

Sixty-fifth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2343

Introduced by

Senators Casper, Unruh, Wardner

Representatives Carlson, Kasper, Louser

1 A BILL for an Act to create and enact ~~two~~three new sections to chapter 16.1-08.1 of the North
2 Dakota Century Code, relating to campaign disclosure statements and use of campaign
3 contributions; to amend and reenact section 16.1-08.1-01, subsections 6 and 7 of section
4 16.1-08.1-02.1, sections 16.1-08.1-03.1 and 16.1-08.1-03.3, subsection 3 of section
5 16.1-08.1-05, and subsection 5 of section 16.1-12-02.2 of the North Dakota Century Code,
6 relating to definitions, and campaign disclosure statements, ~~and use of campaign contributions~~;
7 to repeal sections 16.1-08.1-02, 16.1-08.1-03, 16.1-08.1-03.1, 16.1-08.1-03.8, 16.1-08.1-03.9,
8 16.1-08.1-03.10, 16.1-08.1-03.11, 16.1-08.1-03.12, 16.1-08.1-03.13, and 16.1-08.1-04 of the
9 North Dakota Century Code, relating to campaign disclosure statements; and to provide a
10 penalty.

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

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

14 **16.1-08.1-01. Definitions.**

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

- 16 1. "Affiliate" means an organization that controls, is controlled by, or is under common
17 control with another organization. For purposes of this definition, control means the
18 possession, direct or indirect, of the power to direct or cause the direction of the
19 management and policies of an organization, whether through the ownership of voting
20 securities, by contract other than a commercial contract for goods or nonmanagement
21 services, or otherwise. Control is presumed to exist if an organization, directly or
22 indirectly, owns, controls, holds with the power to vote, or holds proxies representing
23 fifty percent or more of the voting securities of any other organization.

- 1 2. "Association" means any club, association, union, brotherhood, fraternity, organization,
2 or group of any kind of two or more persons, including labor unions, trade
3 associations, professional associations, or governmental associations, which is united
4 for any purpose, business, or object and which assesses any dues, membership fees,
5 or license fees in any amount, or which maintains a treasury fund in any amount. The
6 term does not include corporations, cooperative corporations, limited liability
7 companies, political committees, or political parties.
- 8 3. "Candidate" means an individual who seeks nomination for election or election to
9 public office, and includes:
- 10 a. An individual holding public office;
- 11 b. An individual who has publicly declared that individual's candidacy for nomination
12 for election or election to public office or has filed or accepted a nomination for
13 public office;
- 14 c. An individual who has formed a campaign or other committee for that individual's
15 candidacy for public office;
- 16 d. An individual who has circulated a nominating petition to have that individual's
17 name placed on the ballot; and
- 18 e. An individual who has, in any manner, solicited or received a contribution for that
19 individual's candidacy for public office, whether before or after the election for
20 that office.
- 21 4. "Conduit" means a person that is not a political party, political committee, or candidate
22 and which receives a contribution of money and transfers the contribution to a
23 candidate, political party, or political committee when the contribution is designated
24 specifically for the candidate, political party, or political committee and the person has
25 no discretion as to the recipient and the amount transferred. The term includes a
26 transactional intermediary, including a credit card company or a money transfer
27 service that pays or transfers money to a candidate on behalf of another person.
- 28 5. "Contribution" means a gift, transfer, conveyance, provision, receipt, subscription,
29 loan, advance, deposit of money, or anything of value, made for the purpose of
30 influencing the nomination for election, or election, of any person to public office or
31 aiding or opposing the circulation or passage of a statewide initiative or referendum

1 petition or measure. The term also means a contract, promise, or agreement, express
2 or implied, whether or not legally enforceable, to make a contribution for any of the
3 above purposes. The term includes funds received by a candidate for public office or a
4 political party or committee which are transferred or signed over to that candidate,
5 party, or committee from another candidate, party, or political committee or other
6 source including a conduit. The term "anything of value" includes any good or service
7 of more than a nominal value. The term "nominal value" means the cost, price, or
8 worth of the good or service is trivial, token, or of no appreciable value. The term
9 "contribution" does not include:

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

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

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

14 ~~d.~~ Money or anything of value received for commercial transactions, including rents,
15 advertising, or sponsorships made as a part of a fair market value bargained-for
16 exchange.

