

To: Chair Roers and Members of the Senate Committee on State and Local Government

From: Senator Sean Cleary, District 35 — Bismarck, Bill Sponsor

Date: 1/23/2025

Subject: Testimony in Support of SB 2156

Chair Roers and Members of the Senate Committee on State and Local Government;

SB 2156 enhances transparency and consistency in campaign finance reporting by standardizing disclosure requirements across all committee types, including candidate, ballot measure, and multicandidate committees.

Changes include:

1. Reporting Structure:

- **Two pre-election reports:** Filed only by candidates on the ballot. This schedule remains the same as the current law.
- **A mid-year report:** Filed by all candidates beginning July 1, mirroring the structure of the year-end report. This is a new addition to the law.
- **A year-end report:** Filed by all candidates, as currently required.

2. Expenditure Reporting and Account Balance:

- All expenditures exceeding \$200 must include the name, address, amount, date, and category of the expenditure. This mirrors what is currently required of Political Committees.
- All candidates and committees must report the balance of their account in each report. This mirrors what is currently required for both Political Committees and statewide candidates.
- These changes improve transparency into the use of campaign funds.

3. Prohibition on Personal Use of Campaign Funds:

- Campaign funds cannot be used for personal benefits, loans, criminal fines, or civil penalties.
- This ensures funds are used exclusively for campaign purposes, and it treats fees like penalties, not just a cost of doing business.

4. Updated Late Fee Structure:

- Late fees are increased to ensure compliance:
 - \$100 for reports up to 7 days late.
 - \$500 for reports up to 14 days late.
 - \$1,000 for reports over 14 days late.
- Amendments to incorrect or incomplete filings follow a similar penalty structure.

By updating reporting practices and strengthening penalties, this legislation promotes transparency in North Dakota's elections.

Further Amendment:

I have attached an amendment for your consideration that caps fees at \$100 for campaigns with less than \$5,000 in contributions or expenditures during the specified time period. This aims to avoid imposing overly punitive penalties on campaigns that are inactive during the reporting period but miss the filing deadline.

Thank you for your consideration. I would be happy to work with the committee on any amendments that improve the bill.

Sean

Sean Cleary
State Senator
District 35 -- Bismarck
C: (701) 426-4618