

October 2000

CAMPAIGN CONTRIBUTIONS RECEIVED BY THE STATE TREASURER'S OFFICE PRESERVATION COMMITTEE FROM NATIONAL AND REGIONAL STATE TREASURER ORGANIZATIONS AND DUES PAID TO THOSE ENTITIES BY NORTH DAKOTA STATE AGENCIES

The Legislative Council chairman, in a letter dated June 9, 2000, assigned to the Legislative Audit and Fiscal Review Committee, the duty of obtaining information and reviewing the appropriateness of campaign contributions made by the National Association of State Treasurers and affiliated organizations to the State Treasurer's Office Preservation (STOP) Committee, a committee opposed to measure No. 3 in the June 2000 primary election.

STATE TREASURER'S OFFICE PRESERVATION COMMITTEE Organization and Purpose

The STOP Committee is a committee registered with the Secretary of State's office in opposition to constitutional measure No. 3, which was defeated in the June 13, 2000, primary election. Measure No. 3 proposed to remove the State Treasurer as an elected state officer, effective January 1, 2003.

Contributions Received

Campaign contribution statements filed with the Secretary of State's office by the STOP Committee indicate that the following reportable contributions were received to support the committee's campaign in opposition to measure No. 3:

Contributor	Contributor's State of Residence	Amount of Contribution
Mr. Bob Hanson	North Dakota	\$150
Mr. Jack Markel	Delaware	500
Midwest Association of State Treasurers	Minnesota	5,000
National Association of State Treasurers	Kentucky	30,000
Northeast State Treasurers Association	Vermont	5,000
Southern State Treasurers Association	Kentucky	5,000
Western State Treasurers Association	Utah	5,000
Total		\$50,650

NATIONAL ASSOCIATION OF STATE TREASURERS

Organizational Structure

The National Association of State Treasurers was founded in 1976 and is composed of state treasurers and state finance officials with comparable responsibilities from each state, territory, and the District of Columbia. The National Association of State Treasurers web site describes the association as "a professional, nonpartisan organization that provides a forum for the exchange of information and significant developments in state finance."

There are four regional divisions of the National Association of State Treasurers:

1. Midwest Association of State Treasurers.
2. Northeast State Treasurers Association.
3. Southern State Treasurers Association.
4. Western State Treasurers Association.

The regional associations are not separate dues-collecting entities. Membership in a regional association is granted to each member of the National Association of State Treasurers based on the member's respective geographic location.

Two affiliated organizations have been formed in association with the National Association of State Treasurers--the College Savings Plans Network and the State Debt Management Network.

The College Savings Plans Network was formed in 1991 to serve as a clearinghouse for information regarding college savings programs, to monitor related federal activities, and to promote legislation positively affecting state college savings plans. Membership in the College Savings Plans Network is open to all officials and senior staff in the executive and legislative branches of state government who have responsibilities relating to college savings plans.

The State Debt Management Network was also formed in 1991 and includes officials from all branches of state government. The State Debt Management Network was formed to promote the sharing of information on the issuance, management, and oversight of public debt.

Response to Committee Inquiry

The directive from the Legislative Council chairman to the Legislative Audit and Fiscal Review Committee includes:

- Determining whether dues revenues paid by states, including North Dakota, were used for political purposes in this state.
- Reviewing the tax status of the organizations that made the political contributions.

A letter dated July 13, 2000, was sent to the National Association of State Treasurers to request information relating to these issues. The letter received by the Legislative Council office from the National Association of State Treasurers on September 19, 2000, is attached as an appendix. The letter does not provide information regarding the source of the moneys used to fund the contributions provided by the National Association of State Treasurers and its regional divisions to the STOP Committee. The letter indicates

that the association is organized under Section 501(c)(6) of the Internal Revenue Code. Although entities organized under Section 501(c)(3) are prohibited from attempting to influence legislation or participating in any political campaign, entities organized under Section 501(c)(6) are not so prohibited.

STATE AGENCY DUES

The North Dakota State Treasurer's office is a member of the National Association of State Treasurers and the Midwest Association of State Treasurers. The Midwest Association of State Treasurers is a regional division of the National Association of State Treasurers and does not collect dues. During each year of the 1997-99 and 1999-2001 bienniums, the following amounts were paid, or are budgeted to be paid, by the State Treasurer's office to the National Association of State Treasurers:

	1997-99 Biennium		1999-2001 Biennium	
	Paid in 1997-98	Paid in 1998-99	Paid in 1999-2000	Budgeted to Be Paid in 2000-01
Dues paid by the North Dakota State Treasurer's office to the National Association of State Treasurers	\$1,000	\$1,500	\$1,500	\$1,500

In addition to dues paid to the National Association of State Treasurers, the State Treasurer's office paid \$650 in dues to the College Savings Plans Network during the 1997-99 biennium. The State Treasurer's office has not budgeted any amount to be paid to the College Savings Plans Network during the 1999-2001 biennium.

Three other state agencies--the Industrial Commission, the Municipal Bond Bank, and the Bank of North Dakota--are members of the National Association of

State Treasurers affiliated organizations. The Industrial Commission is a member of the State Debt Management Network, the Municipal Bond Bank is an associate member of the State Debt Management Network, and the Bank of North Dakota is a member of the College Savings Plans Network. Dues paid, or budgeted to be paid, by these agencies to the National Association of State Treasurers affiliated organizations are as follows:

Agency	1997-99 Biennium		1999-2001 Biennium	
	Paid in 1997-98	Paid in 1998-99	Paid in 1999-2000	Budgeted to Be Paid in 2000-01
Industrial Commission	\$200	\$200	\$250	\$250
Municipal Bond Bank	\$50	\$50	\$50	\$50
Bank of North Dakota	\$0	\$800	\$800	\$800

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