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

21 ~~f.~~ Products or services for which the actual cost or fair
22 market value are reimbursed by a payment of money.

23 ~~g.~~ An independent expenditure.

24 f. The value of advertising paid by a political party, multicandidate political
25 committee, or caucus which is in support of a candidate.

26 6. "Cooperative corporations", "corporations", and "limited liability companies" are as
27 defined in this code, and for purposes of this chapter "corporations" includes nonprofit
28 corporations. However, if a political committee, the only purpose of which is accepting
29 contributions and making expenditures for a political purpose, incorporates for liability
30 purposes only, the committee is not considered a corporation for the purposes of this
31 chapter.

- 1 7. "Expenditure" means:
- 2 a. A gift, transfer, conveyance, provision, loan, advance, payment, distribution,
- 3 disbursement, outlay, or deposit of money or anything of value, except a loan of
- 4 money from a bank or other lending institution made in the regular course of
- 5 business, made for a political purpose or for the purpose of influencing the
- 6 passage or defeat of a measure.
- 7 b. A contract, promise, or agreement, express or implied, whether or not legally
- 8 enforceable, to make any expenditure.
- 9 c. The transfer of funds by a political committee to another political committee.
- 10 d. An independent expenditure.;
- 11 8. ~~"Incidental committee" means a committee, club, association, or other group of~~
- 12 ~~persons that makes a contribution or expenditure, but for which making contributions~~
- 13 ~~and expenditures for political purposes is not its primary purpose.~~ "Expenditure
- 14 categories" means the categories into which expenditures must be grouped for reports
- 15 under this chapter. The expenditure categories are:
- 16 a. Advertising;
- 17 b. Campaign loan repayment;
- 18 c. Consulting;
- 19 d. Operations;
- 20 e. Postage;
- 21 f. Printing;
- 22 g. Travel; and
- 23 h. Miscellaneous.
- 24 9. "Independent expenditure" means an expenditure made for a political purpose or for
- 25 the purpose of influencing the passage or defeat of a measure if the expenditure is
- 26 made without the express or implied consent, authorization, or cooperation of, and not
- 27 in concert with or at the request or suggestion of, any candidate ~~or a candidate,~~
- 28 ~~committee, or measure committee~~ political party.
- 29 10. "Patron" means a person who owns equity interest in the form of stock, shares, or
- 30 membership or maintains similar financial rights in a cooperative corporation.

- 1 11. "Person" means an individual, partnership, political committee, association,
2 corporation, cooperative corporation, limited liability company, or other organization or
3 group of persons.
- 4 12. "Personal benefit" means a benefit to the candidate or another person which is not for
5 a political purpose or related to a candidate's responsibilities as a public officeholder,
6 and any other benefit that would convert a contribution to personal income.
- 7 13. "Political committee" means any committee, club, association, or other group of
8 persons which receives contributions or makes expenditures for political purposes and
9 includes the following:
- 10 a. A political action committee, derived from a corporation, cooperative corporation,
11 limited liability company, affiliate, subsidiary, or an association ~~that is prohibited~~
12 ~~from making a contribution for political purposes under section 16.1-08.1-03.5,~~
13 ~~and which~~ solicits or receives contributions from its employees or members or
14 makes expenditures for political purposes on behalf of its employees or
15 members;
- 16 b. A candidate committee, established to support an individual candidate seeking
17 ~~statewide, judicial, or legislative~~ public office which solicits or receives
18 contributions for political purposes;
- 19 c. A political organization ~~governed by the Internal Revenue Code and registered~~
20 with the federal election commission, which solicits or receives contributions or
21 makes expenditures for political purposes;
- 22 d. A multicandidate political committee, established to support multiple groups or
23 slates of candidates seeking public office, ~~that~~ which solicits or receives
24 contributions for political purposes; and
- 25 e. A measure committee, including an initiative or referendum sponsoring
26 committee at any stage of its organization, which solicits or receives contributions
27 or makes expenditures for the purpose of aiding or opposing a measure sought
28 to be voted upon by the voters of the state, including any activities undertaken for
29 the purpose of drafting an initiative or referendum petition, seeking approval of
30 the secretary of state for the circulation of a petition, or seeking approval of the
31 submitted petitions; ~~and~~

