

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~~ for an Act to create and enact two new sections to chapter 16.1-08.1 of the
7 North Dakota Century Code, relating to campaign disclosure statements; to amend and reenact
8 section 16.1-08.1-01, subsections 6 and 7 of section 16.1-08.1-02.1, sections 16.1-08.1-03.1
9 and 16.1-08.1-03.3, subsection 3 of section 16.1-08.1-05, and subsection 5 of section
10 16.1-12-02.2 of the North Dakota Century Code, relating to definitions, campaign disclosure
11 statements, and use of campaign contributions; to repeal sections 16.1-08.1-02, 16.1-08.1-03,
12 16.1-08.1-03.1, 16.1-08.1-03.8, 16.1-08.1-03.9, 16.1-08.1-03.10, 16.1-08.1-03.12,
13 16.1-08.1-03.13, and 16.1-08.1-04 of the North Dakota Century Code, relating to campaign
14 disclosure statements; and to provide a penalty.

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

16 ~~—SECTION 1. AMENDMENT. Subsection 5 of section 16.1-08.1-01 of the North Dakota~~
17 ~~Century Code is amended and reenacted as follows:—~~
18 ~~—5.—"Contribution" means a gift, transfer, conveyance, provision, receipt, subscription,~~
19 ~~loan, advance, deposit of money, or anything of value, made for the purpose of~~
20 ~~influencing the nomination for election, or election, of any person to public office or~~
21 ~~aiding or opposing the circulation or passage of a statewide initiative or referendum~~
22 ~~petition or measure. The term also means a contract, promise, or agreement, express~~
23 ~~or implied, whether or not legally enforceable, to make a contribution for any of the~~
24 ~~above purposes. The term includes funds received by a candidate for public office or a~~

1 ~~political party or committee which are transferred or signed over to that candidate,~~
2 ~~party, or committee from another candidate, party, or political committee or other~~
3 ~~source including a conduit. The term "anything of value" includes any good or service~~
4 ~~of more than a nominal value. The term "nominal value" means the cost, price, or~~
5 ~~worth of the good or service is trivial, token, or of no appreciable value. The term~~
6 ~~"contribution" does not include:~~

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

9 ~~b. Time spent by volunteer campaign or political party workers.;~~

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

11 ~~d. Money or anything of value received for commercial transactions, including rents,~~
12 ~~advertising, or sponsorships made as a part of a fair market value bargained-for-~~
13 ~~exchange.;~~

14 ~~e.d. Money or anything of value received by a candidate in that person's~~
15 ~~individual's personal capacity, including pursuant to a contract or agreement made for~~
16 ~~personal or private employment purposes, and not received for a political~~
17 ~~purpose or to influence the performance of that person's~~
18 ~~individual's official duty.;~~

19 ~~f.e. Contributions of products or services for which the actual cost or fair market~~
20 ~~value are reimbursed by a payment of money.;~~~~or~~

21 ~~g.f. An independent expenditure.~~

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

24 ~~**16.1-08.1-02. Contributions statement and expenditures statements required of**~~
25 ~~**candidate committees, candidates, and candidates for legislative office.**~~

26 ~~1. Any candidate committee, as described in section 16.1-08.1-01, or candidate for~~
27 ~~statewide office who does not have a candidate committee, and any candidate for~~
28 ~~legislative office soliciting or accepting contributions for any political purpose shall~~
29 ~~make and file a statement~~
30 ~~statements in accordance with this section.~~

31 ~~2. The candidate committee, or candidate for statewide office who does not have a~~
 ~~candidate committee, and any candidate for legislative office shall include in the~~
 ~~statement~~
 ~~the~~
 ~~each year end statement;~~

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

1 each calendar year no later than the thirty first day of January of the following year,
2 regardless of whether the candidate sought election during that calendar year.

3 ~~4. Even if the candidate committee, or candidate for statewide office who does not have~~
4 ~~a candidate committee, or the candidate for legislative office has not received any~~
5 ~~contributions in excess of two hundred dollars during the reporting period, the~~
6 ~~candidate committee, or candidate for statewide office who does not have a candidate~~
7 ~~committee, or the candidate for legislative office shall file a statement as required by~~
8 ~~this chapter. A statement filed according to this section by a candidate committee or~~
9 ~~candidate for statewide office who does not have a candidate committee during the~~
10 ~~reporting period must show the following:~~

- 11 ~~a. The gross total of all contributions received in excess of two hundred dollars;~~
12 ~~b. The gross total of all contributions received of two hundred dollars, or less; and~~
13 ~~c. The cash on hand in the filer's account at the start and close of the reporting~~
14 ~~period; and~~
15 ~~d. The gross total of all expenditures made.~~

16 ~~5. A candidate committee, or candidate for statewide office who does not have a~~
17 ~~candidate committee, and any candidate for legislative office shall report the~~
18 ~~occupation, employer, and principal place of business of each person, or the political~~
19 ~~committee if not already registered according to state or federal law, whowhich~~
20 ~~contributed five thousand dollars or more in the aggregate during the reporting period.~~

