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10/15/03  
Date

2003 SENATE JUDICIARY

SB 2063

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2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2063

Senate Judiciary Committee

☐ Conference Committee

Hearing Date 02/05/03

Tape Number	Side A	Side B	Meter #
1	X		0.0 - 19.5
Committee Clerk Signature <i>Maria L. Salberg</i>			

Minutes: Senator John T. Traynor, Chairman, called the meeting to order. Roll call was taken and all committee members present. Sen. Traynor requested meeting starts with testimony on the bill:

**Testimony Support of SB 2063**

Al Jaeger, Secretary of State - Introduced bill - Representing Attorney General who is at another hearing. Read Attachment #1, (meter 0.1) Went over Bill.

The senators discussed what is, has been, or should be disclosed with this bill.

Sec of State Jaeger discussed the defining of who a candidate is a very important part of this bill (meter 7.2)

Senator John T. Traynor, Chairman discussed county commissioners roles (meter 8.4).

Public Office described 16.1-08 (meter 9).

Discussion of contributions being other than money. Point made that this bill starts the moment a candidate states they are running for an office.

Page 2

Senate Judiciary Committee

Bill/Resolution Number SB 2063

Hearing Date 02/05/03

Senator Carolyn Nelson discussed how she reports (meter 12.1) Discussed that anything contributed that can influence must be reported.

Senator Dick Dever - discussed federal ruling of "hard money" Vs "soft money" (meter 14.1).

**Testimony in opposition of SB 2063**

none

**Testimony Neutral to SB 2063**

none

**Motion Made to DO PASS SB 2063 by Senator Thomas L. Trenbeath and seconded by Senator Dennis Bercier**

Senator Thomas L. Trenbeath discussion on true intent of the bill. Senator Carolyn Nelson wished it would go farther!

**Roll Call Vote: 6 Yes. 0 No. 0 Absent**

**Motion Passed**

**Floor Assignment Sen. Dever**

**Senator John T. Traynor, Chairman closed the hearing**

Date: February 5, 2003  
Roll Call Vote #: 1

**2003 SENATE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. SB 2063**

Senate JUDICIARY Committee

☐ Check here for Conference Committee

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

Action Taken DO PASS

Motion Made By Senator Thomas L. Trenbeath Seconded By Senator Dennis Bercier

Senators	Yes	No	Senators	Yes	No
Sen. John T. Traynor - Chairman	X		Sen. Dennis Bercier	X	
Sen. Stanley. Lyson - Vice Chair	X		Sen. Carolyn Nelson	X	
Sen. Dick Dever	X				
Sen. Thomas L. Trenbeath	X				

Total (Yes) SIX (6) No ZERO (0)

Absent Zero (0)

Floor Assignment Senator Dick Dever

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

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Lacosta Rickford 10/15/03  
Operator's Signature Date

REPORT OF STANDING COMMITTEE (410)  
February 5, 2003 12:50 p.m.

Module No: SR-22-1710  
Carrier: Dever  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**  
**SB 2063: Judiciary Committee (Sen. Traynor, Chairman) recommends DO PASS**  
(6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2063 was placed on the  
Eleventh order on the calendar.

(2) DESK, (3) COMM

Page No. 1

SR-22-1710

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Date

*10/15/03*

2003 HOUSE JUDICIARY

SB 2063

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10/15/03  
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2063

House Judiciary Committee

☐ Conference Committee

Hearing Date 3-10-03

Tape Number	Side A	Side B	Meter #
1	xx		5.6-15
Committee Clerk Signature <i>J Penrose</i>			

**Minutes:** 12 members present, 1 member absent (Rep. Wrangham)

**Chairman DeKrey:** We will open the hearing on SB 2063.

**Cory Fong, Secretary of State's office:** Introduced the bill. Support (see attached testimony).

This bill will fix areas that were in litigation last year.

**Rep. Kretschmar:** What, under this statute, under subsection b, lines 9-11, what would constitute someone publicly declared your candidacy. What if someone is thinking about it.

