

**2015 HOUSE GOVERNMENT AND VETERANS AFFAIRS**

**HB 1309**


# 2015 HOUSE STANDING COMMITTEE MINUTES

## Government and Veterans Affairs Committee Fort Union, State Capitol

HB 1309  
1/29/2015  
22860

☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

Relating to campaign finance disclosure

### Minutes:

Attachment 1

**Chairman Kasper** opened the hearing on HB 1309.

**Rep. Bill Devlin**, District 23, appeared for support. Some of the bill deals with cleanup. The part of the bill I want to discuss is Section 4, Page 5. Last election I was very frustrated when I was trying to do my campaign report on the Secretary of State's website. I found out the only way I was allowed to do it was if I had a campaign committee. You could not do it as an individual. This bill will allow you to also campaign for yourself.

**Rep. Amerman** You are talking about the report we do about our contributions?

**Rep. Devlin** Correct.

**Rep. Wallman** Could you explain why on Page 5, Section 4 is stricken?

**Rep. Devlin** It would be better for the Secretary of State to explain.

**Chairman Kasper** Your concern is simply report as a campaign committee or report as an individual and let us clean it up so it allows us to do that?

**Rep. Devlin** Correct.

**Jim Silrum**, Deputy Secretary of State, appeared in support. He went over Attachment 1 in great detail. (05:06-12:15) In reference to the part on attachment (Section 3, Page 5, Lines 10-16), this should answer Rep. Wallman's previous question. (12:59-14:05)

**Rep. Louser** In reference to the part on the attachment (Section 4, Pages 5 and 6) Candidates or office holders need to disclose expenditures versus independent expenditures versus expenses gets somewhat confusing. Are we saying here now that

candidates must disclose their expenditures which could be an expense in their campaign account?

**Jim Silrum** No. The candidates still under this bill will only report reportable contributions.

**Rep. Louser** What would an example of "or expenditures are made" be?

**Jim Silrum** A brand new person on the scene who is contemplating the running for public office is required to register within 15 days of either receiving a contribution or making a political expenditure. You never have to report or disclose that political expenditure, but the law says if you make a political expenditure such as buying advertising, you are simply required to register as a candidate or as a candidate committee.

**Chairman Kasper** He read from the top of Page 6, Line 4. I choose not to run in my legislative district next year. I have money left in my campaign account. If I decide to distribute those dollars in my campaign account, must I report that I am distributing dollars now? I don't think we have to do that right now. Is that correct?

**Jim Silrum** You are correct that you don't have to report expenditures, and you will not have to report expenditures under this, but you still need to file a statement saying you received no contributions. You must file that statement because of the simple fact that even though those expenditures are not disclosed to anybody other than yourself, you had political activity.

**Chairman Kasper** If I made a contribution over \$200 or is it over any amount, I would have to report it in the year that I make the expenditure?

**Jim Silrum** Any political expenditure.

**Chairman Kasper** It does not say for donations, so if I chose to give that to charity, no report?

**Jim Silrum** I believe you are correct since it says political purpose. Make sure you are in compliance with whatever federal tax law might say that you can or cannot do.

**Rep. Louser** If the checkbook has any money coming in or going out for political purposes, we are filing a report saying what our contributions that we received were for that year?

**Jim Silrum** Correct.

**Rep. Louser** The contribution statement could be 0 dollars?

**Jim Silrum** Correct. Continued going over Attachment 1, Page 1, Bullet 3 (21:18-25:15). Went over the amendment (26:00-28:45).

**Rep. Amerman** This amendment is basically bringing anyone who is not filing electronically now will have to file electronically?

**Jim Silrum** Most of the judicial district candidates filed electronically just like the other candidates, but there have been some that have pushed back based on their reading of the law and their understanding of what the word "deemed" means. Rather than debate them on the issue, we seek to clarify the language so that there is no question.

No opposition or neutral.

The hearing was closed.

