



**SECRETARY OF STATE**  
STATE OF NORTH DAKOTA  
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April 1, 2021

TO: Chairman Vedaa and Members of the Senate 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 has very limited 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, with the agreement of the Ethics Commission (which already has the relevant constitutional and legislative authority), this bill transfers investigative responsibilities, procedures, and penalty determinations from the Secretary of State to the Ethics Commission.

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

The administrative investigative duties and penalty determinations related to campaign contributions are removed from the Secretary of State.

Section 1, page 1, lines 15 and 16 and page 2, lines 2 and 3

The underlined text is consistent with current law as it relates to campaign finance audits.

Section 2, page 2, line 11

Because the responsibilities of the Secretary of State are limited to registering lobbyists, the investigation of violations related to lobbyist gifts and assessing penalties is transferred to the Ethics Commission.

Section 2, page 2, lines 11 through 16

The underlined "may" words and "up to" text and the strike over on line 16 was amended at the request of the Ethics Commission and approved by the House.

Section 3, page 2, line 23

Transfers from the Secretary of State to the Ethics Commission the authority and oversight related to the delivering campaign contributions. The "may" was added by amendment in the House at the request of the Ethics Commission.

Section 3, page 2, lines 26 and 27

Provides for a notification process to the Secretary of State under which a lobbyist's registration is revoked.

Section 4, page 3, line 3

Because these laws currently exist and are procedurally impossible for the Secretary of State to administer if a situation should occur, the Emergency Clause allows for an effective date when the bill is filed with the Secretary of State. Otherwise, the transfer of authority from the Secretary of State to the Ethics Commission would not occur until August 1, which would be a delay of over three months.