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

23 ~~**16.1-08.1-03. Contributions statementand expenditures statements required of**~~
24 ~~**political parties.**~~

25 ~~1. Any political party that receives contributions in excess of two hundred dollars in the~~
26 ~~aggregate during the reporting period shall file a statementstatements required under~~
27 ~~this section containing the aggregated total of all contributions received from a person~~
28 ~~or political committee which exceed two hundred dollars in amount. The~~
29 ~~statementstatements must include the name and mailing address of all contributors~~
30 ~~listed. For each contributor listed, the statementstatements must include the~~
31 ~~aggregated amount of the reportable contributions and the date the last reportable~~

1 contribution was received. For a state political party, the statement must include a list
2 of the name and mailing address of each recipient of an expenditure exceeding two
3 hundred dollars in the aggregate. For each expenditure recipient listed, the list must
4 include the aggregated amount of the reportable expenditures and the date the last
5 expenditure was made. The year-end statement for a state political party also must
6 include the aggregated total of all expenditures, by category, made to any person by
7 the party in exchange for any item or service. The categories for reporting
8 expenditures are advertising, consulting, postage, printing, travel, operations, loan
9 repayment, and miscellaneous. The year-end statement for a state political party also
10 must include the name and address of each recipient of a contribution in excess of two
11 hundred dollars made by the party, the aggregate amount of those contributions made
12 to the recipient, the date of the last contribution to the recipient, and the aggregate
13 total for all contributions under two hundred dollars made by the party.

14 ~~2.~~ A year-end statement covering the entire calendar year must be filed with the
15 secretary of state no later than the thirty-first day of January of the following year. A
16 pre-election statement must be filed no later than the thirty-second day before any
17 election at which the party has endorsed or will nominate a candidate and must be
18 complete from the beginning of that calendar year through the fortieth day before the
19 election.

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

24 ~~a.~~ The gross total of all contributions received and expenditures made in excess of
25 two hundred dollars;

26 ~~b.~~ The gross total of all contributions received and expenditures made of two
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 ~~4.~~ A political party shall report the occupation, employer, and principal place of business
31 of each person, or the political committee if not already registered according to state or

1 federal law, ~~whowhich~~ contributed five thousand dollars or more in the aggregate
2 during the reporting period.

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

5 ~~—~~ **16.1-08.1-03.1. Contributions statementand expenditures statements required of**
6 **persons and measure committees circulating or promoting passage or defeat of initiated**
7 **or referred measure.**

8 ~~—~~ 1. ~~Any person or measure committee, as described in section 16.1-08.1-01, that is~~
9 ~~soliciting or accepting a contribution for the purpose of aiding or opposing the~~
10 ~~circulation or passage of a statewide initiative or referendum petition or measure~~
11 ~~placed upon a statewide ballot by action of the legislative assembly at any election~~
12 ~~shall file a statementstatements in accordance with this subsection if the person has~~
13 ~~received any contribution in excess of one hundred dollars. The~~Each ~~statement must~~
14 ~~include the name and mailing address of each person that contributed in excess of~~
15 ~~one hundred dollars to the person, the amount of each reportable contribution, and the~~
16 ~~date each reportable contribution was received. The statement must include the name~~
17 ~~and mailing address of each recipient of an expenditure exceeding one hundred~~
18 ~~dollars in the aggregate, the amount of each reportable expenditure, and the date the~~
19 ~~expenditure was made~~Year-end statements also must include the aggregated total of
20 all expenditures, by category, made to any person by the person or committee in
21 exchange for any item or service. The categories for reporting expenditures are
22 advertising, consulting, postage, printing, travel, operations, loan repayment, and
23 miscellaneous. The statement also must include the name and address of each
24 recipient of a contribution in excess of two hundred dollars made by the person or
25 committee, the aggregate amount of those contributions made to the recipient, the
26 date of the last contribution to the recipient, and the aggregate total for all
27 contributions under two hundred dollars made by the person or committee.

28 ~~—~~ 2. ~~A person or measure committee as described in section 16.1-08.1-01 which is~~
29 ~~soliciting or accepting a contribution for the purpose of aiding or opposing the~~
30 ~~circulation or passage of a statewide initiative or referendum petition or measure~~
31 ~~placed upon a statewide ballot by action of the legislative assembly may not accept a~~

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

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

28 ~~a. The gross total of all contributions received and expenditures made in excess of~~
29 ~~one hundred dollars;~~

30 ~~b. The gross total of all contributions received and expenditures made of one~~
31 ~~hundred dollars, or less; and~~

1 ~~_____ c. The cash on hand in the filer's account at the start and close of the reporting~~
2 ~~period.~~