**Rep. Amerman** made a motion to adopt the amendment.

**Rep. Karls** seconded the motion.

Voice vote. Motion carries.

**Rep. Dockter** made a motion for a DO PASS AS AMENDED.

**Rep. Seibel** seconded the motion.

A roll call vote was taken. 12 Yeas, 0 Nays, 2 Absent.

**Rep. Amerman** will carry the bill.

January 30, 2015

*Handwritten:*  
1-30-15  
1013

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1309

Page 1, line 3, after the first comma insert "section 16.1-08.1-03.9,"

Page 1, line 3, after "16.1-08.1-03.13" insert ", 16.1-08.1-06,"

Page 7, after line 20, insert:

**"SECTION 6. AMENDMENT.** Section 16.1-08.1-03.9 of the North Dakota Century Code is amended and reenacted as follows:

**16.1-08.1-03.9. Contribution statements of judicial district candidates or a candidate committee for a judicial district candidate.**

1. A judicial district candidate or a candidate committee for a judicial district candidate shall make and file a statement in accordance with this section. The candidate or candidate committee shall include in the statement:
  - a. The name and mailing address of all contributors who made contributions in excess of two hundred dollars in the aggregate for the purpose of influencing the nomination for election, or election, of the candidate;
  - b. The aggregated amount of the contributions from each listed contributor;
  - c. The date the last contribution was received from each listed contributor;
  - d. The gross total of all contributions received in excess of two hundred dollars;
  - e. The gross total of all contributions received of two hundred dollars, or less; and
  - f. The cash on hand in the filer's account at the start and close of the reporting period.
2. A candidate or a candidate committee described in this section shall file a statement with the secretary of state no later than the thirty-second day before the date of the election in which the candidate's name appears on the ballot or in which the candidate seeks election through write-in votes. The reporting period for each of these statements is from the beginning of that calendar year through the fortieth day before the date of the election.
3. A candidate or a candidate committee described in this section shall also be required to file a complete year-end statement with the secretary of state no later than the thirty-first day of January in the year immediately following the date of the election in which the candidate's name appeared on the ballot or in which the candidate sought election through write-in votes. Even if the candidate or candidate committee has not received any contributions in excess of two hundred dollars during the reporting period,

the candidate or candidate committee shall file a statement as required by this section.

4. A candidate or a candidate committee described in this section shall be required to file a year-end statement with the secretary of state, regardless of whether the candidate sought election during that calendar year.
5. ~~A statement required by this section to be filed with the secretary of state must be:~~
  - a. ~~Deemed properly filed when deposited with or delivered to the secretary of state within the prescribed time. A statement that is mailed is deemed properly filed when it is postmarked and directed to the secretary of state within the prescribed time. If the secretary of state does not receive a statement, a duplicate of the statement must be promptly filed upon notice by the secretary of state of its nonreceipt.~~
  - b. ~~Preserved by the secretary of state for a period of four years from the date of filing. The statement is to be considered a part of the public records of the secretary of state and must be open to public inspection."~~

Page 9, line 8, after "measure" insert "or referendum"

Page 10, after line 11, insert:

**"SECTION 9. AMENDMENT.** Section 16.1-08.1-06 of the North Dakota Century Code is amended and reenacted as follows:

**16.1-08.1-06. Contributions and expenditure statement requirements.**

1. Any statement required by this chapter to be filed with the secretary of state must be:
  - a. ~~Deemed properly filed when~~Filed electronically ~~delivered to with~~ the secretary of state and must be within the prescribed time and in the format established by the secretary of state. If the secretary of state does not receive a statement, an electronic duplicate of the statement must be promptly filed upon notice by the secretary of state of its nonreceipt. After a statement has been filed, the secretary of state may request or accept written clarification along with an amended statement from a candidate, political party, or political committee filing the statement when discrepancies, errors, or omissions on the statement are discovered by the secretary of state, the candidate, political party, or political committee filing the statement, or by any interested party reciting a lawful reason for requesting clarification and an amendment be made. When requesting an amended statement, the secretary of state shall establish a reasonable period of time, not to exceed ten days, agreed to by the candidate, political party, or political committee, for filing the amended statement with the secretary of state.
  - b. Preserved by the secretary of state for a period of ten years from the date of filing. The statement is to be considered a part of the public

records of the secretary of state's office and must be open to public inspection on the internet.

