

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

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 ~~section~~ subsection 17 of section 16.1-08.1-01,
2 subsection 4 of section 16.1-08.1-02.1, sections 16.1-08.1-02.3 and 16.1-08.1-02.4,
3 subsection 3 of section 16.1-08.1-03.2, sections 16.1-08.1-03.7 and 16.1-08.1-06.2,
4 subsection 11 of section 54-66-01, and section 54-66-02 of the North Dakota Century Code,
5 relating to inflationary adjustments for campaign finance reporting thresholds; ~~and to provide for~~
6 ~~retroactive application.~~

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

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

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

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

15 4. The statement filed according to this section must show the following:
16 a. The balance of the filer's convention accounts at the start and close of the
17 reporting period;
18 b. The total of all revenue received and expenditures made of two hundred fifty
19 dollars, or less;

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

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

22 **16.1-08.1-02.3. Pre-election, supplemental, and year-end campaign disclosure**
23 **statement requirements for candidates, candidate committees, multicandidate**
24 **committees, and nonstatewide political parties.**

- 25 1. Prior to the thirty-first day before a primary, general, or special election, a candidate or
26 candidate committee formed on behalf of the candidate, a multicandidate political
27 committee, or a political party other than a statewide political party soliciting or
28 accepting contributions shall file a campaign disclosure statement that includes all
29 contributions received from January first through the fortieth day before the election. A
30 candidate whose name is not on the ballot and who is not seeking election through
31 write-in votes, the candidate's candidate committee, and a political party that has not

1 endorsed or nominated any candidate in the election is not required to file a statement
2 under this subsection. The statement may be submitted for filing beginning on the
3 thirty-ninth day before the election. The statement must include:

4 a. For each aggregated contribution from a contributor which totals in excess of two
5 hundred fifty dollars received during the reporting period:

- 6 (1) The name and mailing address of the contributor;
7 (2) The total amount of the contribution; and
8 (3) The date the last contributed amount was received;

9 b. The total of all aggregated contributions from contributors which total in excess of
10 two hundred fifty dollars during the reporting period;

11 c. The total of all contributions received from contributors that contributed two
12 hundred fifty dollars or less each during the reporting period; and

13 d. For a statewide candidate, a candidate committee formed on behalf of a
14 statewide candidate, and a statewide multicandidate committee, the balance of
15 the campaign fund on the fortieth day before the election and the balance of the
16 campaign fund on January first.

17 2. Beginning on the thirty-ninth day before the election through the day before the
18 election, a person that files a statement under subsection 1 must file a supplemental
19 statement within forty-eight hours of the start of the day following the receipt of a
20 contribution or aggregate contribution from a contributor which is in excess of five
21 hundred dollars. The statement must include:

- 22 a. The name and mailing address of the contributor;
23 b. The total amount of the contribution received during the reporting period; and
24 c. The date the last contributed amount was received.

25 3. Prior to February first, a candidate or candidate committee, a multicandidate political
26 committee, or a nonstatewide political party soliciting or accepting contributions shall
27 file a campaign disclosure statement that includes all contributions received and
28 expenditures, by expenditure category, made from January first through December
29 thirty-first of the previous year. The statement may be submitted for filing beginning on
30 January first. The statement must include:

- 1 a. For a statewide candidate, a candidate committee formed on behalf of a
2 statewide candidate, and a statewide multicandidate committee, the balance of
3 the campaign fund on January first and on December thirty-first;
 - 4 b. For each aggregated contribution from a contributor which totals in excess of two
5 hundred fifty dollars received during the reporting period:
 - 6 (1) The name and mailing address of the contributor;
 - 7 (2) The total amount of the contribution; and
 - 8 (3) The date the last contributed amount was received;
 - 9 c. The total of all aggregated contributions from contributors which total in excess of
10 two hundred fifty dollars during the reporting period;
 - 11 d. The total of all contributions received from contributors that contributed two
12 hundred fifty dollars or less each during the reporting period; and
 - 13 e. The total of all other expenditures made during the previous year, separated into
14 expenditure categories.
- 15 4. A person required to file a statement under this section, other than a candidate for
16 judicial office, county office, city office, or school district office, or a candidate
17 committee for a candidate exempted under this subsection, shall report each
18 aggregated contribution from a contributor which totals five thousand dollars or more
19 during the reporting period. For these contributions from individuals, the statement
20 must include the contributor's occupation, employer, and the employer's principal
21 place of business.
 - 22 5. A candidate for city office in a city with a population under five thousand and a
23 candidate committee for the candidate are exempt from this section. A candidate for
24 school district office in a school district with a fall enrollment of fewer than
25 one thousand students and a candidate committee for the candidate are exempt from
26 this section.
 - 27 6. A candidate for county office and a candidate committee for a candidate for county
28 office shall file statements under this chapter with the county auditor. A candidate for
29 city office who is required to file a statement under this chapter and a candidate
30 committee for such a candidate shall file statements with the city auditor. A candidate
31 for school district office who is required to file a statement under this chapter and a

1 candidate committee for such a candidate shall file statements with the school district
2 business manager. Any other person required to file a statement under this section
3 shall file the statement with the secretary of state.