3 ~~— **SECTION 5. AMENDMENT.** Section 16.1-08.1-03.8 of the North Dakota Century Code is~~
4 ~~amended and reenacted as follows:~~

5 ~~— **16.1-08.1-03.8. Contributions and expenditures statement required of multicandidate**~~
6 ~~**political committees.**~~

7 ~~— 1. A multicandidate political committee, as described in section 16.1-08.1-01, that solicits~~
8 ~~or accepts contributions for any political purpose shall file statements as required by~~
9 ~~this section.~~

10 ~~— 2. A multicandidate political committee shall file a year-end statement containing the~~
11 ~~aggregated total of all contributions showing the and:~~

12 ~~— a. The name and mailing address of each contributor who that contributed in excess~~
13 ~~of two hundred dollars in the aggregate to the committee during a reporting~~
14 ~~period, the.~~

15 ~~— b. The aggregated amount of the reportable contributions in excess of two hundred~~
16 ~~dollars, and the from each contributor.~~

17 ~~— c. The date the last reportable contribution was received.~~

18 ~~— d. The aggregated total of all expenditures, by category, made to any person by the~~
19 ~~committee in exchange for any item or service. The categories for reporting~~
20 ~~expenditures are advertising, consulting, postage, printing, travel, operations,~~
21 ~~loan repayment, and miscellaneous.~~

22 ~~— e. The name and address of each recipient of a contribution in excess of~~
23 ~~two hundred dollars made by the committee, the aggregate amount of those~~
24 ~~contributions made to the recipient, the date of the last expenditure to the~~
25 ~~recipient, and the aggregate total for all contributions under two hundred dollars~~
26 ~~made by the committee.~~

27 ~~— 3. A multicandidate political committee required to file a statement under this section~~
28 ~~shall file the The year-end statement of all reportable contributions and expenditures~~
29 ~~for the entire calendar year must be filed no later than the thirty-first day of January of~~
30 ~~the following year. Additionally, the committee shall file a statement consisting of~~
31 ~~reportable contributions in the office of the secretary of state no later than the~~

1 ~~thirty-second day before the date of any primary, special, or general election. The~~
2 ~~statement must be complete~~include all reportable contributions from the beginning of
3 ~~that calendar year through the fortieth day before the date of the primary, special, or~~
4 ~~general election. The political committee shall file a complete statement for the entire~~
5 ~~calendar year no later than the thirty-first day of January of the following year in which~~
6 ~~the political committee received a reportable contribution.~~

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

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

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

13 ~~c. The cash on hand in the filer's account at the start and close of the reporting~~
14 ~~period.~~

15 ~~d. The gross total of expenditures made.~~

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

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

22 ~~**Contributions may be used only for political purposes - Personal use of**~~
23 ~~**contributions prohibited.**~~

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

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

27 ~~2. Convert the contribution to personal income of the candidate;~~

28 ~~3. Make a loan to another person;~~

29 ~~4. Knowingly pay more than the fair market value for goods or services purchased for the~~
30 ~~campaign; or~~

31 ~~5. Pay a criminal fine or a civil penalty.~~

1 ~~SECTION 7. AMENDMENT. Subsection 5 of section 16.1-12-02.2 of the North Dakota~~
2 ~~Century Code is amended and reenacted as follows: —~~

3 ~~5. An individual who intends to be a write-in candidate for any legislative district~~
4 ~~office shall file a certificate of write-in candidacy with the secretary of state. The~~
5 ~~certificate must contain the name, address, and signature of the candidate.~~
6 ~~Certificates must be filed by four p.m. on the fourth day before the election. When the~~
7 ~~candidate files a certificate, the candidate also shall file the contribution and~~
8 ~~expenditure statement provided for under section 16.1-08.1-02 complete through the~~
9 ~~day of the filing of the certificate.~~

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

12 **16.1-08.1-01. Definitions.**

13 As used in this chapter, unless the context otherwise requires:

- 14 1. "Affiliate" means an organization that controls, is controlled by, or is under common
15 control with another organization. For purposes of this definition, control means the
16 possession, direct or indirect, of the power to direct or cause the direction of the
17 management and policies of an organization, whether through the ownership of voting
18 securities, by contract other than a commercial contract for goods or nonmanagement
19 services, or otherwise. Control is presumed to exist if an organization, directly or
20 indirectly, owns, controls, holds with the power to vote, or holds proxies representing
21 fifty percent or more of the voting securities of any other organization.
- 22 2. "Association" means any club, association, union, brotherhood, fraternity, organization,
23 or group of any kind of two or more persons, including labor unions, trade
24 associations, professional associations, or governmental associations, which is united
25 for any purpose, business, or object and which assesses any dues, membership fees,
26 or license fees in any amount, or which maintains a treasury fund in any amount. The
27 term does not include corporations, cooperative corporations, limited liability
28 companies, political committees, or political parties.
- 29 3. "Candidate" means an individual who seeks nomination for election or election to
30 public office, and includes:
 - 31 a. An individual holding public office;

