

2013 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1447

2013 HOUSE STANDING COMMITTEE MINUTES

House Government and Veterans Affairs Committee

Fort Union Room, State Capitol

HB 1447
February 7, 2013
Job 18504

☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

Relating to campaign contribution and expenditure reports and reporting deadlines; and to provide an effective date.

Minutes:

Attachment 1

Chairman Jim Kasper opened the hearing on HB 1447.

(0:18 to 5:32) **Rep. Mock, District 42** appeared in support as a sponsor of the bill. This bill was introduced to put in language in to allow for electronic filing of campaign contribution reports. Explained the current procedure for submitting campaign contribution reports. Currently, PDF forms are filled out and mailed, and then staff members in the office of the Secretary of State must then reenter the information into the reports available online for the public. The changes brought forth in this bill would be in effect in 2014. The system for electronic filing will be up and running by 2014. Sections 1 through 10 change the language related to when campaign contribution reports for candidates are due. Right now, filing time starts twenty days before the election, and reports are due twelve days before the election. However, voting begins forty days before an election. This new language mirrors language in other bills to change the reporting deadlines to the thirty-second day before election.

(6:38 to 12:29) **Al Jaeger, Secretary of State**, appeared in support of the first ten sections of this bill. Elaborated on written testimony, Attachment 1. Voiced concern for mandated implemented date and the additional employees that would require. Highlighted what he suspects is a drafting error on the bill on page 7, lines 23-28.

Chairman Jim Kasper: If we amend out page 7, lines 23-28, as you're suggesting are not in the current statute, does it impact the bill at all?

Secretary Jaeger: It's in the wrong place completely. You can tell by the strike marks that it's eliminating something from state law. But if you check the Century Code, there is nothing there to eliminate.

Rep. Ben Koppelman: Are you telling us that if there is not a date mandated, there would be no fiscal impact to this bill? If that mandated implementation date is removed?

Secretary Jaeger: We have funding to do the project according to the timeline that exists. We might be able to move some it around a little bit, but when we have a specific completion date in there, that changes our flexibility. To be able to do that, then I would need the funding. We are already doing the project. So the bill would mandate that all reports would be filed electronically on a system which we are developing. If that mandate that we establish the system by a certain date is taken out, then I am comfortable with the bill.

Rep. Ben Koppelman: So the answer is yes, that if we remove the mandate, there is no money attached to the bill and the \$50,000 goes away? I am assuming your office prepared the fiscal note.

Secretary Jaeger: Yes. We have the funding for the project but not for completion according to the proposed timeline.

Rep. Vernon Laning: Do you have a date certain when the project would be completed if we amend that deadline to avoid the additional expense?

Secretary Jaeger: It will be done in time for the reporting for the June 2014 election. If we remove the mandate for completion of the project which is already in process, then this bill is only about moving the reporting dates around.

Rep. Bill Amerman: In terms of the required reporting of contributions, who is required to make reports, and what gets reported?

Secretary Jaeger: Essentially, all state-wide offices, all legislative offices, all district and judicial offices, political action committees, multi-candidate committees, and measure committees are reported to our office. There is a reporting requirement on the county level for county races, but those reports are filed with county auditors.

Rep. Gail Mooney: Do you have a sense of how many dollars might be saved with the electronic process, in terms of time and mailing costs?

Secretary Jaeger: It would save a lot of labor, and it would save time and money because the individual who has been entering the information works overtime and weekends to input the information.

Chairman Jim Kasper: On the amending out the effective date, should we just delete date altogether, or would you like to have a different effective date put in?

Secretary Jaeger: I would like to have it removed. The project is currently underway and has a timeline. If we are able to move it up and complete it ahead of schedule, we will try to do so because of the interest in the information.

Chairman Jim Kasper: Are the rest of the cleanup dates in the bill okay with you?

Secretary Jaeger: Yes.

Support:

Opposition:

Neutral:

Hearing closed.

Vice Chair Randy Boehning moved to adopt the amendments as suggested by the Secretary of State to delete out page 7, lines 23-28. Seconded by Rep. Rohr.

Rep. Karen Karls: There is also a reference to that date on line 13 of page 6.

Secretary Jaeger: We do want to keep in the mandate for the electronic filing, so it needs to be massaged a little bit. If we could work with the committee on that because we want to keep the intent of the mandate. Just the part of page 6, line 13, that says I must do this by a certain date.

Chairman Jim Kasper: What do we need this section for if you're doing the project already?

Secretary Jaeger: The mandate that reports be filed electronically. Line 15 in particular needs to be kept.