2. In determining the amount of individual contributions from any contributor, all amounts received from the same contributor during the reporting period must be aggregated to report an overall total contribution for the purposes of the statements required by this chapter. Aggregate contributions must reference the date of the most recent contribution. Contributions made separately by different persons from joint accounts are considered separate contributions for reporting purposes.
3. Any statement and data filed ~~electronically~~ with the secretary of state must be made available on the internet to the public free of charge within twenty-four hours after filing.
4. ~~Unless otherwise provided by law, any candidate, political party, committee, or person may not be charged a fee for filing any statement with the secretary of state under this chapter."~~

Renumber accordingly

Date: 1-29-15  
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1309

House Government and Veterans Affairs Committee

☐ Subcommittee

Amendment LC# or Description:

Secretary of State's Amendment

Recommendation:

- ☒ Adopt Amendment  
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation  
☐ As Amended ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar

Other Actions:

☐ Reconsider

☐

Motion Made By

Amerman

Seconded By

Karls

Representatives	Yes	No	Representatives	Yes	No
Chairman Jim Kasper			Rep. Bill Amerman		
Vice Chair Karen Rohr			Rep. Gail Mooney		
Rep. Jason Dockter			Rep. Mary Schneider		
Rep. Mary C. Johnson			Rep. Kris Wallman		
Rep. Karen Karls					
Rep. Ben Koppelman					
Rep. Vernon Laning					
Rep. Scott Louser					
Rep. Jay Seibel					
Rep. Vicky Steiner					

*Vote to not pass*

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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



Date: 1-29-15  
Roll Call Vote #: 2

2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1309

House Government and Veterans Affairs Committee

☐ Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation: ☐ Adopt Amendment  
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation  
☒ As Amended ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ \_\_\_\_\_

Motion Made By Dockter Seconded By Seibel

Representatives	Yes	No	Representatives	Yes	No
Chairman Jim Kasper	X		Rep. Bill Amerman	X	
Vice Chair Karen Rohr	X		Rep. Gail Mooney	X	
Rep. Jason Dockter	X		Rep. Mary Schneider	X	
Rep. Mary C. Johnson	X		Rep. Kris Wallman	X	
Rep. Karen Karls	X				
Rep. Ben Koppelman					
Rep. Vernon Laning					
Rep. Scott Louser	X				
Rep. Jay Seibel	X				
Rep. Vicky Steiner	X				

Total (Yes) 12 No 0

Absent 2

Floor Assignment Amerman

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

**REPORT OF STANDING COMMITTEE**

**HB 1309: Government and Veterans Affairs Committee (Rep. Kasper, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1309 was placed on the Sixth order on the calendar.

Page 1, line 3, after the first comma insert "section 16.1-08.1-03.9,"

Page 1, line 3, after "16.1-08.1-03.13" insert ", 16.1-08.1-06,"

Page 7, after line 20, insert:

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  - a. The name and mailing address of all contributors who made contributions in excess of two hundred dollars in the aggregate for the purpose of influencing the nomination for election, or election, of the candidate;
  - b. The aggregated amount of the contributions from each listed contributor;
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3. A candidate or a candidate committee described in this section shall also be required to file a complete year-end statement with the secretary of state no later than the thirty-first day of January in the year immediately following the date of the election in which the candidate's name appeared on the ballot or in which the candidate sought election through write-in votes. Even if the candidate or candidate committee has not received any contributions in excess of two hundred dollars during the reporting period, the candidate or candidate committee shall file a statement as required by this section.