- 1 b. An individual who has publicly declared that individual's candidacy for nomination
2 for election or election to public office or has filed or accepted a nomination for
3 public office;
- 4 c. An individual who has formed a campaign or other committee for that individual's
5 candidacy for public office;
- 6 d. An individual who has circulated a nominating petition to have that individual's
7 name placed on the ballot; and
- 8 e. An individual who has, in any manner, solicited or received a contribution for that
9 individual's candidacy for public office, whether before or after the election for
10 that office.
- 11 4. "Conduit" means a person that is not a political party, political committee, or candidate
12 and which receives a contribution of money and transfers the contribution to a
13 candidate, political party, or political committee when the contribution is designated
14 specifically for the candidate, political party, or political committee and the person has
15 no discretion as to the recipient and the amount transferred. The term includes a
16 transactional intermediary, including a credit card company or a money transfer
17 service that pays or transfers money to a candidate on behalf of another person.
- 18 5. "Contribution" means a gift, transfer, conveyance, provision, receipt, subscription,
19 loan, advance, deposit of money, or anything of value, made for the purpose of
20 influencing the nomination for election, or election, of any person to public office or
21 aiding or opposing the circulation or passage of a statewide initiative or referendum
22 petition or measure. The term also means a contract, promise, or agreement, express
23 or implied, whether or not legally enforceable, to make a contribution for any of the
24 above purposes. The term includes funds received by a candidate for public office or a
25 political party or committee which are transferred or signed over to that candidate,
26 party, or committee from another candidate, party, or political committee or other
27 source including a conduit. The term "anything of value" includes any good or service
28 of more than a nominal value. The term "nominal value" means the cost, price, or
29 worth of the good or service is trivial, token, or of no appreciable value. The term
30 "contribution" does not include:

- 1 a. ~~A loan of money from a bank or other lending institution made in the regular~~
2 ~~course of business.~~
- 3 ~~b.~~ Time spent by volunteer campaign or political party workers.
- 4 ~~c.~~ ~~Money spent by a candidate on the candidate's own behalf.~~
- 5 ~~d.~~b. Money or anything of value received for commercial transactions, including rents,
6 advertising, or sponsorships made as a part of a fair market value bargained-for
7 exchange.
- 8 ~~e.~~c. Money or anything of value received ~~by a candidate in that person's personal~~
9 ~~capacity, including pursuant to a contract or agreement made for personal or~~
10 ~~private employment purposes, and not received~~ for anything other than a political
11 purpose ~~or to influence the performance of that person's official duty.~~
- 12 ~~f.~~d. ~~Contributions of products~~Products or services for which the actual cost or fair
13 market value are reimbursed by a payment of money.
- 14 ~~g.~~e. An independent expenditure.
- 15 6. "Cooperative corporations", "corporations", and "limited liability companies" are as
16 defined in this code, and for purposes of this chapter "corporations" includes nonprofit
17 corporations. However, if a political committee, the only purpose of which is accepting
18 contributions and making expenditures for a political purpose, incorporates for liability
19 purposes only, the committee is not considered a corporation for the purposes of this
20 chapter.
- 21 7. "Expenditure" means:
- 22 a. A gift, transfer, conveyance, provision, loan, advance, payment, distribution,
23 disbursement, outlay, or deposit of money or anything of value, except a loan of
24 money from a bank or other lending institution made in the regular course of
25 business, made for a political purpose or for the purpose of influencing the
26 passage or defeat of a measure.
- 27 b. A contract, promise, or agreement, express or implied, whether or not legally
28 enforceable, to make any expenditure.
- 29 c. The transfer of funds by a political committee to another political committee.
- 30 d. An independent expenditure.;

- 1 8. ~~"Incidental committee" means a committee, club, association, or other group of~~
2 ~~persons that makes a contribution or expenditure, but for which making contributions-~~
3 ~~and expenditures for political purposes is not its primary purpose."~~Expenditure
4 categories" means the categories into which expenditures must be grouped for reports
5 under this chapter. The expenditure categories are:
6 a. Advertising;
7 b. Campaign loan repayment;
8 c. Consulting;
9 d. Operations;
10 e. Postage;
11 f. Printing;
12 g. Travel; and
13 h. Miscellaneous.
- 14 9. "Independent expenditure" means an expenditure made for a political purpose or for
15 the purpose of influencing the passage or defeat of a measure if the expenditure is
16 made without the express or implied consent, authorization, or cooperation of, and not
17 in concert with or at the request or suggestion of, any candidate ~~or a candidate,~~
18 committee, or ~~measure committee~~ political party.
- 19 10. "Patron" means a person who owns equity interest in the form of stock, shares, or
20 membership or maintains similar financial rights in a cooperative corporation.
- 21 11. "Person" means an individual, partnership, political committee, association,
22 corporation, cooperative corporation, limited liability company, or other organization or
23 group of persons.
- 24 12. "Personal benefit" means a benefit to the candidate or another person which is not for
25 a political purpose or related to a candidate's responsibilities as a public officeholder,
26 and any other benefit that would convert a contribution to personal income.
- 27 13. "Political committee" means any committee, club, association, or other group of
28 persons which receives contributions or makes expenditures for political purposes and
29 includes ~~the following:~~
30 a. A political action committee, derived from a corporation, cooperative corporation,
31 limited liability company, affiliate, subsidiary, or an association ~~that is prohibited-~~