**Mr. Fong:** I believe it is going to be prompted when someone publicly declares that they are indeed a candidate. Someone who says they are thinking about it, we are weighing our options, you hear that a lot, I don't know that that's going to necessarily prompt them to be a candidate.

It's when they actually might have press conferences and go out and say, I am going to run.

That's the time they become candidates, and then they have to adhere to campaign finance, and disclosure requirements contained in the chapter.

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*10/15/03*  
Date



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House Judiciary Committee  
Bill/Resolution Number SB 2063  
Hearing Date 3-10-03

**Rep. Kretschmar:** Would someone's public announcement require them then to file a statement of assets.

**Mr. Fong:** The statement of interest, is perhaps what you are referring to, is required to be filed with the Secretary of State when they file for office, and that includes either by filing a nominating petition, or the certificate of endorsement, statement of interest and their active plan. That, to our office, indicates a statewide candidate, or a county auditor, when they file for office. That is what, I am assuming you are talking about, statement of interest that says these are my interests and these are my conflicts might be.

**Rep. Kretschmar:** When someone announces, what are they required to do under current statute, or under this bill.

**Mr. Fong:** They aren't going to be required to file anything with our office, if they're candidates for statewide office, they would have to file a political committee registration with our office, so that they can start making money. The Legislative committee still does not have that requirement.

**Rep. Klemin:** Anything of value, for a good or service, is the candidate then to suppose to get some kind of statement from the party making this non-monetary contribution as to what the value is. How do you know what the value is.

**Mr. Fong:** I believe that we are going to expanding it to definitely to include anything of value. It's going to have to be based on what the fair market value of that particular item might be. For example, if an individual decides they are going to hold a party or have a reception of some kind, the receipts from that reception, are going to have to be equated at fair market value to determine

Page 3  
House Judiciary Committee  
Bill/Resolution Number SB 2063  
Hearing Date 3-10-03

whether or not there is a reporting requirement. It's still a contribution now, because it's of anything of value. If it exceeds \$200, then it is going to have to be reported as such.

**Rep. Klemin:** Is there going to be a requirement to submit some kind of proof of what the value is, or just on the report you set down the total.

**Mr. Fong:** There won't be a requirement to say, we have ascertained through these receipts that this was going to, that this contribution is going to exceed this amount, it will simply be based on what the individual filer says is the value of that contribution. But it's going to have to be based on fair market value.

**Rep. Klemin:** When we're talking services, other than volunteer service, which is not included, are you talking about personal service?

**Mr. Fong:** I guess you'd have to define what you mean by personal service. We're not talking about volunteer time, volunteer time is already exempt as a contribution. The time that those volunteers spend does not have to be equated as a contribution.

**Rep. Delmore:** When we're looking at nominal value, are we still speaking under \$200.

**Mr. Fong:** No, I think what we're talking about with nominal value, nominal value is defined as that which does not have to be considered of value. Nominal value means the cost, price or worth of good or services, trivial token, or of no appreciable value. So there is no dollar figure on that, it means that there is very little value, cost, price, etc.

**Rep. Delmore:** Let's say I host a fundraising dinner for a statewide candidate, if I charge tickets, if my charge for tickets is \$200 or above, do I have to have names for everyone of those people and make sure that they are in my report.

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House Judiciary Committee

Bill/Resolution Number SB 2063

Hearing Date 3-10-03

**Mr. Fong:** Just so I understand the situation, you're going to hold a party or reception of some kind, statewide candidate, you plan to sell tickets to that event, or ask for contributions. If those individuals are going to make a contribution or buy that ticket, and it exceeds \$200, it's going to have to be reported.

**Rep. Delmore:** If it is \$200, it's not reportable.

**Mr. Fong:** That is correct. Our campaign finance laws, in their current state, without this legislation would only require contributions in excess of \$200 to be reported. Anything of \$200 or less, do not have to be reported.

**Rep. Delmore:** If someone contributes to that reception, someone contributes fine wine or steaks or whatever else, how will I determine if that has to be reported.

