

Fifty-sixth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1464

Introduced by

Representatives Brusegaard, Carlson, Nelson

Senators Andrist, Flakoll, Schobinger

1 A BILL for an Act to create and enact a new section to chapter 16.1-08.1 of the North Dakota
2 Century Code, relating to political activities by labor organizations; to amend and reenact
3 section 16.1-08.1-01 of the North Dakota Century Code, relating to the definition of a labor
4 organization; and to provide a penalty.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. AMENDMENT.** Section 16.1-08.1-01 of the North Dakota Century Code
7 is amended and reenacted as follows:

8 **16.1-08.1-01. Definitions.** As used in this chapter, unless the context otherwise plainly
9 requires:

- 10 1. "Association" means any club, association, union, brotherhood, fraternity,
11 organization, or group of any kind of two or more persons, including labor unions,
12 trade associations, professional associations, or governmental associations, which
13 is united for any purpose, business, or object and which assesses any dues,
14 membership fees, or license fees in any amount, or which maintains a treasury
15 fund in any amount. The term does not include corporations, cooperative
16 corporations, limited liability companies, political committees, or political parties.
- 17 2. "Candidate" means an individual who seeks nomination for election or election to
18 public office.
- 19 3. "Contribution" means a gift, subscription, loan, advance, or deposit of money,
20 made for the purpose of influencing the nomination for election, or election, of any
21 person to public office or aiding or opposing the circulation or passage of a
22 statewide initiative or referendum petition or measure. Contribution also means a
23 contract, promise, or agreement, express or implied, whether or not legally
24 enforceable, to make a contribution for any of the above purposes, and includes

funds received by a political committee which are transferred to that committee from another political committee or other source. This definition does not include:

a. A loan of money from a bank or other lending institution made in the regular course of business.

b. Time spent by volunteer campaign or political party workers.

c. Money spent by a candidate on the candidate's own behalf.

d. Any money received from a district or state committee of a political party, as established pursuant to sections 16.1-03-06 and 16.1-03-08, except for contributions reported pursuant to section 16.1-08.1-03.

4. "Cooperative corporations", "corporations", and "limited liability companies" are as defined in this code.

5. "Expenditure" means a purchase, payment, distribution, loan, advance, deposit, or gift of money or property, except a loan of money from a bank or other lending institution made in the regular course of business, made for the purpose of influencing the nomination for election, or election, of any person to office. The term also means a contract, promise, or agreement, express or implied, whether or not legally enforceable, to make any expenditure and includes the transfer of funds by a political committee to another political committee.

6. "Labor organization" means an association of employees and any association in which employees participate which exists to advocate on behalf of employees regarding grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of employment.

7. "Patron" means a person who owns equity interest in the form of stock, shares, or membership or maintains similar financial rights in a cooperative corporation.

~~7.~~ 8. "Person" means an individual, partnership, committee, association, corporation, cooperative corporation, limited liability company, or other organization or group of persons.

~~8.~~ 9. "Political committee" means any committee, club, association, or other group of persons which receives contributions or makes expenditures primarily for political purposes.

9- 10. "Political party" means any association, committee, or organization which nominates a candidate for election to any office which may be filled by a vote of the electors of this state or any of its political subdivisions and whose name appears on the election ballot as the candidate of such association, committee, or organization.

~~40-~~ 11. "Political purpose" means any activity undertaken in support of or in opposition to the election or nomination of a candidate to public office whether the activity is undertaken by a candidate, a political committee, a political party, or any person. The term does not include activities undertaken in the performance of a duty of a state office.

~~44-~~ 12. "Public office" means every statewide or legislative office to which persons can be elected by vote of the people under the laws of this state.

SECTION 2. A new section to chapter 16.1-08.1 of the North Dakota Century Code is created and enacted as follows:

Limits on labor organization contributions - Penalty.

1. Notwithstanding any other provision of law, dues paid to a labor organization by employees may not be expended for political purposes. A labor organization may make contributions or expenditures if the labor organization establishes a separate segregated fund to be used for political purposes and:

- a. Contributions to the political fund are solicited independently from any other solicitation by the labor organization, and the purpose for the political fund is clear and unambiguous on the face of the solicitation;
- b. Dues or other fees for membership in the labor organization are not used for political purposes, transferred to the segregated political fund, or intermingled in any way with political fund moneys;
- c. The cost of administering the political fund is paid from fund contributions and not from dues or other fees for membership in the labor organization;
- d. The labor organization, when soliciting money for the political fund from an employee, informs the employee of the fund's political purpose and informs the employee of the employee's right to refuse to contribute without fear of reprisal or loss of membership in the labor organization;

1 e. The contribution to the political committee was not secured by physical force,
2 job discrimination, membership discrimination, economic reprisals, or threat of
3 force.

4 2. A labor organization that willfully violates this section is guilty of an infraction.