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

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

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

11 **16.1-08.1-02.4. Pre-election, supplemental, and year-end campaign disclosure**
12 **statement requirements for statewide political parties and certain political committees.**

13 1. Prior to the thirty-first day before a primary, general, or special election, a statewide
14 political party or a political committee not required to file statements under section
15 16.1-08.1-02.3 which is soliciting or accepting contributions shall file a campaign
16 disclosure statement that includes all contributions received and expenditures made
17 from January first through the fortieth day before the election. A political party that has
18 not endorsed or nominated a candidate in an election is not required to file a
19 statement under this subsection. A statement required to be filed under this subsection
20 may be submitted for filing beginning on the thirty-ninth day before the election. The
21 statement must include:

22 a. For each aggregated contribution from a contributor which totals in excess of two
23 hundred fifty dollars received during the reporting period:

- 24 (1) The name and mailing address of the contributor;
25 (2) The total amount of the contribution; and
26 (3) The date the last contributed amount was received;

27 b. The total of all aggregated contributions from contributors which total in excess of
28 two hundred fifty dollars during the reporting period;

29 c. The total of all contributions received from contributors that contributed two
30 hundred fifty dollars or less each during the reporting period;

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

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

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

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

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

1 **16.1-08.1-03.7. Political committees that organize and register according to federal**
2 **law that make independent expenditures or disbursements to nonfederal candidates,**
3 **political parties, and political committees.**

4 A political committee that organizes and registers according to federal law and makes an
5 independent expenditure or makes a disbursement in excess of two hundred fifty dollars to a
6 nonfederal candidate seeking public office or to a political party or political committee in this
7 state shall file a copy of that portion of the committee's federal report detailing the independent
8 expenditure or the disbursement made. The political committee shall file a copy of the
9 committee's federal report, and supplementary information as necessary under this section, with
10 the secretary of state at the time of filing the report with the applicable federal agency. The
11 report and supplementary information must include:

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

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

23 **16.1-08.1-06.2. Secretary of state to provide instructions, make adjustments for**
24 **inflation, and conduct training.**

- 25 1. The secretary of state shall provide instructions and conduct training for the purpose of
26 promoting uniform application of campaign finance and disclosure requirements and
27 the uniform filing of statements, registrations, or reports according to this chapter.
- 28 2. The secretary also of state shall ~~determine adjustments~~ adjust for inflation ~~of the~~
29 reporting thresholds in this chapter by one hundred dollars once every ten years from
30 the last calendar year of adjustment and instruct persons submitting reports under this
31 chapter of the adjustments. ~~On~~ The secretary of state shall make the adjustment by

1 January first of each adjustment year, ~~the secretary of state shall determine whether~~
2 ~~the accumulated change in the consumer price index for all urban consumers (all~~
3 ~~items, United States city average) since the date of last adjustment, as applied to each~~
4 ~~reporting threshold in this chapter, would result in an adjustment of at least ten~~
5 ~~dollars of the threshold in effect on that date. If so, the secretary of state shall deem~~
6 ~~the reporting threshold adjusted by ten~~five dollars.

7 ~~— **SECTION 7. RETROACTIVE APPLICATION.** The secretary of state shall adjust the~~
8 ~~reporting threshold for persons submitting reports under section 16.1-08.1-06.2 based on the~~
9 ~~consumer price index for all urban consumers (all items, United States city average) on~~
10 ~~January 5, 2021, to account for the required adjustments under Section 16.1-08.1-06.2 between~~
11 ~~January 5, 2021, and the effective date of this Act.~~

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

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

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

18 **54-66-02. Disclosure of ultimate and true source of funds.**

- 19 1. A lobbyist who expends an amount greater than two hundred fifty dollars to lobby shall
20 file with the secretary of state a report that includes the known ultimate and true
21 source of funds for the expenditure. The report must be filed with the lobbyist
22 expenditure report required under subsection 2 of section 54-05.1-03.
- 23 2. A person that expends an amount greater than two hundred fifty dollars, not including
24 the individual's own travel expenses and membership dues, to influence state
25 government action shall file with the secretary of state a report including the known
26 ultimate and true source of funds for the expenditure. A report under this subsection
27 must be filed on or before the August first following the date of the expenditure. The
28 secretary of state shall provide a form for reports under this subsection and make the
29 form electronically accessible to the public. The secretary of state also shall charge
30 and collect fees for late filing of the reports as follows:
- 31 a. Twenty-five dollars for a report filed within sixty days after the deadline; or

- 1 b. Fifty dollars for a report filed more than sixty days after the deadline.
- 2 3. The secretary of state shall compile the reports required under this section and make
- 3 the reports electronically accessible to the public.
- 4 4. A resident taxpayer may commence an action in a district court of this state against a
- 5 person required to comply with this section to compel compliance if all other
- 6 enforcement measures under this chapter have been exhausted and the taxpayer
- 7 reasonably believes the person has failed to comply with this section.
- 8 5. The secretary of state shall determine adjustments for inflation of the reporting
- 9 thresholds in this section and instruct persons submitting reports under this section of
- 10 the adjustments. On January first of each year, the secretary shall determine whether
- 11 the accumulated change in the consumer price index for all urban consumers (all
- 12 items, United States city average), as applied to each reporting threshold in this
- 13 section, would result in an adjustment of at least ten dollars of the threshold in effect
- 14 on that date. If so, the secretary of state shall deem the reporting threshold adjusted
- 15 by ten dollars.