

Chairman Schauer and members of the committee, my name is David Owen.

While many of you may know me for campaign management services in North Dakota, ballot initiatives, and ballot access are the main focus of my business nowadays. Over the past two years, I have served as the National Director of Ballot Access for RFK Jr., while also serving as the Director of Field Operations to Public Appeal, a firm which specializes in ballot access.

In order to properly explain why I support this bill, I think it is important to detail the current process for signature gathering in most states, and explain how North Dakota differs, even in its own rules when it comes to signature gathering.

In general, signature gatherers are employed for one of three purposes:

- 1.) To initiate a law or constitutional amendment
- 2.) To refer a bill passed by the legislature to a vote of the people
- 3.) To collect signatures in order to place candidates on the ballot or to trigger a special election relating to their removal (recall)

Across the country, virtually all states have at least one of these 3 powers reserved to the people, and in all cases the mechanism to utilize those powers is in part related to the signature gathering process. In most jurisdictions, pay-per-signature is the standard, including but not limited to the states of Texas, Massachusetts, Alaska, Nevada, Wisconsin, Michigan, Iowa, Montana, and Wyoming. The reason for this is simple, pay-per-signature reduces fraud, and allows the process to work far more efficiently, than in pay per hour states like North Dakota.

Lastly, a large portion of this discussion will deal with costs. Understand that the more expensive an issue becomes, the more likely it is that the money will have to come from outside of North Dakota. As a result, the very things that make the initiative process more difficult serve to ensure that the initiative process will become increasingly dominated by the well-heeled from California, or other states to which North Dakota is comparatively cheap.

The following pages will outline the reasons that at my firm we support a DO PASS on this bill.

Reason 1 to vote DO PASS: Pay Per Hour massively inflates cost

Interestingly enough, North Dakota also allows Pay-per-hour, but only for candidates or political parties seeking ballot access. As a result, we can use a case study to see how pay-per-hour hurts the initiative process. Intuitively, we know, that issues which are more popular are going to be easier to gather signatures for, so if we compare issues with known electoral votes, we can determine the added burden pay-per-hour creates upon proponents of issues rather than candidates seeking office.

### **Case 1: Robert F Kennedy Jr. vs Legalization of Marijuana (2022)**

- RFK Jr
  - Peak popularity: 20%
  - Average popularity: <5%
  - Cost per signature: 7.00\$ [North Dakota]
- Legalization of Marijuana (2022)
  - Peak popularity: 52%
  - Final election results: 45%
  - Cost per signature: apx 10.00/signature

### **Case 2: Roland Reimers for House vs. Protect North Dakota's Constitution (2022)**

- Roland Reimers
  - Peak Popularity: <1%
  - Election Result: <1%
  - Cost Per signature: 6.50
- Protect North Dakota's Constitution
  - Peak Popularity: "Greater than 50%"
  - Average Popularity : "Greater than 50%"
  - Cost per signature: apx. 22\$/signature

In terms of signature cost, it couldn't be more clear, not only does Pay-Per-Hour massively increase signature costs for proponents, it does so for no clear reason. Candidates, with zero chance of winning routinely qualify for the ballot, at the last minute, for far cheaper than issues with broad-based support if not majority support by the people. Roland Reimers, a perennial candidate who has never received more than 10% of the vote in a general election was able to qualify for the ballot, for less than 7\$/signature, while Protect North Dakota's Constitution, supported by many in this very committee, with a robust infrastructure and bench of active talent, failed to qualify despite spending 3x as much on their proposal. Furthermore, the costs for the measures are actually higher on a per signature basis, since they had substantial volunteer efforts behind them, which would decrease the cost per realized signature, while individuals such as Roland had no network to speak of.

If we remove the 20% of signatures gathered by volunteers for marijuana, their costs go to 12\$, and for Protect North Dakota's constitution, the cost would balloon all the way to nearly 25\$ a signature. Let me be clear, in no cases to my knowledge has pay-per-hour resulted in lower costs, for any signature drives which used paid circulators.

Reason 2 to vote DO PASS: Pay Per Hour Promotes Fraud, and creates a legal right to commit fraud

The image you are about to see below is an example of the fraud that one encounters exclusively in paid per hour states, due to the perverse incentives created by forcing proponents to buy fraudulent work.

**INSTRUCTIONS TO PETITION SIGNERS**  
 You are being asked to sign a petition. You must be a qualified elector. This means you are eighteen years old, you have lived in North Dakota thirty days, and you are a United States citizen. All signers shall also legibly print their name, complete address, and the date of signing on the petition. Every qualified elector signing a petition must do so in the presence of the individual circulating the petition.

Month/Day/Year	PRINTED Name of Qualified Elector	SIGNED Name of Qualified Elector	Residential Address or General Delivery Address	City, State, Zip Code
4/12/24	TRANS Carpenter	TC	815 Duke Dr #415	GrandForks ND 58201
4/12/24	EMERY Cruz	EC	2201 13th Ave N #3	GrandForks ND 58203
4/12/24	Choyene Anstrom	CA	458 4th St N	Newtown ND 58763
4/12/24	ORA Wilson	OW	2899 S 34th St	GrandForks ND 58201
4/12/24	Mark Warren	MW	2899 S 34th St	GrandForks ND 58203
4/12/24	Alma Delacoe	AD	4261 5th Ave N	Emardo ND 58228
4/12/24	Louisa Sam	LS	4800 Emery Ave S	GrandForks ND 58201
4/12/24	Amiya Vento	AV	1114 23rd Ave S	GrandForks ND 58201
4/12/24	James Blumquist	JB	100 N 3rd St. Apt-308	GrandForks ND 58201
4/12/24	Jarose Piro	JR	600 N 3rd St. Apt-308	GrandForks ND 58201
4/13/24	Elizabeth Larson	EL	1215 N 39th St Apt-103	GrandForks ND 58203
4/13/24	Haden Cargo	HC	1414 S 7th St.	GrandForks ND 58201
4/13/24	Stanley Lindsey	SL	312 11th St	N Fort Lauderdale 33319
4/13/24	Ajay St-Claire	AS	1811 22nd Ave S Apt-106	GrandForks ND 58201