1 f. ~~An incidental committee.~~

2 ~~13-14.~~ "Political party" means any association, committee, or organization which nominates a
3 candidate for election to any office which may be filled by a vote of the electors of this
4 state or any of its political subdivisions and whose name appears on the election ballot
5 as the candidate of such association, committee, or organization.

6 ~~14-15.~~ "Political purpose" means any activity undertaken in support of or in opposition to the
7 election or nomination of a candidate to public office and includes using "vote for",
8 "oppose", or any similar support or opposition language in any advertisement whether
9 the activity is undertaken by a candidate, a political committee, a political party, or any
10 person. In the period thirty days before a primary election and sixty days before a
11 special or general election, "political purpose" also means any activity in which a
12 candidate's name, office, district, or any term meaning the same as "incumbent" or
13 "challenger" is used in support of or in opposition to the election or nomination of a
14 candidate to public office. The term does not include activities undertaken in the
15 performance of a duty of a statepublic office or any position taken in any bona fide
16 news story, commentary, or editorial.

17 ~~15-16.~~ "Public office" means every office to which an individual can be elected by vote of the
18 people under the laws of this state.

19 ~~16-17.~~ "Subsidiary" means an affiliate of a corporation under the control of the corporation
20 directly or indirectly through one or more intermediaries.

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

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

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

29 7. If a net loss from the convention is covered by a transfer from the accounts
30 established for the support of the nomination or election of candidates, the total

1 transferred must be reported as an expenditure in the statements required by section
2 16.1-08.1-034 of this Act.

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

5 **Pre-election, supplemental, and year-end campaign disclosure statement**
6 **requirements for candidates, ~~political~~ candidate committees, ~~political~~ action committees,**
7 **and ~~nonstatewide~~ political parties.**

8 1. Prior to the thirty-first day before a primary, general, or special election, a candidate or
9 candidate committee formed on behalf of the candidate, a ~~multicandidate~~ political
10 committee, a ~~political~~ action committee, or a political party other than a statewide
11 political party soliciting or accepting contributions shall file a campaign disclosure
12 statement that includes all contributions received ~~and expenditures made from~~
13 January first through the fortieth day before the election. A candidate whose name is
14 not on the ballot and who is not seeking election through write-in votes, the
15 candidate's candidate committee, and a political party that has not endorsed or
16 nominated any candidate in the election is not required to file a statement under this
17 subsection. The statement may be submitted for filing beginning on the thirty-ninth day
18 before the election. The statement must include:

19 a. For each aggregated contribution from a contributor which totals in excess of two
20 hundred dollars received during the reporting period:

21 (1) The name and mailing address of the contributor;

22 (2) The total amount of the contribution; and

23 (3) The date the last contributed amount was received;

24 b. The total of all aggregated contributions from contributors which total in excess of
25 two hundred dollars during the reporting period;

26 c. The total of all contributions received from contributors that contributed two
27 hundred dollars or less each during the reporting period; and

28 d. ~~The~~ For a statewide candidate and a candidate committee formed on behalf of a
29 statewide candidate, the balance of the campaign fund on the fortieth day before
30 the election;

31 ~~e. The and the~~ balance of the campaign fund on January first; and

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

1 ~~e. For each recipient of an expenditure from campaign funds in excess of two-~~
2 ~~hundred dollars in the aggregate which is a candidate, political committee, or~~
3 ~~political party:~~

