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2001 SENATE GOVERNMENT AND VETERANS AFFAIRS

SB 2316


# 2001 SENATE STANDING COMMITTEE MINUTES

## BILL/RESOLUTION NO. SB 2316

Senate Government and Veterans Affairs Committee

☐ Conference Committee

Hearing Date February 9, 2001

Tape Number	Side A	Side B	Meter #
1	X		17.2-End
1		X	0.0-3.9
February 15, 2001 2	X		28.4-40.0
Committee Clerk Signature 			

Minutes: Chairman Krebsbach opened the hearing on SB 2316 which relates to campaign contribution statements. Introducing the legislation to the committee was **Senator Tim Mathern**, District 11, prime sponsor of the bill. A copy of his written testimony is attached. **Senator C. Nelson** inquired about the sections of the bill. She noted that section 1 deals with the candidates, section 2 deals with the party, section 3 deals with an issue, and section 4 deals with PACS. **Senator T Mathern** noted that you take a PAC like the United Transportation Union. It is a well known PAC. It provides political contributions to many people in our state. Basically what it would require is that they list name, occupation and employer to that PAC then anyone can go to the Secretary of State's Office and find out about the contributions to a candidates campaign. Based on this information citizens then can draw some assessment as to where candidates get their support for their campaign. **Senator Dever** inquired doesn't the fact that it comes from a PAC demonstrate the interest of the contributor in and of itself without occupation and employer. **Senator T. Mathern** indicated that this is one part of the information but he

thinks that is really only one aspect and there can be contributors to that PAC that have varied interests. Take the transportation industry. United Transportation Union or whatever the name is. Is that railroad things, is highway things, or is it airline things. The general citizen doesn't necessarily know that but I think when you get behind there to find out what the occupations of the persons are, if they were all railroad engineers for example. It becomes more clear about what that is all about. I think you are right Senator Dever, it leads you to a certain direction but I think adding the occupation and employer really helps to clarify it in a way that you can understand it fully. **Senator Kilzer** inquired if Senator T. Mathern really thought it was fair to employers to have their identification put on this sort of document when they have no control over it. **Senator T Mathern** indicated yes, he thought it was fair. He thinks employers do in fact have an influence. Employers have ways of influencing public policy and this is not saying they should or should not. This is just saying that you and I then can have that information to help us in our decision making. **Senator Kilzer** indicated when he receives a lot of e-mail's from a group of people who have one thing in common, I do not assume that the employer is behind it. Another item, you said that you would like to see all private contributions be not available but to me that doesn't really recruit candidates and that's one of the problems we have. If you start adding on restrictions like this I would think this would discourage people from running rather than encouraging people when that is what we really need. **Senator T Mathern** indicated that in terms of limiting private contributions. He indicated that he did not suggest that we eliminate support for candidates for public office. In fact he believes it is important but he thinks it can also be related to public financing. He doesn't believe candidates should in fact finance all of their campaigns or maybe none of it out of their private pockets. He thinks candidates, persons like us, serve the public interest and he believes the prospect of being elected, the cost should be

shared by the citizenry. Questions and answers continued. **Chairman Krebsbach** indicated so your suggestion on PACS is anyone who contributes to a PAC has to list their occupation and their employer. Am I understanding you correctly? **Senator T. Mathern** replied that it would be required on the part of the PAC to list that information. I presume what they would do is they would say to the contributor to the PAC. You need to give us that information for us to receive that money, so that we can make that report. **Chairman Krebsbach** asked for clarification on the statement regarding the elimination of private contributions to political campaigns. **Senator T. Mathern** offered his response. **John Risch**, with the United Transportation Union. His occupation is a railroad worker representing railroad workers. He indicated they would like to go on record as supporting SB 2316. They believe it would be easy for them to comply with it. This is something that he believes is used commonly at the Federal level. He believes it is just general overall good public policy to find out where money is coming from. It would be easy to comply with this. **Chairman Krebsbach**, John just for the sake of information approximately how many people contribute to your PAC? **John Risch** replied about 400 or so. **Chairman Krebsbach** continued and how many of those would fall under the legislation of \$200 or greater? **Mr. Risch** replied he guessed about 25 or so. Most of our contributions are quite small. Gail Erickson, representing the ND Progressive Coalition appeared before the committee in support of SB 2316. A copy of her written testimony is attached. Questions and comments were offered by Senators Dever, C. Nelson, and T. Mathern

(Tape 1, Side A, Meter #'s 40.4-49.8) Corey Fong, representing the Secretary of States Office presented testimony in a neutral position on SB 2316. He did want to make a couple of points about the bill. First of all if you take a look at the requirement in section four of the bill which would require occupation, employer, contributions to PACS to be disclosed. In section

