

March 13, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

ENGROSSED SENATE BILL NO. 2004

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the ethics
2 commission; to create and enact a new section to chapter 54-03 and a new section to chapter
3 54-66 of the North Dakota Century Code, relating to immunity and a defense for individuals
4 voting on legislation and closure of an ethics commission investigation; to amend and reenact
5 section 12.1-13-02, subsection 4 of section 54-66-12, and section 54-66-18 of the North Dakota
6 Century Code, relating to immunity from criminal prosecution, confidential information related to
7 a complaint made to the ethics commission, and conflicts of interest; and to declare an
8 emergency.

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

10 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
11 as may be necessary, are appropriated out of any moneys in the general fund in the state
12 treasury, not otherwise appropriated, to the ethics commission for the purpose of defraying the
13 expenses of the ethics commission, for the biennium beginning July 1, 2025, and ending
14 June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
17 Ethics commission	\$1,041,374	\$308,563	\$1,349,937
18 New and vacant FTE pool	0	246,304	246,304
19 Total general fund	\$1,041,374	\$554,867	\$1,596,241
20 Full-time equivalent positions	3.00	1.00	4.00

1	Ethics commission	\$1,041,374	\$292,273	\$1,333,647
2	New and vacant FTE pool	0	9,935	9,935
3	Total general fund	\$1,041,374	\$302,208	\$1,343,582
4	Full-time equivalent positions	3.00	0.00	3.00

5 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

6 **SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
7 items included in the appropriation in section 1 of this Act which are not included in the entity's
8 base budget for the 2027-29 biennium and which the entity shall report to the appropriations
9 committees of the seventieth legislative assembly regarding the use of this funding:

10	<u>One-Time Funding Description</u>	<u>General Fund</u>	
11	Case management system		\$50,000
12	Office furniture		2,348
13	New FTE position one-time costs		5,484
14	Total		\$57,832
15	Office furniture		2,348
16	Total		\$52,348

17 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The
18 ethics commission may not spend funds appropriated in the new and vacant FTE pool line item
19 in section 1 of this Act, but may request the office of management and budget to transfer funds
20 from the new and vacant FTE pool line item to the ethics commission line item in accordance
21 with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the
22 sixty-ninth legislative assembly.

23 **SECTION 4. AMENDMENT.** Section 12.1-13-02 of the North Dakota Century Code is
24 amended and reenacted as follows:

25 **12.1-13-02. Speculating or wagering on official action or information.**

- 26 1. ~~A person~~An individual is guilty of a class A misdemeanor if during employment as a
27 public servant, or within one year thereafter, in contemplation of official action by
28 ~~himself~~the individual as a public servant or by a government agency with which ~~he~~the
29 individual is or has been associated as a public servant, or in reliance on information
30 to which ~~he~~the individual has or had access only in ~~his~~the individual's capacity as a
31 public servant, ~~he~~the individual:

- 1 a. Acquires a pecuniary interest in any property, transaction, or enterprise which
- 2 may be affected by ~~such~~the information or official action;
- 3 b. Speculates or wagers on the basis of ~~such~~the information or official action; or
- 4 c. Aids another individual to do any of the foregoing.
- 5 2. ~~A person~~An individual is guilty of a class A misdemeanor if as a public servant ~~he~~the
- 6 individual takes official action which is likely to benefit ~~him~~the individual as a result of
- 7 an acquisition of a pecuniary interest in any property, transaction, or enterprise, or of a
- 8 speculation or wager, which ~~he~~the individual made, or caused or aided another to
- 9 make, in contemplation of ~~such~~the official action.

10 3. An individual is immune from prosecution under this section if:

- 11 a. The individual was a member of the legislative assembly at the time the official
- 12 action was taken;
- 13 b. The official action was a vote on a measure in the senate or house of
- 14 representatives or a legislative committee; and
- 15 c. The individual adhered to legislative conflict of interest rules requiring an
- 16 individual to disclose a personal or private interest to the member's respective
- 17 chamber of the legislative assembly, legislative committee, the president of the
- 18 senate, or the speaker of the house.

19 **SECTION 5.** A new section to chapter 54-03 of the North Dakota Century Code is created
20 and enacted as follows:

21 **Voting on legislation - Immunity - Affirmative defense.**

22 If an individual who is a member of the legislative assembly adheres to:

- 23 1. Legislative rules requiring an individual to disclose a personal or private interest to the
- 24 member's respective chamber of the legislative assembly, a legislative committee, the
- 25 president of the senate, or speaker of the house, the individual and an organization for
- 26 which the individual is an agent, as defined in section 12.1-03-04 is immune from
- 27 criminal prosecution under the laws of this state for an offense arising from the
- 28 individual voting on a measure in a legislative committee, the senate, or the house of
- 29 representatives.
- 30 2. Informal advice from a staff member of the ethics commission, reliance on the advice
- 31 is an affirmative defense in a prosecution for an offense arising from the individual

voting on a measure in a legislative committee, the senate, or the house of
representatives.

SECTION 6. A new section to chapter 54-66 of the North Dakota Century Code is created and enacted as follows:

Issuance of alleged violation - Closure of the matter.

Upon completion of an investigation, the executive director shall prepare a report and recommendation to the commission to close the matter or issue an alleged violation. The commission may issue an alleged violation, require additional investigation, or close the matter. Each case must be closed within one hundred eighty days of receipt by the commission of the underlying complaint.

SECTION 7. AMENDMENT. Subsection 4 of section 54-66-12 of the North Dakota Century Code is amended and reenacted as follows:

4. The information deemed confidential in subsections 1 and 2 may be disclosed by the accused individual and the ethics commission if the accused individual agrees to the disclosure.

SECTION 8. AMENDMENT. Section 54-66-18 of the North Dakota Century Code is amended and reenacted as follows:

54-66-18. Conflicts of interest - Legislative assembly.

1. Each legislative assembly shall adopt conflict of interest rules. The rules must:
 - a. Require the disclosure by a member of a potential conflict of interest relating to any bill in which the member may have a ~~direct, unique, substantial, or~~ and individual interest.
 - b. Ensure a mechanism is in place to record each disclosure and make it readily available to the public.
2. If the legislative assembly adopts rules under subsection 1 which are at least as restrictive as the conflict of interest rules adopted by the ethics commission, the disclosure process portion of the conflict of interest rules adopted by the ethics commission may not apply to members of the legislative assembly.

SECTION 9. EMERGENCY. Sections 4, 5, 6, 7, and 8 of this Act are declared to be an emergency measure.