4 ~~(1) The name and mailing address of the recipient;~~

5 ~~(2) The total amount of the expenditure; and~~

6 ~~(3) The date the last expenditure was made to the recipient;~~

7 f.e. The aggregate total of all expenditures from campaign funds of two hundred
8 dollars or less to recipients that are candidates, political committees, or political
9 parties; and

10 g.f. The total of all other expenditures made during the previous year, separated into
11 expenditure categories; and

12 ~~h. The balance of the campaign fund on December thirty first.~~

13 4. A person required to file a report under subsection 1 or subsection 3, other than a
14 candidate for judicial office, county office, or city office, or a candidate committee for a
15 candidate for judicial office exempted under this subsection, shall report each
16 aggregated contribution from a contributor which totals five thousand dollars or more
17 during the reporting period. For these contributions, the report must include:

18 a. The contributor's occupation, employer, and the employer's principal place of
19 business; or

20 b. If the contributor was a political committee or political party, the name and mailing
21 address of the contributor.

22 5. A candidate for city office in a city with a population under five thousand and a
23 candidate committee for the candidate are exempt from this section.

24 6. A candidate for county office and a candidate committee for a candidate for county
25 office shall file statements under this chapter with the county auditor. A candidate for
26 city office who is required to file a statement under this chapter and a candidate
27 committee for such a candidate shall file statements with the city auditor. Any other
28 person required to file a statement under this section shall file the statement with the
29 secretary of state.

1 7. The filing officer shall assess and collect fees for any reports filed after the filing
2 deadline. ~~A person that filed a late report shall pay the late fee before any subsequent~~
3 ~~filing from the person may be accepted.~~

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

6 **Pre-election, supplemental, and year-end campaign disclosure statement**
7 **requirements for certain statewide political parties and political committees.**

8 1. Prior to the thirty-first day before a primary, general, or special election, a statewide
9 political party or a political committee not required to file statements under section 4 of
10 this Act which is soliciting or accepting contributions shall file a campaign disclosure
11 statement that includes all contributions received and expenditures made from
12 January first through the fortieth day before the election. A political party that has not
13 endorsed or nominated a candidate in an election is not required to file a statement
14 under this subsection. A statement required to be filed under this subsection may be
15 submitted for filing beginning on the thirty-ninth day before the election. The statement
16 must include:

- 17 a. For each aggregated contribution from a contributor which totals in excess of two
18 hundred dollars received during the reporting period:
19 (1) The name and mailing address of the contributor;
20 (2) The total amount of the contribution; and
21 (3) The date the last contributed amount was received;
22 b. The total of all aggregated contributions from contributors which total in excess of
23 two hundred dollars during the reporting period;
24 c. The total of all contributions received from contributors that contributed two
25 hundred dollars or less each during the reporting period;
26 d. For each recipient of an expenditure from campaign funds in excess of two
27 hundred dollars in the aggregate:
28 (1) The name and mailing address of the recipient;
29 (2) The total amount of the expenditure received by the recipient; and
30 (3) The date the last expended amount was made to the recipient;

1 e. The aggregate total of all expenditures from campaign funds in excess of two
2 hundred dollars;

3 f. The aggregate total of all expenditures from campaign funds of two hundred
4 dollars or less; and

5 g. The balance of the campaign fund on the fortieth day before the election and
6 balance of the campaign fund on January first.

7 2. Beginning on the thirty-ninth day before the election through the day before the
8 election, a person that files a statement under subsection 1 must file a supplemental
9 statement within forty-eight hours of the start of the day following the receipt of a
10 contribution or aggregate contribution from a contributor which is in excess of five
11 hundred dollars. The statement must include:

12 a. The name and mailing address of the contributor;

13 b. The total amount of the contribution received during the reporting period; and

14 c. The date the last contributed amount was received.