16.1-08.1-03.3 of the century code. It already restricts members giving to PAC'S that they have to be as the statute provides an employee, stock holder, or member of the corporation. His point is when the PAC is making the contribution, doesn't it become obvious that they are an employee of that group. Another point that is important, currently in our statutes there is only one place where occupation and employer needs to be disclosed and that's when a major committee receives out of state money from someone over \$200. Lastly, 2 cycles ago information about contribution reporting was hard to get at for members of the media or public in our state. As you remember contribution reports were filed in an individual county office. You filed your report where you filed your nominating papers. We recognized this at the secretary of states office. It made it very difficult for people to track where candidates money was coming from. With the law change we centralized that into the Secretary of States Office because we recognized we had the tools to put together a disclosure in a more public fashion. He thinks we have come a long way in providing disclosure. Question asked by **Senators T.**

**Mathern, Krebsbach, Wardner, and Dever.** Mr. Fong responded. (Tape 1, Side A, Meter #'s 55.9-End and Side B Meter #'s 0.0-3.9) There was nothing further at this time. **Chairman Krebsbach** closed the hearing on SB 2316. February 15, 2001 the committee reviewed SB 2316. **Senator T. Mathern** offered amendments to be added to the bill. In explaining the amendments he indicated that he asked Corey Fong of the Secretary of States Office to draft amendments for the bill. What the amendments do is they delete Section 4 of page 2 of the bill which relates to political committees and they also make the technical corrections in the first part of the bill that relates to that. At this time **Senator T. Mathern** moved the adoption of the amendments. The motion was seconded by **Senator C. Nelson.** **Senator T. Mathern** indicated that he just asks the committees support of the amendments. They reflect some good comments

made by committee members and he thought he would get rid of the section that his arguments didn't apply to as well. Roll Call Vote indicated 6 Yeas, 0 Nays, and 0 Absent or Not Voting. A motion for Do Pass as Amended was made by **Senator T. Mathern**, seconded by **Senator C. Nelson**. **Senator Kilzer** indicated that he still maintained his objection to the bill because employers who are totally innocent are going to have to be reported and kept track of and they had no active part at all. **Senator C. Nelson** indicated if the same person gives contributions to a national candidate they will have to give out this information because it is on the forms they have to file. They have to include those in there. I can understand his feelings if these people were only going to remain local in giving their money, but most the people who give reportable amounts of money are very used to filling out what they have to because they give to congressional and senatorial and other state candidates. **Senator Kilzer** indicated that his second objection is that at the more local level he is sure there are candidates who would not run because they would have to report employers of people who contribute to their campaign. **Senator Wardner** indicated just for clarification, is it just on national or like our congressional delegation like Senator Dorgan and Senator Conrad. Do they have to do this? **Senator C. Nelson** indicated that according to federal election laws they have to file for every person that gives them \$200.00 or more. They have to file occupation and employer and address of employer in some cases. **Chairman Krebsbach** noted that she did see some distinction between a federal candidate and a district candidate. This would not relate just to legislative candidates. This would be to all statewide, or does it go beyond that? **Senator C. Nelson** indicated it goes to candidates, political parties, and issues. Discussion concluded. Roll Call Vote indicated 2 Yeas, 4 Nays, and 0 Absent or Not Voting. The motion failed. **Senator Wardner** moved a Do Not

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Senate Government and Veterans Affairs Committee

Bill/Resolution Number SB 2316

Hearing Date February 9, 2001

Pass as Amended, seconded by **Senator Kilzer**. Roll Call Vote indicated 4 Yeas, 2 Nays, and 0

Absent or Not Voting. **Senator Kilzer** will carry the bill.



**Proposed Amendments to House Bill No. 2316**

Page 1, line 2, after "16.1-08.1-03," insert "and"

Page 1, line 2, remove ", and subsection 3 of section"

Page 1, line 3, remove "16.1-08.1-03.3"

Page 2, remove lines 7 through 21

Renumber accordingly

Date: 2/15/01

Roll Call Vote #:

## 2001 SENATE STANDING COMMITTEE ROLL CALL VOTES

**BILL/RESOLUTION NO.** SB 2314

**Senate GOVERNMENT AND VETERAN'S AFFAIRS**

## Committee

☐ Subcommittee on

or

☐ Conference Committee**Legislative Council Amendment Number**

10737.0101

### Action Taken

## Motion to Amend

**Motion Made By**

San T. Mathon

## Seconded

By

San C. Nelson

[illegible]

Total (Yes)

No

**Absent**

## Floor Assignment

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

Date: 2/15/01  
Roll Call Vote #: 2

**2001 SENATE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. SB 2316**

Senate GOVERNMENT AND VETERAN'S AFFAIRS Committee

☐ Subcommittee on \_\_\_\_\_  
or  
☐ Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass as Amended