4. A candidate or a candidate committee described in this section shall be required to file a year-end statement with the secretary of state, regardless of whether the candidate sought election during that calendar year.
- 5- ~~A statement required by this section to be filed with the secretary of state must be:~~
  - a- ~~Deemed properly filed when deposited with or delivered to the secretary of state within the prescribed time. A statement that is mailed is deemed properly filed when it is postmarked and directed to the secretary of state within the prescribed time. If the secretary of state does not receive a statement, a duplicate of the statement must be promptly filed upon notice by the secretary of state of its nonreceipt.~~
  - b- ~~Preserved by the secretary of state for a period of four years from the date of filing. The statement is to be considered a part of the public records of the secretary of state and must be open to public inspection."~~

Page 9, line 8, after "measure" insert "or referendum"

Page 10, after line 11, insert:

**"SECTION 9. AMENDMENT.** Section 16.1-08.1-06 of the North Dakota Century Code is amended and reenacted as follows:

**16.1-08.1-06. Contributions and expenditure statement requirements.**

1. Any statement required by this chapter to be filed with the secretary of state must be:
  - a. ~~Deemed properly filed when~~Filed electronically ~~delivered to~~with the secretary of state and must be within the prescribed time and in the format established by the secretary of state. If the secretary of state does not receive a statement, ~~an electronic~~ duplicate of the statement must be promptly filed upon notice by the secretary of state of its nonreceipt. After a statement has been filed, the secretary of state may request or accept written clarification along with an amended statement from a candidate, political party, or political committee filing the statement when discrepancies, errors, or omissions on the statement are discovered by the secretary of state, the candidate, political party, or political committee filing the statement, or by any interested party reciting a lawful reason for requesting clarification and an amendment be made. When requesting an amended statement, the secretary of state shall establish a reasonable period of time, not to exceed ten days, agreed to by the candidate, political party, or political committee, for filing the amended statement with the secretary of state.
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2. In determining the amount of individual contributions from any contributor, all amounts received from the same contributor during the reporting period must be aggregated to report an overall total contribution for the purposes of the statements required by this chapter. Aggregate contributions must reference the date of the most recent contribution.

Contributions made separately by different persons from joint accounts are considered separate contributions for reporting purposes.

3. Any statement and data filed ~~electronically with the secretary of state~~ must be made available on the internet to the public free of charge within twenty-four hours after filing.
4. ~~Unless otherwise provided by law, any candidate, political party, committee, or person may not be charged a fee for filing any statement with the secretary of state under this chapter."~~

Renumber accordingly

**2015 SENATE GOVERNMENT AND VETERANS AFFAIRS**

**HB 1309**

# 2015 SENATE STANDING COMMITTEE MINUTES

## Government and Veterans Affairs Committee

Missouri River Room, State Capitol

HB 1309

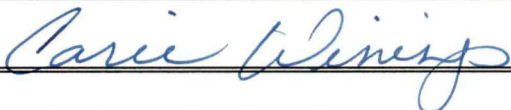
3/20/2015

Job # 25205

☐ Subcommittee

☐ Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact subsection 1 of section 16.1-01-12, subsection 11 of section 16.1-08.1-01, sections 16.1-08.1-03.1 and 16.1-08.1-03.2, subsection 3 of section 16.1-08.1-03.5, section 16.1-08.1-03.9, subsection 1 of section 16.1-08.1-03.12, and sections 16.1-08.1-03.13, 16.1-08.1-06, and 16.1-10-04.1 of the North Dakota Century Code, relating to campaign finance disclosure.

### Minutes:

Attachments 1

**Chairman Dever:** Opened the hearing on HB 1309.

**Representative Devlin, District 23:** Testified as sponsor and in support of the bill. This contains a lot of things that the Secretary of State's office will talk to you about that is some clean up language for them. The part of the bill that I originally proposed is found in Section 4. When I went to the Secretary of State's office the last election campaign to file my campaign finance disclosure report I found out that I could not do it unless I was a campaign committee. I do all mine as an individual as well as several other legislators. The only way to get it so that an individual would also be allowed to do the form is to change the law. This part of the bill allows individual to file their campaign disclosure report at the Secretary of State's office just as a campaign committees do.

