Supreme Court “Citizens United” decision that freed corporations to make unlimited political expenditures under certain conditions. Primarily, corporations may not coordinate their spending with a candidate or a ballot measure committee. The rise of these Independent Expenditures since 2010 is stunning. At the federal level, spending reached \$2.9 billion in 2020 alone. In North Dakota, independent expenditures have averaged \$4 million per biennium since 2012.

The Century Code definition is

**N.D.C.C. 16.1-08.1-01.6.** "Independent expenditure" means an expenditure made for a political purpose or for the purpose of influencing the passage or defeat of a measure if the expenditure is made without the express or implied consent, authorization, or cooperation of, and not in concert with or at the request or suggestion of, any candidate, committee, or political party.

The purposes of HB 1451 are:

- to apply North Dakota’s commitment to transparency of the ultimate and true source of political spending by requiring disclosure, as is done in all other North Dakota political spending,
- to harmonize state statute with the state constitution, and
- to define the administrative procedures for executive branch administration

This bill would ensure that the public knows the true source of funding for election ads. Spenders who transfer their money to other entities rather than purchasing their own election ads would no longer be able to hide their identity. The proposed legislation would require those who spend money on certain election activities in North Dakota to keep track of and disclose information about who contributes, donates, or transfers funds used for that spending and how the funds are spent. The purpose of the recordkeeping requirements is not to limit the funds that can be spent on campaign advocacy, but to reveal the original source of money behind election ads.

Please give HB 1451 a do pass recommendation. Thank you for your time. I am happy to answer any questions.