Motion Made By Sen. T. Mathern Seconded By Sen. C. Nelson

Senators	Yes	No	Senators	Yes	No
Senator Karen Krebsbach, Chr.		✓	Senator Carolyn Nelson	✓	
Senator Dick Dever, Vice-Chr.		✓	Senator Tim Mathern	✓	
Senator Ralph Kilzer		✓			
Senator Rich Wardner		✓			

Total (Yes) 4 No 2

Absent 0

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

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

Date: 2/15/01  
Roll Call Vote #: 3

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. SB 2314

Senate GOVERNMENT AND VETERAN'S AFFAIRS Committee

☐ Subcommittee on \_\_\_\_\_  
or  
☐ Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Not Pass

Motion Made By Sen. Warder Seconded By Sen. Kilzer

[illegible]

Total (Yes) 4 No 2

Absent

Floor Assignment Den K1701

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

**REPORT OF STANDING COMMITTEE**

**SB 2316: Government and Veterans Affairs Committee (Sen. Krebsbach, Chairman)**  
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends  
**DO NOT PASS** (4 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2316 was  
placed on the Sixth order on the calendar.

Page 1, line 2, after the first comma insert "and" and remove ", and subsection 3 of section"

Page 1, line 3, remove "16.1-08.1-03.3"

Page 2, remove lines 7 through 21

Renumber accordingly

2001 TESTIMONY

SB 2316

**TESTIMONY FOR SENATE BILL 2316**  
**PREPARED BY SENATOR TIM MATHERN**  
**FEBRUARY 9, 2001**

This bill will require candidates to provide the occupation and name of the employer for contributors to political campaigns where the contribution is over \$200. The bill also applies to political parties, petition drives, and political action committees.

Passage of this bill will give citizens a clearer picture of who is contributing to campaigns. Presently, we only know the address of the contributor. Passage of this bill will also help us know who the employer is, giving us an idea of where support for a candidate is coming from. There may be certain organizations influencing the political process that we should be aware of. Knowing the occupation is also helpful in determining the field of interest that is having an interest in any particular campaign.

This procedure and policy would be no different than federal law regarding campaign contribution reports. Though I support public financing of campaigns, that appears to be unachievable at this time. This bill, though, helps us move toward more open campaigns and will result in more open government.

Passage of this bill is shining a light on political process versus more fundamental changes in campaign practices. It will provide citizens with more information about the political process, and offer more options for good government. Hopefully, it is an aspect of campaign finance reform we can all agree to.

Thank you for your consideration. I ask for a **"DO PASS"** on Senate Bill 2316.

### Testimony in Favor of SB 2316

My name is Gail Erickson and I am representing the ND Progressive Coalition in asking your support for SB 2316.

Campaigns in North Dakota in the 2000 election year mirrored the national trend in their outrageous and escalating costs. All of the statewide elections were incredibly expensive, and many of the legislative races were, too.

Yet we know nothing about the special interests that are represented by the many contributors who give very significant amounts of money to candidates and political parties. SB 2316 would disclose the special interest groups and industries these wealthy donors represent by requiring candidates and the other entities required to report campaign contributions to disclose the occupation and employer of itemized contributors. Individuals donating less than \$200 in the election year would not be required to provide this information, since they are not now itemized on the disclosure reports. Twenty-seven other states already require this information, including Minnesota, Montana, and South Dakota. Of course, it is required of federal candidates.

Gubernatorial candidates alone reported contributions exceeding \$2.8 million dollars. Well over 16% of that was financed by individual contributions exceeding \$500. In relation to the total cost of the campaigns, you may feel that \$500 is not a significant sum of money. Please keep in mind that for the 50% of North Dakota households who earn less than \$20,000 per year, any contribution is out of the question, and \$500 is a significant sum. We simply cannot financially participate in the selection of our elected officials. Furthermore, there were many contributors this election cycle who donated far larger sums. In the gubernatorial races there were nearly 200 donations of \$1000, thirty-two individuals contributed \$5000, five contributed \$10,000, and three gave over \$20,000. The pattern also occurred in the Attorney General and Insurance Commissioner races. Believe me, the rest of us who can't afford to buy such influence do believe that these donors will be heard when elected officials are setting public policy.

Many people worry greatly about the influence of the Political Action Committees who contribute to campaigns. However, we know who they are and who they represent. Many of them represent thousands of average citizens who contribute very small amounts to campaigns through their PACs.

We don't know the interests wealthy individual donors represent, and as citizens we have a right to know. SB 2316 will remove the secrecy in our campaign finance system. Please support this bill.

Gail H. Erickson  
ND Progressive Coalition  
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(701) 224-8090  
Lobbyist # 470