**(2:05)Chairman Dever:** They changed the reporting to the electronic system and I made a mistake and they had to go to ITD to go back and correct it. Would this require that they change that system?

**Representative Devlin:** I believe they will have to change a little bit of software to do that.

**(3:05)Jim Silrum, Deputy Secretary of State:** See Attachment #1 for testimony in support of the bill.

**(12:00)Chairman Dever:** You are not suggesting any amendments?

**Jim Silrum:** We did all of those in the House.

**Senator Nelson:** If this bill passes, do those of us who have had to use committee because we did not have that other option have to switch to be an individual for our campaigns?

**Jim Silrum:** You will be able to choose which ever you like. There is no cost to it and it would be just simply a change. But if you want to say the same as you filed last time you can do that.

**Senator Nelson:** Does it affect the records?

**Jim Silrum:** We developed the system to search by candidate name as well as committee name.

**Chairman Dever:** Closed the hearing on HB 1309.

# 2015 SENATE STANDING COMMITTEE MINUTES

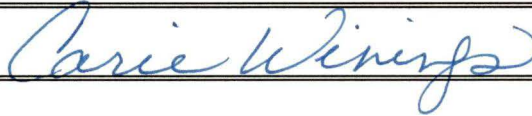
## Government and Veterans Affairs Committee

Missouri River Room, State Capitol

HB 1309  
3/20/2015  
Job # 25215

☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature



**Minutes:**

No Attachments

**Chairman Dever:** Opened HB 1309 for committee discussion.

**Senator Nelson:** Moved a Do Pass.

**Senator Poolman:** Seconded.

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

**Motion Carried.**

**Senator Nelson will carry the bill.**



Date: 3/20  
Roll Call Vote #: 1

2015 SENATE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1309

Senate Government and Veterans Affairs Committee

☐ Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation: ☐ Adopt Amendment  
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation  
☐ As Amended ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar  
Other Actions: ☐ Reconsider ☐ \_\_\_\_\_

Motion Made By Nelson Seconded By Poolman

Senators	Yes	No	Senators	Yes	No
Chairman Dever	✓		Senator Marcellais	✓	
Vice Chairman Poolman	✓		Senator Nelson	✓	
Senator Cook	✓				
Senator Davison	✓				
Senator Flakoll	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Nelson

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

**REPORT OF STANDING COMMITTEE**

**HB 1309, as engrossed: Government and Veterans Affairs Committee (Sen. Dever, Chairman)** recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1309 was placed on the Fourteenth order on the calendar.

**2015 TESTIMONY**

**HB 1309**

ALVIN A. JAEGER  
SECRETARY OF STATE

PAGE [www.nd.gov/sos](http://www.nd.gov/sos)



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

January 29, 2015

#1 1309  
1-29-15

PHONE (701) 328-2900  
FAX (701) 328-2992  
E-MAIL [sos@nd.gov](mailto:sos@nd.gov)

TO: Chairman Jim Kasper and members of the House Government and Veteran's Affairs Committee

FR: Jim Silrum, Deputy Secretary of State, on behalf of Secretary of State, Al Jaeger

RE: HB 1309 – Campaign Finance

Among other things, this bill corrects an oversight in SB 2299 passed in the 63<sup>rd</sup> Legislative Assembly regarding when corporations and other qualifying organizations were required to disclose expenditures in support of or opposition to a measure. HB 1309 would require corporations and other organizations to disclose qualifying expenditures made during any stage of the initiative petition, measure, or referral process. This bill also provides the option for candidates to register either with or without a candidate committee under the campaign disclosure requirements of chapter 16.1-08.1

Section 1, page 1, lines 8 and 9: This change includes measure committees in this section and provides the citation to the definitions in 16.1-08.1-01.