Above is an actual signature page submitted to us by a circulator in 2024 in North Dakota for the property tax petition. We ultimately did not submit this page, because obviously it is fraudulent and contains zero valid signatures which can be used for ballot access. I will now detail how 2

scenarios would play out with this signature page, one in a pay-per-signature state, and one that actually happened this year with this particular petition.

### **Scenario 1, Pay-Per-Signature State:**

In a pay per signature state, we would look at this and go “this is clear and obvious fraud”. The handwriting is identical, the signatures do not exist, and the dates are pre-filled out. As such we would not render payment on it, as it contains 0 signatures we can purchase, and the circulator’s independent contractor agreement would be terminated. The page obviously would not be submitted to the Secretary of State, but we would be out 0\$, and would simply place the circulator on the Do Not Buy List

### **Scenario 2, What Actually Happened, Pay-Per-Hour State:**

In North Dakota, however, this was allegedly the work of “4 hours”. This along with another 4 pages of signatures were submitted to constitute 20 hours of billable work, and the individual in question was being paid 25\$/hour for their labor. The individual clocked in via an app, and performed “work” at various locations to according to them gather the signatures. Due to the pay-per-hour laws, on the advice of legal counsel we were told to pay the individual in question 500\$ for their clocked time, and the individual was paid.

As a result, we dealt with various small time circulators for the next 2-3 weeks coming in, trying to work a shift and then demanding payment for signatures of similar quality. It forced us to terminate new hiring, and lead to us being forced to not be able to train new labor, due to the fear of the fraud ring destroying our clients funds.

In the past 6 years of working in North Dakota, I have paid out roughly 10,000\$ for work of similar nature and caliber for individuals on a variety of issues. Across all states, in our business, we have had more signature fraud in North Dakota than any other state in America, and North Dakota alone accounts for more than 50% of my fraud losses. The second largest state, is also pay-per-hour, Indiana, which accounts for being my second largest fraud state.

### **Fraud Cascades:**

This leads to my point, that pay-per-hour encourages, and creates a legal right to defraud proponents and ultimately the companies responsible for gathering signatures. Once an unscrupulous contractor figures out this is the case, they rapidly deploy friends to get in on the grift, and explains why signature costs balloon rapidly. In the worst cases, this forces you to entirely suspend hiring until the fraud ring dies down, and also greatly limits your pool of signature gatherers, as every contractor becomes a time-bomb waiting to explode. The only way to limit your exposure to this, is to go to pools of very trusted gatherers, whom knowing their skill and near monopoly, charge far more per hour. This can make an initiative which would take days, take months due to the labor pool issue.

### **Reason 3 to vote DO PASS: Pay-Per-Hour Causes Good Petitioners to Sandbag, Slowing down the initiative process**

Every state we have gone to that is pay-per-hour, regardless of the circulator, we learn quickly that their performance craters. The reason for this is most elite circulators are used to making upwards of 100\$ an hour in other states, and due to the aforementioned fraud, we cannot afford to offer such high hourly rates. As a result, circulators who would do 10 signatures an hour, magically drop to 3 or 4, depending on what they are used to making on similar issues in per-signature states. This increases the amount of time an issue takes to get done, and means you will have to bring in far more labor than you would expect to get signature projects completed. On average, in pay-per-hour situations we see 5 signatures an hour from gatherers, while in per-signature states, it is not unusual to see 10 signatures an hour from average petitioners [elite petitioners can generate 100s of signatures a day]. Additionally, even at events which should produce massive numbers of signatures, we observe that petitioners seem to gather the exact same number of signatures as they do at other times. Lastly, due to the fraud issues we are forced to use only our most reliable signature gatherers, which greatly limits the labor pool.

This would lead us to believe that circulators are actively sandbagging as they learn quickly the minimum expectation to not have their contractual relationship terminated. As a result, campaigns spend far more to procure tables at venues, pay far more in transportation costs, and take far more time to collect their signatures. There is an unspoken rule in Initiative fundraising that “you aren’t real until you are on the ballot”, and as such these issues are often deprived of funding, creating a spiral making them less and less likely to pass. In states like California, we can gather 23,000 signatures in a day, but in ND that takes months. By delaying the legitimacy of the project, proponents have less time to campaign, and less time to fundraise.

But we don’t have to believe we can compare. Candidates by way of comparison get ballot access done in a matter of hours, or days. In New Mexico for RFK Jr, we gathered with paid circulators all of the signatures required to be on the ballot in less than 48 hours, in New Hampshire it took 10. For Roland it took less than a full day. By way of comparison the same crew doing the Roland project took 70 days to gather 6000 signatures, as opposed to their pace of roughly 400 a day for property tax reform, a 13X increase in the amount of time required.

As a result, we sincerely urge the committee to vote DO PASS on this bill, to protect against fraud in our initiative process, to allow proponents the same rights afforded to candidates, and to stop the inflow of outside money into our elections.

Feel free to contact me if you have any questions.

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