Jim Silrum, Deputy Secretary of State: Our current project is scheduled to have a deployment date of campaign finance by the end of March 2014. However, that deployment does not include the mandating of electronic filing. The way the project is currently established, filers could file on paper or electronically. We agree that all filing should be electronically so that they can be made available to the public immediately upon submission.

Chairman Jim Kasper: What is your recommendation for how we fix line 13 on page 6?

Jim Silrum: My recommendation would be to delete everything up to the comma in the first sentence. Start it by saying *The secretary of state shall implement*. Delete *before February 1, 2014*.

Chairman Jim Kasper: Rep. Boehning, would you amend your motion to also delete on line 13 of page 6, the words *Before February 1, 2014, ?*

Vice Chair Randy Boehning: Yes, I amend my motion.

Rep. Karen Rohr: I amend my second.

Chairman Jim Kasper: So now we have three amendments before us. Any discussion on the three amendments?

Voice vote on the adoption of the amendments. **Motion carried.**

A motion for a do pass as amended was made by Rep. Zaiser. It was seconded by Rep. Laning.

Rep. Ben Koppelman: I understand the interest in the Secretary's office of going to electronic filing. I am not sure I see what the urgent need is for dates for filing, especially if it is going to be done electronically anyway. The move to electronic submission will save a lot of human resource time. I'm not sure that we need to change the dates as offered in this bill, such as on the first page the change from twelfth to thirty-second and twentieth to fortieth.

Chairman Jim Kasper: That had to do with the sending out of absentee ballots and things like that. That is really cleanup language.

A roll call vote on a do pass as amended resulted in a 13-0, 1 ABSENT.

Rep. Scott Louser is the carrier of this bill.

FISCAL NOTE
Requested by Legislative Council
01/22/2013

Revised
Bill/Resolution No.: HB 1447

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$50,000	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The SOS already has under development an electronic online campaign contribution filing system that this bill mandates on page 6, lines 13 to 18. According to the SOS project timeline, it is scheduled for deployment in spring 2014.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The mandate on page 6, lines 13 through 18 requires an accelerated completion date that is earlier than now scheduled for an existing project in the agency's detailed project schedule. The impact is that it reallocates funding in a much larger software program because it would require the hiring of extra programmers to meet the accelerated deadline that is mandated in this bill for this specific feature.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

None

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

It would require an unanticipated expenditure of \$50,000

2/11/13

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1447

Page 6, line 13, replace "February" with "May"

Page 7, line 23, replace "February" with "May"

Page 8, line 1, replace "February" with "May"

Renumber accordingly

Date: 2-7-2013
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1417

House Government and Veterans Affairs Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 13.0265.04001

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Boehning Seconded By Rohr

Representatives	Yes	No	Representatives	Yes	No
Chairman Jim Kasper			Rep. Bill Amerman		
Vice Chairman Randy Boehning			Rep. Gail Mooney		
Rep. Jason Dockter			Rep. Marie Strinden		
Rep. Karen Karls			Rep. Steven Zaiser		
Rep. Ben Koppelman					
Rep. Vernon Laning					
Rep. Scott Louser					
Rep. Gary Paur					
Rep. Karen Rohr					
Rep. Vicky Steiner					

*Voice vote
motion carried
to accept
amendment*

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

*Lates 25-28
P.M.*

Date: 2-7-13
Roll Call Vote #: 2

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1447

House Government and Veterans Affairs Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 13,026S.04001

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Zaiser Seconded By Lanning

Representatives	Yes	No	Representatives	Yes	No
Chairman Jim Kasper	<input checked="" type="checkbox"/>		Rep. Bill Amerman	<input checked="" type="checkbox"/>	
Vice Chairman Randy Boehning	<input checked="" type="checkbox"/>		Rep. Gail Mooney	<input checked="" type="checkbox"/>	
Rep. Jason Dockter	<input checked="" type="checkbox"/>		Rep. Marie Strinden	<input checked="" type="checkbox"/>	
Rep. Karen Karls	<input checked="" type="checkbox"/>		Rep. Steven Zaiser	<input checked="" type="checkbox"/>	
Rep. Ben Koppelman	<input checked="" type="checkbox"/>				
Rep. Vernon Lanning	<input checked="" type="checkbox"/>				
Rep. Scott Louser	<input checked="" type="checkbox"/>				
Rep. Gary Paur					
Rep. Karen Rohr	<input checked="" type="checkbox"/>				
Rep. Vicky Steiner	<input checked="" type="checkbox"/>				

Total (Yes) 13 No 0

Absent 1

Floor Assignment Louser

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

REPORT OF STANDING COMMITTEE

HB 1447: Government and Veterans Affairs Committee (Rep. Kasper, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1447 was placed
on the Sixth order on the calendar.