Section 1, page 1, line 23: Measure committees would be included in the prohibition of paying petition circulators according to the number of signatures gathered on petitions, which is identical to the long standing provisions in current law that have applied to petition sponsoring committees.

Section 2, page 3, line 6: Adds judicial and legislative candidates to those candidates who may have a candidate political committee.

Section 2, page 3, lines 14 through 20: The description of a measure committee is expanded to include a petition sponsoring committee at any stage of its organization.

Section 3, page 4, line 8: This change adds the Century Code reference to the expanded description for a measure committee.

Section 3, page 5, lines 10 through 16: Removes a subsection relating to petition sponsoring committees from the section dealing with measure committees. This subsection is moved to Section 7 of the bill, which is found on page 10.

Section 4, pages 5 and 6: This change clarifies the requirements for campaign finance registration. The changes include:

- Page 5, lines 20 through 29: Establishes how a candidate without a candidate committee is to register for campaign financial disclosure.
- Page 6, lines 1 through 7: Clarifies that a candidate or political committee must register each year in which the candidate holds public office or the committee receives contributions or makes expenditures for political purposes.
- Page 6, line 17: Adds "political committee" for clarification within the text.

Section 5, pages 6 and 7: The changes clarify as to when corporations, cooperative corporations, limited liability companies, and associations must disclose qualifying political expenditures.

Section 6, pages 7 and 8: The changes clarify as to when incidental committees must disclose qualifying political expenditures.

Section 7, page 8, line 25 through page 9, line 2: This change includes referendum sponsoring committees within this section of law.

Section 7, page 9, line 8: With this testimony, the Secretary of State offers an amendment to insert the words "or referendum" after "measure" for consistency with other sections of the law.

Section 7, page 9, lines 8 through 10: The change mandates that a sponsoring committee must disclose contributions and expenditures during any year in which contributions are received or expenditures are made.

Section 7, page 10, lines 5 through 11: The subsection deleted in section 3 of the bill is added within the correct section of code.

Section 8, page 10, lines 19 and 20: This change adds the Century Code reference to the expanded description for a measure committee.

Section 8, page 10, line 20: Replaces the obsolete term "direct expenditure" with "independent expenditure."

The Secretary of State requests your favorable consideration and a do pass recommendation.

## PROPOSED AMENDMENTS TO HOUSE BILL NO. 1309

Page 1, line 3, after "16.1-08.1-03.5," insert "section 16.1-08.1-03.9,"

Page 1, line 3, after "16.1-08.1-03.13" insert ", 16.1-08.1-06"

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1. Any statement required by this chapter to be filed with the secretary of state ~~must be:~~

- a. ~~Deemed properly~~ May only be filed when electronically delivered to with the secretary of state and must be within the prescribed time and in the format established by the secretary of state. If the secretary of state does not receive a statement, an electronic duplicate of the statement must be promptly filed upon notice by the secretary of state of its nonreceipt. After a statement has been filed, the secretary of state may request or accept written clarification along with an amended statement from a candidate, political party, or political committee filing the statement when discrepancies, errors, or omissions on the statement are discovered by the secretary of state, the candidate, political party, or political committee filing the statement, or by any interested party reciting a lawful reason for requesting clarification and an amendment be made. When requesting an amended statement, the secretary of state shall establish a reasonable period of time, not to exceed ten days, agreed to by the candidate, political party, or political committee, for filing the amended statement with the secretary of state.
  - b. ~~Preserved~~ Must be preserved by the secretary of state for a period of ten years from the date of filing. The statement is to be considered a part of the public records of the secretary of state's office and must be open to public inspection on the internet.
2. In determining the amount of individual contributions from any contributor, all amounts received from the same contributor during the reporting period must be aggregated to report an overall total contribution for the purposes of the statements required by this chapter. Aggregate contributions must reference the date of the most recent contribution. Contributions made separately by different persons from joint accounts are considered separate contributions for reporting purposes.
  3. Any statement and data filed ~~electronically~~ with the secretary of state must be made available on the internet to the public free of charge within twenty-four hours after filing.
  4. Unless otherwise provided by law, any candidate, political party, committee, or person may not be charged a fee for filing any statement with the secretary of state under this chapter."

