

2009 HOUSE POLITICAL SUBDIVISIONS

HB 1541

2009 HOUSE STANDING COMMITTEE MINUTES

Bill No. HB 1541

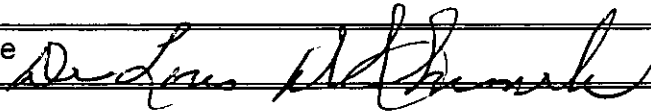
House Political Subdivisions Committee

Check here for Conference Committee

Hearing Date: February 6, 2009

Recorder Job Number: 8909, 8910

Committee Clerk Signature



Minutes:

Chairman Wrangham: opened hearing on HB 1541.

Rep. Vigesaa: Introduced the bill on behalf of the rural counties in ND. You are all familiar with campaign contribution reporting. We all have to do that. Two years ago the legislature changed the law so required certain things of us. At that time we also did that for non partisan election and their entities. However, when they drew up the rules for the counties and cities they actually ended up treating them in a different manner. City candidates in communities of less than 5,000 people were exempt from their requirements because they often ran unopposed or seldom had any contributions. But this exemption was not provided to small rural counties where their population was less than 5,000. Often times in counties they run unopposed and seldom receive any contributions that need to be reported. So HB 1541 will exempt counties with less than 5,000 populations, but also be exempt from filing these reports.

Terry Traynor: ND Association of Counties: (see testimony #1). Handed out testimony #2 for Jack Davidson.

Rep. Klemin: You are talking about each candidate filing three times. Why would you have to do that? Discussion and decided that it did happen three times.

Rep. Koppelman: Are there any issues with treating people in smaller population counties with people in larger population counties?

Terry Traynor: In respect to cities; I think the quick answer is we treat population size communities differently in a lot of different areas.

Rep. Jerry Kelsh: If someone gives me \$250 for a legislative race they have to file? If an individual gives you \$250 they don't have to file for the legislative race or a county race. Why does anyone running for a county office or city office that doesn't get anything over \$200 have to file at all? There are no checks and balances here.

Terry Traynor: I can't disagree with what you are addressing is beyond the scope of what we were trying to do.

Rep. Conrad: the landfill was an issue in Grand Forks and I am thinking in some of these areas they might end up with a landfill issue. Our experience in Ward County was that some company may come in and change the political dynamics of a county commission and money might be involved. Then you wouldn't require any reporting so it may seem unimportant now, but if something like that happens wouldn't the citizens want to know that \$5,000 has been given to one of the county commissioner.

Terry Traynor: My understanding is that company would still be required to report this.

Rep. Koppelman: I thought corporation contributions were illegal in ND? Isn't that true.

Terry Traynor: Yes, corporate contributions are illegal.

Shirley Murray, Sheridan County Auditor: (see testimony #3).

Rep. Corey Mock: so you have candidates report any contributions?

Shirley Murray: A few years ago there was a sheriff's race; not close, and he did have some contribution. That is the only one.

Rep. Kilichowski: Would it be a bad idea to have just one report at the end of the year?

Shirley Murray: We were looking at what the cities do too.

Rep. Zaiser: In larger cities there could be a race where there are lots of contributions where both sides have a lot of support. In that case there would be no monitoring? Would that happen there?

Shirley Murray: I don't think that is an issue out there. No one really has a big political interest.

Opposition: None

Neutral: None

Hearing closed.

Job 8910

Chairman Wrangham: reopened the hearing on HB 1541.

Do Pass Motion Made By Rep. Kelsh; Seconded By Rep. Conrad

Discussion: None

Vote 12 Yes 1 No 0 Absent Carrier: Rep. Hatlestad

Hearing closed.

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1541

House Political Subdivisions Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS DO NOT PASS AS AMENDED

Motion Made By Rep. Keish Seconded By Rep. Conrad

| Representatives | Yes | No | Representatives | Yes | No |
|------------------------------------|-----|----|-------------------------|-----|----|
| Rep. Dwight Wrangham, Chairman | ✓ | | Rep. Kari Conrad | ✓ | |
| Rep. Craig Headland, Vice Chairman | ✓ | | Rep. Jerry Keish | ✓ | |
| Rep. Patrick Hatlestad | ✓ | | Rep. Robert Kilichowski | ✓ | |
| Rep. Nancy Johnson | ✓ | | Rep. Corey Mock | ✓ | |
| Rep. Lawrence Klemin | ✓ | | Rep. Steve Zaiser | | ✓ |
| Rep. Kim Koppelman | ✓ | | | | |
| Rep. William Kretschmar | ✓ | | | | |
| Rep. Vonnie Pietsch | ✓ | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Total (Yes) 12 No 1

Absent 0

Carrier: Rep. Hatlestad

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1541: Political Subdivisions Committee (Rep. Wrangham, Chairman) recommends DO PASS (12 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). HB 1541 was placed on the Eleventh order on the calendar.