**Mr. Fong:** If someone were to donate those kinds of products, etc. and the fair market value of that exceeds \$200, then that becomes a reportable contribution to the individual who was benefiting from it or the candidate. Let's say you are holding a fundraising party for a statewide candidate, then that needs to show up as a contribution of equal value to the statewide candidate, so that they would show \$450.63 in contributions from the individual who purchased that fine wine, or steaks, or whatever.

**Chairman DeKrey:** Thank you. Further testimony in support, testimony in opposition. We will close the hearing. What are the committee's wishes in regard to SB 2063.

**Rep. Grande:** I move a Do Pass.

**Rep. Kingsbury:** Seconded.

12 YES 0 NO 1 ABSENT

DO PASS

CARRIER: Rep. Grande

Date: 3/10/03  
Roll Call Vote #: 1

**2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. SB 2063**

House Judiciary Committee

☐ Check here for Conference Committee

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

Action Taken Do Pass

Motion Made By Rep. Grande Seconded By Rep. Kingsbury

Representatives	Yes	No	Representatives	Yes	No
Chairman DeKrey	✓		Rep. Delmore	✓	
Vice Chairman Maragos	✓		Rep. Eckre	✓	
Rep. Bernstein	✓		Rep. Onstad	✓	
Rep. Boehning	✓				
Rep. Galvin	✓				
Rep. Grande	✓				
Rep. Kingsbury	✓				
Rep. Klemm	✓				
Rep. Kretschmar	✓				
Rep. Wrangham	ATB				

Total (Yes) 12 No 0

Absent 1

Floor Assignment Rep. Grande

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10/15/03  
Date

REPORT OF STANDING COMMITTEE (410)  
March 10, 2003 11:57 a.m.

Module No: HR-42-4323  
Carrier: Grande  
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2063: Judiciary Committee (Rep. DeKrey, Chairman) recommends **DO PASS**  
(12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2063 was placed on the  
Fourteenth order on the calendar.

(2) DESK, (3) COMM

Page No. 1

HR-42-4323

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*10/15/03*

2003 TESTIMONY

SB 2063

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10/15/03

Date

ALVIN A. JAEGER  
SECRETARY OF STATE

PAGE [www.state.nd.us/sec](http://www.state.nd.us/sec)



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

February 5, 2003

Att #1

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

E-MAIL [son@state.nd.us](mailto:son@state.nd.us)

TO: Senator Traynor, Chairman, and Members of the Senate Judiciary Committee

FR: Al Jaeger, Secretary of State

RE: SB 2063 – Candidates and Contributions

The adoption of this bill will result in the law containing a clear definition of when an individual become a candidates and when that individual, as a candidate, has a campaign contribution reporting requirement under Chapter 16.1-08.1 of the North Dakota Century Code.

The standards as to when an individual becomes a candidate are listed in lines 8 through 18 on the first page of the bill.

In addition, the bill clarifies the definition of a contribution by making it clear that it includes "anything of value" (page 1, line 20) and to provide a definition as to what "anything of value" means (page 2, lines 4 through 7).

Finally, the bill (page 2, lines 18 through 21) makes a distinction between monies received in a candidate's personal or employment capacity and monies received for political purposes.

ALVIN A. JAEGER  
SECRETARY OF STATE

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**SECRETARY OF STATE**

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

March 10, 2003

TO: Rep. DeKrey, Chairman, and Members of the House Judiciary Committee

FR: Cory Fong, Deputy Secretary of State, on behalf of Al Jaeger, Secretary of State

RE: SB 2063 - Candidates and Contributions

The adoption of this bill will result in the law containing clear definitions as to when an individual becomes a candidate and when that individual, as a candidate, has a campaign contribution reporting requirement under Chapter 16.1-08.1 of the North Dakota Century Code.

The guidelines as to when an individual becomes a candidate are listed on page 1, lines 8 through 18.

In addition, the bill clarifies the definition of a contribution by making it clear that it includes "anything of value" (page 1, line 20) and to provide a definition as to what "anything of value" means (page 2, lines 4 through 7).

Finally, the bill (page 2, lines 18 through 21) makes a distinction between monies received in a candidate's personal or employment capacity and monies received for political purposes.

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