Page 6, line 13, replace "February" with "May"

Page 7, line 23, replace "~~February~~" with "~~May~~"

Page 8, line 1, replace "February" with "May"

Renumber accordingly

2013 SENATE STANDING COMMITTEE MINUTES

Senate Government and Veterans Affairs Committee

Missouri River Room, State Capitol

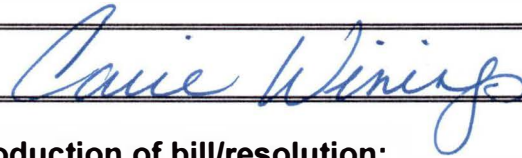
HB 1447

03/21/2013

Job Number 20309 and 20312

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act relating to campaign contribution and expenditure reports and reporting deadlines; and to provide an effective date.

Minutes:

Chairman Dever: Opened the hearing on HB 1447.

(A bill sponsor was not present to introduce and explain the bill.)

Jim Silrum, Deputy Secretary of State: Testified in a neutral position on the bill and explained the bill. This is duplicated in SB 2299 and it is over in the House. One of your Senators does have an amendment that will be concurred on. Refreshes the committee's memory on SB 2299 and what this one also does.

(7:05) Senator Nelson: Is there going to be a note on the top that will say that there is no change since last report or that it is an update from the last one?

Jim Silrum: Yes. There is going to be that functionality.

Senator Nelson: Is the story on this that they have not acted on this in the House?

Chairman Dever: It is still in process.

Jim Silrum: It was in Senate Judiciary and Senator Nelson was able to hear SB 2299 in committee. One of the committee members, Senator Armstrong, had some thoughts after it passed through the Senate and brought over some ideas that the House is currently contemplating but it doesn't change anything that you have already passed.

Chairman Dever: Suspended the hearing on HB 1447 for prime sponsor.

Job Number 20312 Starts Here:

Chairman Dever: Reopened the hearing on SB 1447.

Representative Mock, District 42: Testified as sponsor and in support of the bill and explained the purpose of the bill. I appreciate you keeping the hearing open for me to testify. Sections 1-10 of the bill merely adjust the dates and deadlines for reporting campaign contributions to the Secretary of State's office and that was done at the request of the Secretary of State's office to keep consistency with other bills that were before the Senate in the first half. Beginning in Section 11, the bill states that beginning May 1st of 2014 that all campaign contribution reports must be submitted electronically and be made available to the public within 24 hours free of charge. I understand that this is language that was adopted into SB 2299 and is now before the House. The GVA committee passed it with overwhelming support.

Chairman Dever: Is it necessary to be codified?

Representative Mock: I am going to defer to the Secretary of State's office. The reason it is necessary is if we don't require them to be submitted electronically, people will still be able to mail in campaign contribution reports as well as submit them electronically and you would have two separate systems and you would still require staff at the Secretary of State's office to manually reenter the forms. The reason for codifying the mandate to file electronically is to reduce the burden on the staff and to make sure there is consistency in reporting all campaign contributions.

Chairman Dever: Closed the hearing on HB 1447.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Government and Veterans Affairs Committee

Missouri River Room, State Capitol

HB 1447
04/09/2013
Job Number 21041

☐ Conference Committee

Committee Clerk Signature



Minutes:

Chairman Dever: Opened HB 1447 for committee discussion. I recall that this bill is pretty much identical to SB 2299 and that is going to conference committee.

Senator Cook: Moved a Do Not Pass.

Senator Schaible: Seconded.

A Roll Call Vote Was Taken: 7 yeas, 0 nays, 0 absent.

Senator Nelson: Carrier.

FISCAL NOTE
Requested by Legislative Council
02/12/2013

Amendment to: HB 1447

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
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School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The SOS already has under development an electronic online campaign contribution filing system that this bill mandates on page 6, lines 13 to 18. According to the SOS project timeline, it is scheduled for deployment in spring 2014.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The amendment proposed for the bill removes the fiscal impact of \$50,000, which would have been the situation if the bill was not amended.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

None

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

It would require an unanticipated expenditure of \$50,000

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Because the bill is being amended, the agency's concern with its fiscal impact no longer exists as it did with the bill as it was originally introduced.