2009 SENATE POLITICAL SUBDIVISIONS

HB 1541

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1541

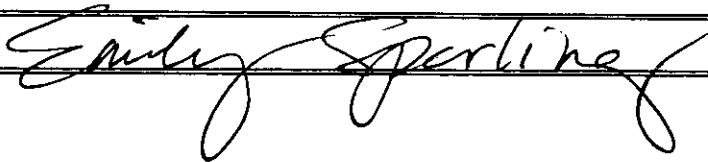
Senate Political Subdivisions Committee

Check here for Conference Committee

Hearing Date: 03/05/2009

Recorder Job Number: 10281, 10298

Committee Clerk Signature



Minutes:

Chairman Andrist Opened the hearing on HB 1541.

Representative Dick Vigesaa District #23. Introduced HB 1541 on behalf of small districts.

Currently there is an exception for cities under 5000 stating that they do not have to report

campaign contributions. This bill would extend that exception to counties under 5000.

Senator Lee Are you suggesting that people in communities less than 5000 are more honest?

Vigesaa I don't think that was the impetus behind this bill but in smaller counties there are very rarely contributions that would warrant reporting.

Senator Lee I am uncomfortable with the idea of not reporting particularly in areas where there are energy activities that could influence local politics. I don't want to put that on the county commissioners.

Vigesaa I understand that but if cities can be exempted why not counties?

Terry Traynor Assistant Director of ND Association of Counties. Spoke in support of 1541.

See attachment #1.

W. J. Davidson Nelson County Auditor. Written testimony submitted by Terry Traynor on

Davidson's behalf. See attachment #2.

Senator Lee I don't see cities as the same as counties. 6-12 candidates is not too much to manage, why should I think differently?

Traynor My feeling is that it is an unnecessary administrative burden with not point and puts the auditors in the position of being the policeperson having to fine people who often have not even received contributions. I think it creates bad feelings in the counties.

Chairman Andrist From my perspective, my small county races do not even spend 200 dollars on a campaign.

Senator Anderson I can't buy the argument about the fee because the auditor should be reminding people to file these papers.

Senator Lee I am concerned about small town elections being influenced by a large donation.

Traynor Beyond the commission, we often do not even have 2 candidates running.

Senator Bakke Right now in cities with less than 5000 they do not have to file?

Traynor That is correct.

Senator Bakke Have they had problems with people spending excessive amounts of money?

Traynor I am not aware of that happening

Shirley Murray Sheridan County Auditor. Spoke in support of 1541. See attachment #3.

Chairman Andrist What is the largest contribution you have ever dealt with?

Murray In the 20 years that I have worked, I think there may have been a 200 dollar one on a sheriff's race.

Senator Anderson Have you ever had to fine someone?

Murray I have been reminding people so no but otherwise I would have had to fine people.

Senator Bakke Do you file these reports with the secretary of state?

Murray No, they stay in my office.

Senator Bakke Do you use a state form?

Murray Yes and no one from the public has ever come and looked at them?

Senator Bakke Do you put the info online or advertise it?

Murray No, I am the only one that sees these.

Senator Dotzenrod How long do you keep those records?

Murray About 20 years.

Senator Dotzenrod Do you get a reminder from the secretary of state about these forms?

Murray Yes.

Senator Lee Are you allowed to scan and save those forms electronically?

Murray I suppose we could.

Al Jaeger Secretary of State. Made himself available for questions.

Chairman Andrist Do you monitor these reports?

Jaeger No. We send sample letters to counties to help them collect the data.

Chairman Andrist So you don't have numbers?

Jaeger No, the idea is to report the information all the time as we are considered candidates even in off election years.

Chairman Andrist Do legislators have significant off year contributions?

Jaeger I have never looked but I am sure there could be some.

Senator Olafson Have you discussed the idea of not requiring people who do not receive contributions to not have to file?

Jaeger No, because we then do not have a public record. We want to have full disclosure.

Senator Olafson Are you aware of any contributions going to small races?

Jaeger I don't know but I do know that some races in Bismarck have become very spirited.

