

HOUSE GOVERNMENT AND VETERANS AFFAIRS COMMITTEE
REPRESENTATIVE AUSTEN SCHAUER, CHAIR

TESTIMONY PRESENTED BY

MICHAEL HOWE, SECRETARY OF STATE

Chairman Schauer and members of the committee, for the record my name is Michael Howe, North Dakota Secretary of State.

Our office is in opposition to HB 1583. Again, I want to be perfectly clear, our office's opposition to HB 1583 is in no way an endorsement of dark money in politics. Our office is the hub of transparency for documents and records, including campaign finance information; however, a United States Supreme Court verdict precludes our ability to receive any information from committees formed as a 501 (c) 4 nonprofit organization, which would be many of the filers targeted with this legislation.

For any remaining filers who may be impacted by this legislation, the language proposed in the bill creates confusion as to what filing requirements they would be following – federal law or state law. The proposed language requires political committees organizing under federal law when making disbursements to nonfederal candidates in North Dakota to file campaign finance disclosure statements with our office. These committees are required to do extensive reporting of contributions and expenditures under the FEC – Federal Election Commission – and this language creates duplication of the reporting transparency already available at FEC.gov.

Under the current law, these committees are required to file a copy of their federal reporting and supplementary information with our office when they're participating in North Dakota campaigns. The language in this bill seems to create an additional FEC-style filing structure within state law that isn't consistent with other North Dakota filing requirements. This change would create a new filing structure within our campaign finance system and our office would request a fiscal note once we could determine potential costs to address these customizations.

The language in the bill is confusing. We are unsure of what changes, if any, are being proposed in Section 1. The language provided in the bill is the exact language in the current statute and there are no strikes or additions provided. If the sponsors are seeking to expand the definition of "independent expenditure" it will impact our

campaign finance system for all filers utilizing the system. We cannot be certain of these impacts without greater information to determine the intent of including this section.

We believe HB1583 has constitutional questions related to filing requirements for organizations exempted by the Supreme Court and has a number of challenges in implementation with the current language. I would ask the committee give HB 1583 a **DO NOT PASS** recommendation.