

Introduced by

Senators Casper, Unruh, Wardner

Representatives Carlson, Kasper, Louser

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 a prohibition on using campaign funds for personal use; to amend and  
3 reenact subsection 5 of section 16.1-08.1-01, sections 16.1-08.1-02, 16.1-08.1-03,  
4 16.1-08.1-03.1, and 16.1-08.1-03.8, and subsection 5 of section 16.1-12-02.2 of the North  
5 Dakota Century Code, relating to reports of expenditures related to political activities; and to  
6 provide a penalty.

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

8 **SECTION 1. AMENDMENT.** Subsection 5 of section 16.1-08.1-01 of the North Dakota  
9 Century Code is amended and reenacted as follows:

- 10 5. "Contribution" means a gift, transfer, conveyance, provision, receipt, subscription,  
11 loan, advance, deposit of money, or anything of value, made for the purpose of  
12 influencing the nomination for election, or election, of any person to public office or  
13 aiding or opposing the circulation or passage of a statewide initiative or referendum  
14 petition or measure. The term also means a contract, promise, or agreement, express  
15 or implied, whether or not legally enforceable, to make a contribution for any of the  
16 above purposes. The term includes funds received by a candidate for public office or a  
17 political party or committee which are transferred or signed over to that candidate,  
18 party, or committee from another candidate, party, or political committee or other  
19 source including a conduit. The term "anything of value" includes any good or service  
20 of more than a nominal value. The term "nominal value" means the cost, price, or  
21 worth of the good or service is trivial, token, or of no appreciable value. The term  
22 "contribution" does not include:
- 23 a. A loan of money from a bank or other lending institution made in the regular  
24 course of business-;

- 1           b. Time spent by volunteer campaign or political party workers;
- 2           c. ~~Money spent by a candidate on the candidate's own behalf.~~
- 3           d. Money or anything of value received for commercial transactions, including rents,
- 4           advertising, or sponsorships made as a part of a fair market value bargained-for
- 5           exchange;
- 6           e.d. Money or anything of value received by a candidate in that ~~person's~~individual's
- 7           personal capacity, including pursuant to a contract or agreement made for
- 8           personal or private employment purposes, and not received for a political
- 9           purpose or to influence the performance of that ~~person's~~individual's official duty;
- 10          f.e. Contributions of products or services for which the actual cost or fair market
- 11          value are reimbursed by a payment of money; or
- 12          g.f. An independent expenditure.

13           **SECTION 2. AMENDMENT.** Section 16.1-08.1-02 of the North Dakota Century Code is  
14 amended and reenacted as follows:

15           **16.1-08.1-02. Contributions ~~statement~~and ~~expenditures~~ statements required of**  
16 **candidate committees, candidates, and candidates for legislative office.**

- 17          1. Any candidate committee, as described in section 16.1-08.1-01, or candidate for
- 18          statewide office who does not have a candidate committee, and any candidate for
- 19          legislative office soliciting or accepting contributions for any political purpose shall
- 20          ~~make and file a statement~~statements in accordance with this section.
- 21          2. The candidate committee, or candidate for statewide office who does not have a
- 22          candidate committee, and any candidate for legislative office shall include in the
- 23          ~~statement~~each year-end statement:
- 24           a. The name and mailing address of all contributors ~~wh~~that contributed in excess
- 25           of two hundred dollars in the aggregate during the reporting period to the
- 26           candidate or committee, ~~or candidate for statewide office who does not have a~~
- 27           ~~candidate committee, and any candidate for legislative office, the~~
- 28           b. The aggregated amount of the reportable contributions from each contributor ~~and~~
- 29           ~~the~~
- 30           c. The date the last reportable contribution from each contributor was received.