Senator Olafson Would you say it is safe to say that candidates function on the honor system?

Jaeger I would say yes but we do want open transparent elections, we do not want to fine people.

Chairman Andrist Have you ever audited a candidate for not telling the truth?

Jaeger No

Senator Dotzenrod Have we ever removed someone from office due to money issues?

Jaeger No, but in regards to the former questions we do request amended reports.

Senator Bakke Do you ever cross reference with taxes?

Jaeger No, but the political process vets that pretty well.

Senator Anderson Have you ever found issues with money in the state?

Jaeger No.

Senator Bakke What is the difference between a city and a county?

Jaeger That is a policy questions that is up to the legislative assembly.

Senator Bakke Do they have more reports to file?

Jaeger No, everyone's filing is the same from the state on down.

Chairman Andrist Closed the hearing on HB 1541.

Job # 10298

Chairman Andrist Opened the discussion on HB 1541.

Senator Anderson It was hard to get people to run in these races but I did this and urged people to file. It's not just county commissioners but all elected officials.

Chairman Andrist I think there is a slightly different perspective from small communities.

Senator Olafson I think in small communities everyone knows each other and if someone starts spending a lot of money, people will get curious. People will demand to know in that situation.

Chairman Andrist I come from a rural county where almost none of the races are competitive. I agree with the association of counties.

Senator Anderson I just don't think it's that much extra work for auditors.

Senator Lee This is the auditor's job, I can't believe you wouldn't want to support this with your emphasis on transparency. I am worried about not having transparency.

Chairman Andrist I can't see a reason for having this bill; the testimony said that there just isn't any competition in these races. If I could see a purpose in filing these, I would vote for it.

Senator Dotzenrod I thought the other issue was the \$100 fine.

Senator Bakke I don't care either way but what about having a provision for reporting on contested races and not filing on uncontested races?

Discussion about fines and incentives

Senator Olafson I move **Do Pass**

Senator Dotzenrod Second

Senator Bakke I am confused about what I think on this. Spoke about her opposing and supporting views.

Chairman Andrist I think some of this is because of a fear of forms and paperwork.

Senator Dotzenrod I think a lot of this is stemming from the fact that cities under 5,000 are exempt.

Senator Bakke Why are cities exceptions to the rule?

Senator Anderson It is not just commissioners. In cities it is only council people and commissioners not sheriffs that are elected. I think that there is more to it in counties than just commissioners.

Chairman Andrist I like Senator Bakke's suggestion which would take care of 90% of the paperwork.

Discussion about adding Senator Bakke's suggestion as an amendment. The committee decided it was too risky as it would open a Pandora's box in other races.

The Clerk called the role on the motion to **Do Pass. Yes: 3, No: 3, Absent: 0. The motion failed.**

Senator Lee I move **Without Recommendation.**

Senator Anderson Second.

The Clerk called the role on the motion to move **Without Recommendation. Yes: 6, No: 0, Absent: 0.**

Senator Anderson will carry the bill.

REPORT OF STANDING COMMITTEE

HB 1541: Political Subdivisions Committee (Sen. Andrist, Chairman) recommends BE PLACED ON THE CALENDAR WITHOUT RECOMMENDATION (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1541 was placed on the Fourteenth order on the calendar.

2009 TESTIMONY

HB 1541

**Testimony To
THE HOUSE POLITICAL SUBDIVISIONS COMMITTEE
Prepared February 6, 2009 by
Terry Traynor, Assistant Director
North Dakota Association of Counties**

*#1
Same given
to Senate.*

REGARDING HOUSE BILL No. 1541

Chairman Wrangham and Committee members, the North Dakota Association of Counties supports House Bill 1541 addressing non-partisan campaign finance reporting.

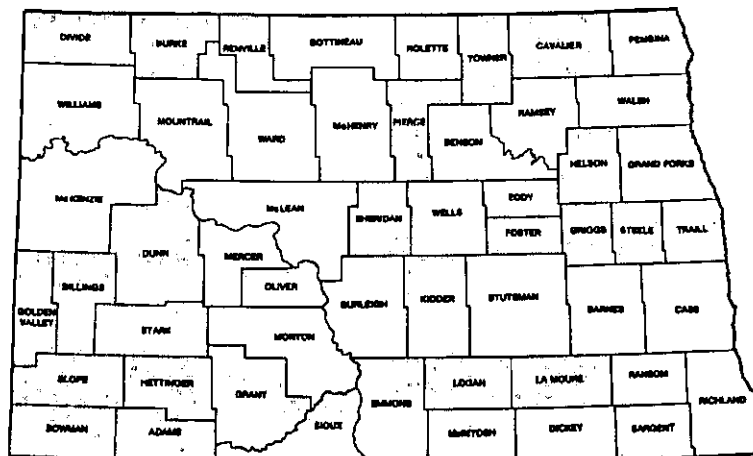
When the comprehensive campaign finance legislation was past several years ago, the reporting requirements were increased for political candidates as all levels. Non-partisan candidates (recorders, auditors, treasurers, sheriffs, state's attorneys, and commissioners) within county government were swept into this wholesale change, however non-partisan city candidates from cities with populations of less than 5,000 were not.