1 ~~from making a contribution for political purposes under section 16.1-08.1-03.5,~~
2 ~~and which~~that solicits or receives contributions from its employees or members or
3 makes expenditures for political purposes on behalf of its employees or
4 members;

5 b. A candidate committee, established to support an individual candidate seeking
6 ~~statewide, judicial, or legislative~~public office which solicits or receives
7 contributions for political purposes;

8 c. A political organization ~~governed by the Internal Revenue Code and~~registered
9 with the federal election commission, which solicits or receives contributions or
10 makes expenditures for political purposes;

11 d. A multicandidate political committee, established to support multiple groups or
12 slates of candidates seeking public office, ~~that~~which solicits or receives
13 contributions for political purposes; and

14 e. A measure committee, including an initiative or referendum sponsoring
15 committee at any stage of its organization, which solicits or receives contributions
16 or makes expenditures for the purpose of aiding or opposing a measure sought
17 to be voted upon by the voters of the state, including any activities undertaken for
18 the purpose of drafting an initiative or referendum petition, seeking approval of
19 the secretary of state for the circulation of a petition, or seeking approval of the
20 submitted petitions; ~~and~~

21 ~~f. An incidental committee.~~

22 ~~13.14.~~ "Political party" means any association, committee, or organization which nominates a
23 candidate for election to any office which may be filled by a vote of the electors of this
24 state or any of its political subdivisions and whose name appears on the election ballot
25 as the candidate of such association, committee, or organization.

26 ~~14.15.~~ "Political purpose" means any activity undertaken in support of or in opposition to the
27 election or nomination of a candidate to public office and includes using "vote for",
28 "oppose", or any similar support or opposition language in any advertisement whether
29 the activity is undertaken by a candidate, a political committee, a political party, or any
30 person. In the period thirty days before a primary election and sixty days before a
31 special or general election, "political purpose" also means any activity in which a

1 candidate's name, office, district, or any term meaning the same as "incumbent" or
2 "challenger" is used in support of or in opposition to the election or nomination of a
3 candidate to public office. The term does not include activities undertaken in the
4 performance of a duty of a ~~state~~public office or any position taken in any bona fide
5 news story, commentary, or editorial.

6 ~~15.16.~~ "Public office" means every office to which an individual can be elected by vote of the
7 people under the laws of this state.

8 ~~16.17.~~ "Subsidiary" means an affiliate of a corporation under the control of the corporation
9 directly or indirectly through one or more intermediaries.

10 **SECTION 2. AMENDMENT.** Subsection 6 of section 16.1-08.1-02.1 of the North Dakota
11 Century Code is amended and reenacted as follows:

- 12 6. If a net gain from the convention is transferred to the accounts established for the
13 support of the nomination or election of candidates, the total transferred must be
14 reported as a contribution in the statements required by section ~~16.1-08.1-034~~ of this
15 Act.

16 **SECTION 3. AMENDMENT.** Subsection 7 of section 16.1-08.1-02.1 of the North Dakota
17 Century Code is amended and reenacted as follows:

- 18 7. If a net loss from the convention is covered by a transfer from the accounts
19 established for the support of the nomination or election of candidates, the total
20 transferred must be reported as an expenditure in the statements required by section
21 ~~16.1-08.1-034~~ of this Act.

22 **SECTION 4.** A new section to chapter 16.1-08.1 of the North Dakota Century Code is
23 created and enacted as follows:

24 **Pre-election, supplemental, and year-end campaign disclosure statement**
25 **requirements for candidates, political committees, and political parties.**

- 26 1. Prior to the thirty-first day before a primary, general, or special election, a candidate or
27 candidate committee formed on behalf of the candidate, a political committee, or
28 political party shall file a campaign disclosure statement that includes all contributions
29 received and expenditures made from January first through the fortieth day before the
30 election. The statement may be submitted for filing beginning on the thirty-ninth day
31 before the election. The statement must include:

- 1 a. For each aggregated contribution from a contributor which totals in excess of two
- 2 hundred dollars received during the reporting period:
- 3 (1) The name and mailing address of the contributor;
- 4 (2) The total amount of the contribution; and
- 5 (3) The date the last contributed amount was received;
- 6 b. The total of all aggregated contributions from contributors which total in excess of
- 7 two hundred dollars during the reporting period;
- 8 c. The total of all contributions received from contributors that contributed two
- 9 hundred dollars or less each during the reporting period;
- 10 d. The balance of the campaign fund on the fortieth day before the election;
- 11 e. The balance of the campaign fund on January first; and
- 12 f. The total of all expenditures made during the reporting period.
- 13 2. Beginning on the thirty-ninth day before the election through the day before the
- 14 election, a person that files a report under subsection 1 must file a supplemental
- 15 statement within forty-eight hours of the start of the day following the receipt of a
- 16 contribution or aggregate contribution from a contributor which is in excess of five
- 17 hundred dollars. The statement must include:
- 18 a. The name and mailing address of the contributor;
- 19 b. The total amount of the contribution received during the reporting period; and
- 20 c. The date the last contributed amount was received.
- 21 3. Prior to February first, a candidate or candidate committee formed on behalf of the
- 22 candidate who sought nomination or election to public office during the previous year
- 23 or who holds public office, a political committee, or political party shall file a campaign
- 24 disclosure statement that includes all contributions received and expenditures made
- 25 from January first through December thirty-first of the previous year. The statement
- 26 may be submitted for filing beginning on January first. The statement must include:
- 27 a. The balance of the campaign fund on January first;
- 28 b. For each aggregated contribution from a contributor which totals in excess of two
- 29 hundred dollars received during the reporting period:
- 30 (1) The name and mailing address of the contributor;
- 31 (2) The total amount of the contribution; and

- 1 (3) The date the last contributed amount was received;
2 c. The total of all aggregated contributions from contributors which total in excess of
3 two hundred dollars during the reporting period;
4 d. The total of all contributions received from contributors that contributed two
5 hundred dollars or less each during the reporting period;
6 e. For each recipient of an expenditure from campaign funds in excess of two
7 hundred dollars in the aggregate which is a candidate, political committee, or
8 political party;
9 (1) The name and mailing address of the recipient;
10 (2) The total amount of the expenditure; and
11 (3) The date the last expenditure was made to the recipient;
12 f. The aggregate total of all expenditures from campaign funds of two hundred
13 dollars or less to recipients that are candidates, political committees, or political
14 parties;
15 g. The total of all other expenditures made during the previous year, separated into
16 expenditure categories; and
17 h. The balance of the campaign fund on December thirty-first.
18 4. A person required to file a report under subsection 1 or subsection 3, other than a
19 candidate for judicial office or a candidate committee for a candidate for judicial office,
20 shall report each aggregated contribution from a contributor which totals five thousand
21 dollars or more during the reporting period. For these contributions, the report must
22 include:
23 a. The contributor's occupation, employer, and the employer's principal place of
24 business; or
25 b. If the contributor was a political committee or political party, the name and mailing
26 address of the contributor.
27 5. The filing officer shall assess and collect fees for any reports filed after the filing
28 deadline. A person that filed a late report shall pay the late fee before any subsequent
29 filing from the person may be accepted.

30 **SECTION 5. AMENDMENT.** Section 16.1-08.1-03.1 of the North Dakota Century Code is
31 amended and reenacted as follows:

1 **16.1-08.1-03.1. Contributions statement**Special requirements for statements required
2 of measure committees circulating or promoting passage or defeat of initiated or
3 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 in accordance with this subsection if the person has received any~~
9 ~~contribution in excess of one hundred dollars. The statement must include the name~~
10 ~~and mailing address of each person that contributed in excess of one hundred dollars~~
11 ~~to the person, the amount of each reportable contribution, and the date each~~
12 ~~reportable contribution was received. The statement must include the name and~~
13 ~~mailing address of each recipient of an expenditure exceeding one hundred dollars in~~
14 ~~the aggregate, the amount of each reportable expenditure, and the date the~~
15 ~~expenditure was made.~~

16 ~~2. A person or measure committee as described in section 16.1-08.1-01 which is~~
17 ~~soliciting or accepting a contribution for the purpose of aiding or opposing the~~
18 ~~circulation or passage of a statewide initiative or referendum petition or measure~~
19 ~~placed upon a statewide ballot by action of the legislative assembly may not accept a~~
20 ~~contribution of more than one hundred dollars from an out-of-state person or political~~
21 ~~committee unless the contribution is accompanied by a certified statement from the~~
22 ~~contributor listing the name, address, and amount contributed by each person that~~
23 ~~contributed more than one hundred dollars of the contribution. The statement must~~
24 ~~indicate if no person contributed in excess of one hundred dollars of the out-of-state~~
25 ~~person's or political committee's overall contribution. The certified statement must also~~
26 ~~list the occupation, employer, and principal place of business for each individual who~~
27 ~~contributed more than one hundred dollars of the contribution. The person soliciting or~~
28 ~~accepting a contribution for the purpose of aiding the circulation of a statewide~~
29 ~~initiative or referendum petition or of promoting passage or defeat of a statewide~~
30 ~~initiated or referred measure shall include this statement with the contribution~~
31 ~~statement required to be filed under subsection 1.~~