15 3. Prior to February first, a statewide political party or a political committee that is not
16 required to file a statement under section 4 of this Act shall file a campaign disclosure
17 statement that includes all contributions received and expenditures made from
18 January first through December thirty-first of the previous year. The statement may be
19 submitted for filing beginning on January first. The statement must include:

20 a. For each aggregated contribution from a contributor which totals in excess of two
21 hundred dollars received during the reporting period:

22 (1) The name and mailing address of the contributor;

23 (2) The total amount of the contribution; and

24 (3) The date the last contributed amount was received;

25 b. The total of all aggregated contributions from contributors which total in excess of
26 two hundred dollars during the reporting period;

27 c. The total of all contributions received from contributors that contributed two
28 hundred dollars or less each during the reporting period;

29 d. For each recipient of an expenditure from campaign funds in excess of two
30 hundred dollars in the aggregate:

31 (1) The name and mailing address of the recipient;

- 1 (2) The total amount of the expenditure received by the recipient; and
- 2 (3) The date the last expended amount was made to the recipient;
- 3 e. The aggregate total of all expenditures from campaign funds in excess of two
- 4 hundred dollars;
- 5 f. The aggregate total of all expenditures from campaign funds of two hundred
- 6 dollars or less; and
- 7 g. The balance of the campaign fund on January first and December thirty-first.
- 8 4. A person required to file a report under subsection 1 or subsection 3 shall report each
- 9 aggregated contribution from a contributor which totals five thousand dollars or more
- 10 during the reporting period. For these contributions, the report must include:
- 11 a. The contributor's occupation, employer, and the employer's principal place of
- 12 business; or
- 13 b. If the contributor was a political committee or political party, the name and mailing
- 14 address of the contributor.
- 15 5. Statements under this section must be filed with the secretary of state.
- 16 6. The secretary of state shall assess and collect fees for any reports filed after the filing
- 17 deadline.

18 **SECTION 6. AMENDMENT.** Section 16.1-08.1-03.1 of the North Dakota Century Code is
19 amended and reenacted as follows:

20 **16.1-08.1-03.1. ~~Contributions statement~~Special requirements for statements required**
21 **of measure committees circulating or promoting passage or defeat of initiated or**
22 **referred measure.**

- 23 1. ~~Any person or measure committee, as described in section 16.1-08.1-01, that is~~
- 24 ~~soliciting or accepting a contribution for the purpose of aiding or opposing the~~
- 25 ~~circulation or passage of a statewide initiative or referendum petition or measure~~
- 26 ~~placed upon a statewide ballot by action of the legislative assembly at any election~~
- 27 ~~shall file a statement in accordance with this subsection if the person has received any~~
- 28 ~~contribution in excess of one hundred dollars. The statement must include the name~~
- 29 ~~and mailing address of each person that contributed in excess of one hundred dollars~~
- 30 ~~to the person, the amount of each reportable contribution, and the date each~~
- 31 ~~reportable contribution was received. The statement must include the name and~~

1 mailing address of each recipient of an expenditure exceeding one hundred dollars in
2 the aggregate, the amount of each reportable expenditure, and the date the
3 expenditure was made.

4 2. A person or measure committee as described in section 16.1-08.1-01 which 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 may not accept a
8 contribution of more than one hundred dollars from an out-of-state person or political
9 committee unless the contribution is accompanied by a certified statement from the
10 contributor listing the name, address, and amount contributed by each person that
11 contributed more than one hundred dollars of the contribution. The statement must
12 indicate if no person contributed in excess of one hundred dollars of the out-of-state
13 person's or political committee's overall contribution. The certified statement must also
14 list the occupation, employer, and principal place of business for each individual who
15 contributed more than one hundred dollars of the contribution. The person soliciting or
16 accepting a contribution for the purpose of aiding the circulation of a statewide
17 initiative or referendum petition or of promoting passage or defeat of a statewide
18 initiated or referred measure shall include this statement with the contribution
19 statement required to be filed under subsection 1.