The Legislation before you today is simply to treat counties and cities below this threshold in a similar manner. The Legislature wisely exempted small city candidates from this requirement because many of these races are uncontested and even when they are, the collection and use of campaign contributions is all but non-existent. Making city auditors collect numerous "zero-reports" from candidates was considered an unnecessary administrative burden. As you will see from an auditor of a typical smaller county, this same logic applies to the small counties.

The map below indicates the 28 counties that have populations below this threshold.

Retaining an administrative burden that has little or no purpose is a waste of taxpayers dollars; and putting county auditors in the position to fine candidates when they fail to report that they didn't have any contributions, seems onerous and unfair. Please give HB1541 a "Do Pass" recommendation.

**COUNTIES WITH POPULATIONS LESS THAN 5,000
Census Data Center – 2000 U.S. Census**



Testimony To The
HOUSE POLITICAL SUBDIVISIONS COMMITTEE
Prepared February 6, 2009 by
W. J. "Jack" Davidson
Nelson County Auditor

REGARDING HOUSE BILL No. ~~1454~~ 1541

2
Same given
to Senate.

Chairman Wrangham and members of the Committee, I urge you to support this bill.

Section 16.1-08.1-03.10 of the N.D.C.C. currently requires all candidates for county office to file campaign contribution statements a minimum of 3 times in an election year. The statements must include all contributions in excess of \$200.00. These reports must be filed even if the candidate has not received any such contributions.

I believe that very few, if any, candidates for county office in the small counties receive contributions of \$200.00 or more. This seems like a waste of time for many people throughout the state.

Section 16.10-08.1-03.11 requires candidates for city office in cities with a population of over 5,000 people to do the same. I would like to see the counties treated the same as the cities.

According to the 2000 census there are 28 counties that have a population of less than 5,000 people. Assuming there are between 6 and 12 county candidates per county in any given election, the 28 smaller counties would have between 168 and 336 candidates.

With each candidate filing 3 times, there would be between 504 and 1008 reports filed with no contributions in an election year. To me, this doesn't make sense. I feel that counties should have the same population threshold as the cities for filing campaign contribution statements.

Chairman Wrangham and committee members, I hope this testimony clarifies my position on this Legislation, and I respectfully request a "Do Pass" recommendation for HB 1541.

TESTIMONY TO THE
HOUSE POLITICAL SUBDIVISION COMMITTEE
Prepared February 6, 2009 by
Shirley Murray, Sheridan County Auditor

#3
Same given
to Senate.

CONCERNING HOUSE BILL 1541

Chairman Wrangham and members of the Committee, I am Shirley Murray, Sheridan County Auditor. I am here today to present our county's support of HB1541 and discuss the unnecessary filing of County office candidate campaign statements in the County Auditor's offices esp. smaller populated Counties.

The filing of campaign statements for County office candidates or a candidate committee for a county office candidate was amended in section 16.1-08.1-03.10. and enacted in 2007. The fees to be collected if campaign statements are not filed on time through out the year was enacted in 2005 under section 16.1-08.1-06.1.

Sheridan County is a very rural County with around 1,400 in population and we have a tough enough time to have interested candidates to run for County office the way it is and then fine them if they did not file their contribution statement on time, even if they reported -0- contributions. Those sections add more hassle with paperwork that is unnecessary for the candidates. I have County candidates who all have filed -0- reporting statements throughout this last year. When I receive these contribution statements back from the County candidates, they ask why they need to report so many times when there are no contributions to report. I reply – "I don't know".

HB1541 would allow the smaller rural counties to not report campaign contribution statements being there is no contributions to report anyway. HB1541 would be consistent with the statute that the small rural cities also use in section 16.1-08.1-03.11. by adding a population of 5,000 or more.

Please give HB1541 a Do Pass recommendation.