1 ~~3. The statement required of a person or measure committee under subsection 1 must~~
2 ~~be filed with the secretary of state no later than the thirty-second day before the date~~
3 ~~of the election in which the measure appears or would have appeared on the ballot~~
4 ~~complete from the beginning of that calendar year through the fortieth day before the~~
5 ~~date of the election. A complete statement for the entire calendar year for each~~
6 ~~statement required to be filed under this section must be filed no later than the~~
7 ~~thirty-first day of January of the following year. Even if a person required to report~~
8 ~~according to this section has not received any contributions in excess of one hundred~~
9 ~~dollars during the reporting period, the person shall file a statement as required by this~~
10 ~~chapter. A statement filed according to this section during the reporting period must~~
11 ~~show the following:~~

12 ~~a. The gross total of all contributions received and expenditures made in excess of~~
13 ~~one hundred dollars;~~

14 ~~b. The gross total of all contributions received and expenditures made of one~~
15 ~~hundred dollars, or less; and~~

16 ~~c. The cash on hand in the filer's account at the start and close of the reporting~~
17 ~~period.~~For each reportable contribution under section 4 of this Act, the threshold
18 for reporting is one hundred dollars for any person or measure committee
19 circulating or promoting passage or defeat of an initiated or referred measure.

20 2. For contributions received from an out-of-state contributor, a person or measure
21 committee circulating or promoting passage or defeat of an initiated or referred
22 measure shall include the following information regarding subcontributors in the
23 statements required under section 4 of this Act:

24 a. A designation as to whether any person contributed in excess of one hundred
25 dollars of the total contribution;

26 b. The name and mailing address of each subcontributor that contributed in excess
27 of one hundred dollars of the total contribution;

28 c. The contribution amounts of each disclosed subcontributor; and

29 d. The occupation, employer, and address for the employer's principal place of
30 business of each disclosed subcontributor.

1 3. An initiative and referendum sponsoring committee also shall file a disclosure
2 statement by the date the secretary of state approves the petition for circulation, and
3 shall file an additional statement on the date the petitions containing the required
4 number of signatures are submitted to the secretary of state for review. The
5 statements required under this subsection must be in the same form as the year-end
6 statements under section 4 of this Act.

7 4. A sponsoring committee shall file a statement regarding its intent to compensate
8 circulators before paying for petitions to be circulated.

9 **SECTION 6. AMENDMENT.** Section 16.1-08.1-03.3 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **16.1-08.1-03.3. Campaign contributions by corporations, cooperative corporations,**
12 **limited liability companies, and associations - Violation - Penalty - Political action**
13 **committees authorized.**

14 1. A corporation, cooperative corporation, limited liability company, or association may
15 establish, administer, and solicit contributions to a separate and segregated fund to be
16 utilized for political purposes by the corporation, cooperative corporation, limited
17 liability company, or association. It is unlawful for:

18 a. The person or persons controlling the fund to make contributions or expenditures
19 utilizing money or anything of value secured by physical force, job discrimination,
20 financial reprisals, or the threat of them; or utilize money from dues, fees,
21 treasury funds, or other money required as a condition of membership in an
22 association, or as a condition of employment; or utilize money obtained in any
23 commercial transaction. Moneys from fees, dues, treasury funds, or money
24 obtained in a commercial transaction may, however, be used to pay costs of
25 administration of the fund.

26 b. Any person soliciting an employee, stockholder, patron, board member, or
27 member for a contribution to the fund to fail to inform the employee or member of
28 the political purposes of the fund at the time of the solicitation or of the general
29 political philosophy intended to be advanced through committee activities.

- 1 c. Any person soliciting an employee or member for a contribution to the fund to fail
- 2 to inform the employee or member at the time of the solicitation of the right to
- 3 refuse to contribute without any reprisal.
- 4 d. Any contribution to be accepted without keeping an accurate record of the
- 5 contributor and amount contributed and of amounts expended for political
- 6 purposes.
- 7 e. Any contribution to be accepted from any person ~~who is~~ not an employee, a
- 8 stockholder, a patron, a board member or a member of the corporation,
- 9 cooperative corporation, limited liability company, or association maintaining the
- 10 political action committee, except a corporation may accept a contribution from
- 11 an employee, a stockholder, a patron, a board member, or a member of an
- 12 affiliate or a subsidiary of the corporation.
- 13 f. Any expenditure made for political purposes to be reported under this section
- 14 before control of the expenditure has been released by the political action
- 15 committee except if there is a contract, a promise, or an agreement, expressed or
- 16 implied, to make such expenditure.