Renumber accordingly





SECRETARY OF STATE  
STATE OF NORTH DAKOTA  
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BISMARCK ND 58505-0500

March 20, 2015

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#1  
pg 1

TO: Chairman Dick Dever and members of the Senate Government and Veteran's Affairs Committee

FR: Jim Silrum, Deputy Secretary of State, on behalf of Secretary of State, Al Jaeger

RE: HB 1309 – Campaign Finance Disclosure

Among other things, this bill corrects an oversight in SB 2299 passed in the 63<sup>rd</sup> Legislative Assembly regarding when corporations and other qualifying organizations were required to disclose expenditures in support of or opposition to a measure. HB 1309 would require corporations and other organizations to disclose qualifying expenditures made during any stage of the initiative petition, measure, or referral process. This bill also provides the option for candidates to register either with or without a candidate committee under the campaign disclosure requirements of chapter 16.1-08.1

Section 1, page 1, lines 9 and 10: This change includes measure committees in this section and provides the citation to the definitions in 16.1-08.1-01.

Section 1, page 2, line 1: Measure committees would be included in the prohibition of paying petition circulators according to the number of signatures gathered on petitions, which is identical to the long standing provisions in current law that have applied to petition sponsoring committees.

Section 2, page 3, line 9: Adds judicial and legislative candidates to those candidates who **may** have a candidate political committee.

Section 2, page 3, lines 17 through 23: The description of a measure committee is expanded to include a petition sponsoring committee at any stage of its organization.

Section 3, page 4, line 11: This change adds the Century Code reference to the expanded description for a measure committee.

Section 3, page 5, lines 13 through 19: Removes a subsection relating to petition sponsoring committees from the section dealing with measure committees. This subsection is moved to Section 8 of the bill, which is found on page 11.

Section 4, pages 5 and 6: The changes clarify the requirements for campaign disclosure registration and include:

- Page 5, line 23 through page 6, line 1: Establishes how a candidate **without a candidate committee** is to register for campaign disclosure.
- Page 6, lines 3 through 9: Clarifies that a candidate or political committee must register each year in which the candidate holds public office or the committee receives contributions or makes expenditures for political purposes.
- Page 6, line 19: Adds "political committee" for clarification within the text.

Section 5, pages 6 and 7: The changes clarify as to when corporations, cooperative corporations, limited liability companies, and associations must disclose qualifying political expenditures.

Section 6, page 8, line 24 through page 9, line 3: This change corrects an oversight in SB 2299 passed in the 63<sup>rd</sup> Legislative Assembly and requires district court judges to file online as all other candidates must.

Section 7, page 9, line 7 through page 10, line 4: The changes clarify as to when incidental committees must disclose qualifying political expenditures.

Section 8, page 10, lines 9 through 23: This change includes referendum sponsoring committees within this section of law.

Section 8, page 10, lines 23 through 25: The change mandates that a sponsoring committee must disclose contributions and expenditures during any year in which contributions are received or expenditures are made.

Section 8, page 11, lines 20 through 26: The subsection deleted in section 3 of the bill is added within the correct section of code pertaining to sponsoring committees.

Section 9, page 12: The changes clarify that a campaign disclosure statement may only be filed electronically.

Section 10, page 13, lines 6 and 7: This change adds the Century Code reference to the expanded description for a measure committee.

Section 10, page 13, line 7: Replaces the obsolete term "direct expenditure" with "independent expenditure."

We request your favorable consideration and a do pass recommendation.