Name: Al Jaeger
Agency: Seretary of State
Telephone: 701-328-2900
Date Prepared: 02/12/2013

FISCAL NOTE
Requested by Legislative Council
01/22/2013

Revised
Bill/Resolution No.: HB 1447

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$50,000	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The SOS already has under development an electronic online campaign contribution filing system that this bill mandates on page 6, lines 13 to 18. According to the SOS project timeline, it is scheduled for deployment in spring 2014.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The mandate on page 6, lines 13 through 18 requires an accelerated completion date that is earlier than now scheduled for an existing project in the agency's detailed project schedule. The impact is that it reallocates funding in a much larger software program because it would require the hiring of extra programmers to meet the accelerated deadline that is mandated in this bill for this specific feature.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

None

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

It would require an unanticipated expenditure of \$50,000

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

To not negatively impact the project's timeline, \$50,000 would be required. Without the extra funding, the hiring of extra programmers over and above the current project's timeline would divert resources from other areas and may hinder the timely development of those functional sections in the overall scope of the agency's project. The funding for the project that is now underway was appropriated by the 2011 legislative assembly. Funds for the a scope change resulting from a mandated completion date was not.

Name: Al Jaeger

Agency: Seretary of State

Telephone: 701-328-2900

Date Prepared: 01/28/2013

Date: 4/9

Roll Call Vote #: 1

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1447

Senate Government and Veterans Affairs Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☐ Do Pass ☒ Do Not Pass ☐ Amended ☐ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Senate Cook Seconded By Senate Schaible

Senators	Yes	No	Senator	Yes	No
Chairman Dick Dever	✓		Senator Carolyn Nelson	✓	
Vice Chairman Spencer Berry	✓		Senator Richard Marcellais	✓	
Senator Dwight Cook	✓				
Senator Donald Schaible	✓				
Senator Nicole Poolman	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Senate Nelson

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

REPORT OF STANDING COMMITTEE

HB 1447, as engrossed: Government and Veterans Affairs Committee (Sen. Dever, Chairman) recommends **DO NOT PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1447 was placed on the Fourteenth order on the calendar.

2013 TESTIMONY

HB 1447

ALVIN A. JAEGER
SECRETARY OF STATE

HOME PAGE www.nd.gov/sos



SECRETARY OF STATE
STATE OF NORTH DAKOTA
600 EAST BOULEVARD AVENUE DEPT 108
BISMARCK ND 58505-0500

February 7, 2013

2-7-2013 Attachment 1
HB 1447

PHONE (701) 328-2900
FAX (701) 328-2992

E-MAIL sos@nd.gov

TO: Rep. Kasper, Chairman, and Members of the Government and Veterans' Affairs Committee

FR: Al Jaeger, Secretary of State

RE: HB 1447 – Campaign Contributions

The Secretary of State supports the campaign contributions statement date changes for reporting in Sections 1, 2, 3, 4, 5, 6, 7, 8, and 9 of the bill. Instead of filing a campaign contribution statement covering the period through the 20th day before the election, the bill changes the reporting period through the 40th day before the election. The filing date is changed from the 12th day before the election to the 32nd day before the election. The changes coincide with the date that absentee ballots are available to voters.

In SB 2299, the Secretary of State proposed the same date changes for a measure committee, which is in Section 3 of this bill. Although only applicable for a measure committee, SB 2299 also changes the 48 hour reporting requirement to cover all contributions in excess of \$500 in the aggregate that are received from a single contributor during the 39 days before the election as is being changed in Section 10 of this bill.

The Secretary of State agrees with the stipulation in Section 11, lines 13 through 18, ¹⁰⁸³ that all campaign contribution statements must be filed electronically. During the 2012 election cycle, ~~665~~ reports were filed by over 500 filers of campaign contribution statements for the five different reporting periods. This is a very labor intensive process and does not allow for the timely posting of the information on the Secretary of State's website.

However, the Secretary of State is concerned with the mandated implementation date of February 2, 2014 for an electronic campaign contribution filing system, which initiated the request for a fiscal note. As explained in the fiscal note, the Secretary of State's office already has this electronic filing system under development as part of the agency's current comprehensive software project. The project has a very specific timeline and the mandate in this section would require an unanticipated expenditure of \$50,000 to complete the project by that date because extra programmers would need to be hired.

As it is, this module is scheduled to be completed and tested to allow for the electronic filing of campaign finance statements that will be due for the June 2014 election. Therefore, we request that the deadline date be deleted from the bill.

Also, we believe that there is a bill drafting error on page 7, lines 23 through 28. That subsection of law is not currently in N.D.C.C. § 16.1-08.1-06.

If the mandated date of February 2, 2014, is deleted from the bill, the Secretary of State supports a Do Pass recommendation. If it remains, the Secretary of State must then request an appropriation of \$50,000 in order to complete the project by the mandated date. These funds are necessary so that other resources are not diverted from the development of other modules and functions of the software project.