- 17 2. ~~All political action committees, as described in section 16.1-08.1-01, formed for the~~
- 18 ~~purpose of administering the segregated fund provided for in this section shall file a~~
- 19 ~~statement showing the name and mailing address of each contributor of an amount in~~
- 20 ~~excess of two hundred dollars in the aggregate for the reporting period and a listing of~~
- 21 ~~all expenditures of an amount in excess of two hundred dollars in the aggregate made~~
- 22 ~~for political purposes with the secretary of state. The statement must include the~~
- 23 ~~amount of each reportable contribution and the date it was received and the amount of~~
- 24 ~~each reportable expenditure and the date it was made. A year-end statement covering~~
- 25 ~~the entire calendar year must be filed no later than the thirty-first day of January of the~~
- 26 ~~following year. A pre-election statement must be filed no later than the thirty-second~~
- 27 ~~day before any primary, special, or general election and must be complete from the~~
- 28 ~~beginning of the calendar year through the fortieth day before the election. Even if a~~
- 29 ~~political action committee has not received any contributions or made any~~
- 30 ~~expenditures in excess of two hundred dollars during the reporting period, the political~~

~~action committee shall file a statement as required by this chapter. A statement filed according to this section during the reporting period must show the following:~~

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

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

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

~~3. A political action committee shall report the occupation, employer, and principal place of business of each person, or the political committee if not already registered according to state or federal law, who contributed five thousand dollars or more in the aggregate during the reporting period.~~

~~4. A person may not make a payment of that person's money or of another person's money to any other person for a political purpose in any name other than that of the person ~~who~~that supplies the money and a person may not knowingly receive the payment nor enter nor cause the payment to be entered in that person's account or record in any name other than that of the person by ~~whom~~which it actually was furnished.~~

5.3. If an officer, employee, agent, attorney, or other representative of a corporation, cooperative corporation, limited liability company, or association makes any contribution prohibited by this section out of corporate, cooperative corporation, limited liability company, or association funds or otherwise violates this section, it is prima facie evidence of a violation by the corporation, cooperative corporation, limited liability company, or association.

6.4. A violation of this section may be prosecuted in the county where the contribution is made or in any county in which it has been paid or distributed.

7.5. It is a class A misdemeanor for an officer, director, stockholder, manager, governor, member, attorney, agent, or representative of any corporation, cooperative corporation, limited liability company, or association to violate this section or to counsel or consent to any violation. Any person ~~who~~that solicits or knowingly receives any contribution in violation of this section is guilty of a class A misdemeanor.

1 ~~8.6.~~ Any officer, director, stockholder, manager, governor, member, attorney, agent, or
2 representative who makes, counsels, or consents to the making of a contribution in
3 violation of this section is liable to the company, corporation, limited liability company,
4 or association for the amount so contributed.

5 **SECTION 7.** A new section to chapter 16.1-08.1 of the North Dakota Century Code is
6 created and enacted as follows:

7 **Personal use of contributions prohibited.**

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

- 10 1. Give a personal benefit to the candidate or another person;
11 2. Make a loan to another person;
12 3. Knowingly pay more than the fair market value for goods or services purchased for the
13 campaign; or
14 4. Pay a criminal fine or civil penalty.

15 **SECTION 8. AMENDMENT.** Subsection 3 of section 16.1-08.1-05 of the North Dakota
16 Century Code is amended and reenacted as follows:

- 17 3. An audit may not be made or requested of a statement for the sole reason that it was
18 not timely filed with the secretary of state. An audit made or arranged according to this
19 section must audit only those items required to be included in any statement,
20 registration, or report filed with the secretary of state according to this chapter. The
21 secretary of state may collect any payment obligation arising out of this section by civil
22 action or by assignment to a collection agency, with any costs of collection to be
23 added to the amount owed and to be paid by the delinquent filer. Any remaining
24 moneys collected by the secretary of state after an audit is paid for under this section
25 must be deposited in the state's general fund. This section does not apply to
26 statements filed ~~according to sections 16.1-08.1-03.10 and~~ under section
27 16.1-08.1-03.11 or to statements filed by candidates for county office or by candidate
28 committees for candidates for county office.

29 **SECTION 9. AMENDMENT.** Subsection 5 of section 16.1-12-02.2 of the North Dakota
30 Century Code is amended and reenacted as follows:

1 5. An individual who intends to be a write-in candidate for any legislative district office
2 shall file a certificate of write-in candidacy with the secretary of state. The certificate
3 must contain the name, address, and signature of the candidate. Certificates must be
4 filed by four p.m. on the fourth day before the election. When the candidate files a
5 certificate, the candidate also shall file the contribution statement provided for under
6 section ~~16.1-08.1-024~~ of this Act complete through the day of the filing of the
7 certificate.

8 **SECTION 10. REPEAL.** Sections 16.1-08.1-02, 16.1-08.1-03, 16.1-08.1-03.1,
9 16.1-08.1-03.8, 16.1-08.1-03.9, 16.1-08.1-03.10, 16.1-08.1-03.12, 16.1-08.1-03.13, and
10 16.1-08.1-04 of the North Dakota Century Code are repealed.