- 1           d. The aggregated total of all expenditures, by category, made to any person by the  
2           candidate or committee in exchange for any item or service. The categories for  
3           reporting expenditures are advertising, consulting, postage, printing, travel,  
4           operations, loan repayment, and miscellaneous.
- 5           e. The name and address of each recipient of a contribution in excess of  
6           two hundred dollars made by the candidate or committee, the aggregate amount  
7           of those contributions made to the recipient, and the date of the last contribution  
8           to the recipient.
- 9           f. The aggregate total for all contributions under two hundred dollars made by the  
10          candidate or committee.
- 11         3. Every candidate committee, or candidate for statewide office who does not have a  
12          candidate committee, and every candidate for legislative office shall file a complete  
13          year-end statement for each calendar year no later than the thirty-first day of January  
14          of the following year, regardless of whether the candidate sought election during that  
15          calendar year. The candidate committee, or candidate for statewide office who does  
16          not have a candidate committee, and any candidate for legislative office also shall file  
17          the statement consisting of the reportable contributions to the committee or candidate  
18          in the office of the secretary of state no later than the thirty-second day before the date  
19          of the election in which the candidate's name appears on the ballot or in which the  
20          candidate seeks election through write-in votes complete from the beginning of that  
21          calendar year through the fortieth day before the date of the election. ~~Every candidate~~  
22          ~~committee, or candidate for statewide office who does not have a candidate~~  
23          ~~committee, and every candidate for legislative office shall file a complete statement for~~  
24          ~~each calendar year no later than the thirty first day of January of the following year,~~  
25          ~~regardless of whether the candidate sought election during that calendar year.~~
- 26         4. Even if the candidate committee, or candidate for statewide office who does not have  
27          a candidate committee, or the candidate for legislative office has not received any  
28          contributions in excess of two hundred dollars during the reporting period, the  
29          candidate committee, or candidate for statewide office who does not have a candidate  
30          committee, or the candidate for legislative office shall file a statement as required by  
31          this chapter. A statement filed according to this section by a candidate committee or

1 candidate for statewide office who does not have a candidate committee during the  
2 reporting period must show the following:

- 3 a. The gross total of all contributions received in excess of two hundred dollars;
- 4 b. The gross total of all contributions received of two hundred dollars, or less; and
- 5 c. The cash on hand in the filer's account at the start and close of the reporting  
6 period; and
- 7 d. The gross total of all expenditures made.

8 5. A candidate committee, or candidate for statewide office who does not have a  
9 candidate committee, and any candidate for legislative office shall report the  
10 occupation, employer, and principal place of business of each person, or the political  
11 committee if not already registered according to state or federal law, ~~wh~~which  
12 contributed five thousand dollars or more in the aggregate during the reporting period.

13 **SECTION 3. AMENDMENT.** Section 16.1-08.1-03 of the North Dakota Century Code is  
14 amended and reenacted as follows:

15 **16.1-08.1-03. Contributions ~~statement~~and expenditures statements required of**  
16 **political parties.**

17 1. Any political party that receives contributions in excess of two hundred dollars in the  
18 aggregate during the reporting period shall file a ~~statement~~statements required under  
19 this section containing the aggregated total of all contributions received from a person  
20 or political committee which exceed two hundred dollars in amount. The  
21 ~~statements~~statements must include the name and mailing address of all contributors  
22 listed. For each contributor listed, the ~~statement~~statements must include the  
23 aggregated amount of the reportable contributions and the date the last reportable  
24 contribution was received. ~~For a state political party, the statement must include a list~~  
25 ~~of the name and mailing address of each recipient of an expenditure exceeding two~~  
26 ~~hundred dollars in the aggregate. For each expenditure recipient listed, the list must~~  
27 ~~include the aggregated amount of the reportable expenditures and the date the last~~  
28 ~~expenditure was made~~The year-end statement for a state political party also must  
29 include the aggregated total of all expenditures, by category, made to any person by  
30 the party in exchange for any item or service. The categories for reporting  
31 expenditures are advertising, consulting, postage, printing, travel, operations, loan

1            repayment, and miscellaneous. The year-end statement for a state political party also  
2            must include the name and address of each recipient of a contribution in excess of two  
3            hundred dollars made by the party, the aggregate amount of those contributions made  
4            to the recipient, the date of the last contribution to the recipient, and the aggregate  
5            total for all contributions under two hundred dollars made by the party.

6            2. A year-end statement covering the entire calendar year must be filed with the  
7            secretary of state no later than the thirty-first day of January of the following year. A  
8            pre-election statement must be filed no later than the thirty-second day before any  
9            election at which the party has endorsed or will nominate a candidate and must be  
10           complete from the beginning of that calendar year through the fortieth day before the  
11           election.

12           3. Even if the political party has not received any contributions in excess of two hundred  
13           dollars during the reporting period, the political party shall file a statement as required  
14           by this chapter. A statement filed by a state political party according to this section  
15           during the reporting period must show the following:

16           a. The gross total of all contributions received and expenditures made in excess of  
17           two hundred dollars;

18           b. The gross total of all contributions received and expenditures made of two  
19           hundred dollars, or less; and

20           c. The cash on hand in the filer's account at the start and close of the reporting  
21           period.