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

- 1 a. ~~The gross total of all contributions received and expenditures made in excess of~~
2 ~~one hundred dollars;~~
- 3 b. ~~The gross total of all contributions received and expenditures made of one~~
4 ~~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~~For each reportable contribution under section 4 of this Act, the threshold
7 for reporting is one hundred dollars for any person or measure committee
8 circulating or promoting passage or defeat of an initiated or referred measure.
- 9 2. For contributions received from an out-of-state contributor, a person or measure
10 committee circulating or promoting passage or defeat of an initiated or referred
11 measure shall include the following information regarding subcontributors in the
12 statements required under section 45 of this Act:
- 13 a. A designation as to whether any person contributed in excess of one hundred
14 dollars of the total contribution;
- 15 b. The name and mailing address of each subcontributor that contributed in excess
16 of one hundred dollars of the total contribution;
- 17 c. The contribution amounts of each disclosed subcontributor; and
- 18 d. The occupation, employer, and address for the employer's principal place of
19 business of each disclosed subcontributor.
- 20 3. An initiative and referendum sponsoring committee also shall file a disclosure
21 statement by the date the secretary of state approves the petition for circulation, and
22 shall file an additional statement on the date the petitions containing the required
23 number of signatures are submitted to the secretary of state for review. The
24 statements required under this subsection must be in the same form as the year-end
25 statements under section 45 of this Act.
- 26 4. A sponsoring committee shall file a statement regarding its intent to compensate
27 circulators before paying for petitions to be circulated.

28 **SECTION 7. AMENDMENT.** Section 16.1-08.1-03.3 of the North Dakota Century Code is
29 amended and reenacted as follows:

1 **16.1-08.1-03.3. Campaign contributions by corporations, cooperative corporations,**
2 **limited liability companies, and associations - Violation - Penalty - Political action**
3 **committees authorized.**

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

- 8 a. The person or persons controlling the fund to make contributions or expenditures
9 utilizing money or anything of value secured by physical force, job discrimination,
10 financial reprisals, or the threat of them; or utilize money from dues, fees,
11 treasury funds, or other money required as a condition of membership in an
12 association, or as a condition of employment; or utilize money obtained in any
13 commercial transaction. Moneys from fees, dues, treasury funds, or money
14 obtained in a commercial transaction may, however, be used to pay costs of
15 administration of the fund.
- 16 b. Any person soliciting an employee, stockholder, patron, board member, or
17 member for a contribution to the fund to fail to inform the employee or member of
18 the political purposes of the fund at the time of the solicitation or of the general
19 political philosophy intended to be advanced through committee activities.
- 20 c. Any person soliciting an employee or member for a contribution to the fund to fail
21 to inform the employee or member at the time of the solicitation of the right to
22 refuse to contribute without any reprisal.
- 23 d. Any contribution to be accepted without keeping an accurate record of the
24 contributor and amount contributed and of amounts expended for political
25 purposes.
- 26 e. Any contribution to be accepted from any person ~~who~~ is not an employee, a
27 stockholder, a patron, a board member or a member of the corporation,
28 cooperative corporation, limited liability company, or association maintaining the
29 political action committee, except a corporation may accept a contribution from
30 an employee, a stockholder, a patron, a board member, or a member of an
31 affiliate or a subsidiary of the corporation.

- 1 f. Any expenditure made for political purposes to be reported under this section
2 before control of the expenditure has been released by the political action
3 committee except if there is a contract, a promise, or an agreement, expressed or
4 implied, to make such expenditure.
- 5 2. ~~All political action committees, as described in section 16.1-08.1-01, formed for the~~
6 ~~purpose of administering the segregated fund provided for in this section shall file a~~
7 ~~statement showing the name and mailing address of each contributor of an amount in~~
8 ~~excess of two hundred dollars in the aggregate for the reporting period and a listing of~~
9 ~~all expenditures of an amount in excess of two hundred dollars in the aggregate made~~
10 ~~for political purposes with the secretary of state. The statement must include the~~
11 ~~amount of each reportable contribution and the date it was received and the amount of~~
12 ~~each reportable expenditure and the date it was made. A year-end statement covering~~
13 ~~the entire calendar year must be filed no later than the thirty-first day of January of the~~
14 ~~following year. A pre-election statement must be filed no later than the thirty-second~~
15 ~~day before any primary, special, or general election and must be complete from the~~
16 ~~beginning of the calendar year through the fortieth day before the election. Even if a~~
17 ~~political action committee has not received any contributions or made any~~
18 ~~expenditures in excess of two hundred dollars during the reporting period, the political~~
19 ~~action committee shall file a statement as required by this chapter. A statement filed~~
20 ~~according to this section during the reporting period must show the following:~~
- 21 a. ~~The gross total of all contributions received and expenditures made in excess of~~
22 ~~two hundred dollars;~~
- 23 b. ~~The gross total of all contributions received and expenditures made of two~~
24 ~~hundred dollars, or less; and~~
- 25 c. ~~The cash on hand in the filer's account at the start and close of the reporting~~
26 ~~period.~~
- 27 3. ~~A political action committee shall report the occupation, employer, and principal place~~
28 ~~of business of each person, or the political committee if not already registered~~
29 ~~according to state or federal law, who contributed five thousand dollars or more in the~~
30 ~~aggregate during the reporting period.~~