22           4. A political party shall report the occupation, employer, and principal place of business  
23           of each person, or the political committee if not already registered according to state or  
24           federal law, ~~wh~~which contributed five thousand dollars or more in the aggregate  
25           during the reporting period.

26           **SECTION 4. AMENDMENT.** Section 16.1-08.1-03.1 of the North Dakota Century Code is  
27           amended and reenacted as follows:

1       **16.1-08.1-03.1. Contributions ~~statement~~ and ~~expenditures~~ statements required of**  
2 **persons and measure committees circulating or promoting passage or defeat of initiated**  
3 **or referred measure.**

- 4       1. Any person or measure committee, ~~as described in section 16.1-08.1-01, that is~~  
5       soliciting or accepting a contribution for the purpose of aiding or opposing the  
6       circulation or passage of a statewide initiative or referendum petition or measure  
7       placed upon a statewide ballot by action of the legislative assembly at any election  
8       shall file ~~a statement~~ statements in accordance with this subsection if the person has  
9       received any contribution in excess of one hundred dollars. ~~The~~ Each statement must  
10      include the name and mailing address of each person that contributed in excess of  
11      one hundred dollars to the person, the amount of each reportable contribution, and the  
12      date each reportable contribution was received. ~~The statement must include the name~~  
13      ~~and mailing address of each recipient of an expenditure exceeding one hundred~~  
14      ~~dollars in the aggregate, the amount of each reportable expenditure, and the date the~~  
15      ~~expenditure was made~~ Year-end statements also must include the aggregated total of  
16      all expenditures, by category, made to any person by the person or committee in  
17      exchange for any item or service. The categories for reporting expenditures are  
18      advertising, consulting, postage, printing, travel, operations, loan repayment, and  
19      miscellaneous. The statement also must include the name and address of each  
20      recipient of a contribution in excess of two hundred dollars made by the person or  
21      committee, the aggregate amount of those contributions made to the recipient, the  
22      date of the last contribution to the recipient, and the aggregate total for all  
23      contributions under two hundred dollars made by the person or committee.
- 24      2. A person or measure committee ~~as described in section 16.1-08.1-01 which is~~  
25      soliciting or accepting a contribution for the purpose of aiding or opposing the  
26      circulation or passage of a statewide initiative or referendum petition or measure  
27      placed upon a statewide ballot by action of the legislative assembly may not accept a  
28      contribution of more than one hundred dollars from an out-of-state person or political  
29      committee unless the contribution is accompanied by a certified statement from the  
30      contributor listing the name, address, and amount contributed by each person that  
31      contributed more than one hundred dollars of the contribution. The statement must

1 indicate if no person contributed in excess of one hundred dollars of the out-of-state  
2 person's or political committee's overall contribution. The certified statement must also  
3 list the occupation, employer, and principal place of business for each individual who  
4 contributed more than one hundred dollars of the contribution. The person soliciting or  
5 accepting a contribution for the purpose of aiding the circulation of a statewide  
6 initiative or referendum petition or of promoting passage or defeat of a statewide  
7 initiated or referred measure shall include this statement with the contribution  
8 statement required to be filed under subsection 1.

- 9 3. ~~The statement required of year-end statement required under subsection 1 must~~  
10 ~~include all reportable contributions and expenditures for the entire calendar year and~~  
11 ~~must be filed no later than the thirty-first day of January of the following year.~~  
12 Additionally, a person or measure committee required to file statements under  
13 subsection 1 must be filed with the secretary of state file a statement including all  
14 reportable contributions to the person or committee no later than the thirty-second day  
15 before the date of the election in which the measure appears or would have appeared  
16 on the ballot complete from the beginning of that calendar year through the fortieth  
17 day before the date of the election. A complete statement for the entire calendar year  
18 for each statement required to be filed under this section must be filed no later than  
19 the thirty-first day of January of the following year. Even if a person or committee  
20 required to report according to this section has not received any contributions in  
21 excess of one hundred dollars during the reporting period, the person or committee  
22 shall file a statement as required by this chapter. A statement filed according to this  
23 section during the reporting period must show the following:
- 24 a. The gross total of all contributions received and expenditures made in excess of
  - 25 one hundred dollars;
  - 26 b. The gross total of all contributions received and expenditures made of one
  - 27 hundred dollars, or less; and
  - 28 c. The cash on hand in the filer's account at the start and close of the reporting
  - 29 period.