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

7 ~~5-3.~~ If an officer, employee, agent, attorney, or other representative of a corporation,
8 cooperative corporation, limited liability company, or association makes any
9 contribution prohibited by this section out of corporate, cooperative corporation, limited
10 liability company, or association funds or otherwise violates this section, it is prima
11 facie evidence of a violation by the corporation, cooperative corporation, limited liability
12 company, or association.

13 ~~6-4.~~ A violation of this section may be prosecuted in the county where the contribution is
14 made or in any county in which it has been paid or distributed.

15 ~~7-5.~~ It is a class A misdemeanor for an officer, director, stockholder, manager, governor,
16 member, attorney, agent, or representative of any corporation, cooperative
17 corporation, limited liability company, or association to violate this section or to counsel
18 or consent to any violation. Any person ~~who~~that solicits or knowingly receives any
19 contribution in violation of this section is guilty of a class A misdemeanor.

20 ~~8-6.~~ Any officer, director, stockholder, manager, governor, member, attorney, agent, or
21 representative who makes, counsels, or consents to the making of a contribution in
22 violation of this section is liable to the company, corporation, limited liability company,
23 or association for the amount so contributed.

24 **SECTION 8.** A new section to chapter 16.1-08.1 of the North Dakota Century Code is
25 created and enacted as follows:

26 **Personal use of contributions prohibited.**

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

- 29 1. Give a personal benefit to the candidate or another person;
30 2. Make a loan to another person;

1 3. Knowingly pay more than the fair market value for goods or services purchased for the
2 campaign; or

3 4. Pay a criminal fine or civil penalty.

4 **SECTION 9. AMENDMENT.** Subsection 3 of section 16.1-08.1-05 of the North Dakota
5 Century Code is amended and reenacted as follows:

6 3. An audit may not be made or requested of a statement for the sole reason that it was
7 not timely filed with the secretary of state. An audit made or arranged according to this
8 section must audit only those items required to be included in any statement,
9 registration, or report filed with the secretary of state according to this chapter. The
10 secretary of state may collect any payment obligation arising out of this section by civil
11 action or by assignment to a collection agency, with any costs of collection to be
12 added to the amount owed and to be paid by the delinquent filer. Any remaining
13 moneys collected by the secretary of state after an audit is paid for under this section
14 must be deposited in the state's general fund. This section does not apply to
15 statements filed ~~according to sections 16.1-08.1-03.10 and~~ under section
16 16.1-08.1-03.11 or to statements filed by candidates for county office or by candidate
17 committees for candidates for county office.

18 **SECTION 10. AMENDMENT.** Subsection 5 of section 16.1-12-02.2 of the North Dakota
19 Century Code is amended and reenacted as follows:

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

27 **SECTION 11. REPEAL.** Sections 16.1-08.1-02, 16.1-08.1-03, 16.1-08.1-03.1,
28 16.1-08.1-03.8, 16.1-08.1-03.9, 16.1-08.1-03.10, 16.1-08.1-03.11, 16.1-08.1-03.12,
29 16.1-08.1-03.13, and 16.1-08.1-04 of the North Dakota Century Code are repealed.