30 **SECTION 5. AMENDMENT.** Section 16.1-08.1-03.8 of the North Dakota Century Code is  
31 amended and reenacted as follows:

1       **16.1-08.1-03.8. Contributions and expenditures statement required of multicandidate**  
2 **political committees.**

- 3       1. A multicandidate political committee, ~~as described in section 16.1-08.1-01,~~ that solicits  
4       or accepts contributions for any political purpose shall file statements as required by  
5       this section.
- 6       2. A multicandidate political committee shall file a year-end statement containing the  
7       aggregated total of all contributions ~~showing the~~and:
- 8       a. The name and mailing address of each contributor ~~wh~~that contributed in excess  
9       of two hundred dollars in the aggregate to the committee during a reporting  
10      period, ~~the~~.
- 11      b. The aggregated amount of the reportable contributions in excess of two hundred  
12      dollars, ~~and the~~ from each contributor.
- 13      c. The date the last reportable contribution was received.
- 14      d. The aggregated total of all expenditures, by category, made to any person by the  
15      committee in exchange for any item or service. The categories for reporting  
16      expenditures are advertising, consulting, postage, printing, travel, operations,  
17      loan repayment, and miscellaneous.
- 18      e. The name and address of each recipient of a contribution in excess of  
19      two hundred dollars made by the committee, the aggregate amount of those  
20      contributions made to the recipient, the date of the last expenditure to the  
21      recipient, and the aggregate total for all contributions under two hundred dollars  
22      made by the committee.
- 23      3. ~~A multicandidate political committee required to file a statement under this section~~  
24      ~~shall file the~~The year-end statement of all reportable contributions and expenditures  
25      for the entire calendar year must be filed no later than the thirty-first day of January of  
26      the following year. Additionally, the committee shall file a statement consisting of  
27      reportable contributions in the office of the secretary of state no later than the  
28      thirty-second day before the date of any primary, special, or general election. The  
29      statement ~~must be complete~~include all reportable contributions from the beginning of  
30      that calendar year through the fortieth day before the date of the primary, special, or  
31      general election. ~~The political committee shall file a complete statement for the entire~~

1           calendar year no later than the thirty-first day of January of the following year in which  
2           the political committee received a reportable contribution.

3           4. Even if a multicandidate political committee has not received any contribution in  
4           excess of two hundred dollars during the reporting period, the political committee shall  
5           file a statement as required by this chapter. A statement filed according to this section  
6           during the reporting period must show the following:

7           a. The gross total of all contributions received in excess of two hundred dollars;

8           b. The gross total of all contributions received of two hundred dollars, or less; and

9           c. The cash on hand in the filer's account at the start and close of the reporting  
10          period.

11          d. The gross total of expenditures made.

12          5. A multicandidate political committee shall report the occupation, employer, and  
13          principal place of business of each person, or the political committee if not already  
14          registered according to state or federal law, ~~wh~~which contributed five thousand  
15          dollars or more in the aggregate during the reporting period.

16          **SECTION 6.** A new section to chapter 16.1-08.1 of the North Dakota Century Code is  
17          created and enacted as follows:

18          **Contributions may be used only for political purposes - Personal use of**  
19          **contributions prohibited.**

20          A candidate may not use any contribution received by the candidate, the candidate's  
21          candidate committee, or a multicandidate political committee to:

22          1. Give a personal benefit to the candidate or to another person;

23          2. Convert the contribution to personal income of the candidate;

24          3. Make a loan to another person;

25          4. Knowingly pay more than the fair market value for goods or services purchased for the  
26          campaign; or

27          5. Pay a criminal fine or a civil penalty.

28          **SECTION 7. AMENDMENT.** Subsection 5 of section 16.1-12-02.2 of the North Dakota  
29          Century Code is amended and reenacted as follows:

30          5. An individual who intends to be a write-in candidate for any legislative district office  
31          shall file a certificate of write-in candidacy with the secretary of state. The certificate

1            must contain the name, address, and signature of the candidate. Certificates must be  
2            filed by four p.m. on the fourth day before the election. When the candidate files a  
3            certificate, the candidate also shall file the contribution and expenditure statement  
4            provided for under section 16.1-08.1-02 complete through the day of the filing of the  
5            certificate.