

**FIRST ENGROSSMENT
with Conference Committee Amendments
ENGROSSED SENATE BILL NO. 2299**

Introduced by

Senators Luick, Nelson, Wardner

Representatives Karls, Paur, Thoreson

1 A BILL for an Act to create and enact section 16.1-08.1-03.13 of the North Dakota Century
2 Code, relating to campaign contribution statements required of initiated petition sponsoring
3 committees; to amend and reenact section 16.1-08.1-01, subsection 3 of section 16.1-08.1-02,
4 subsection 2 of section 16.1-08.1-03, sections 16.1-08.1-03.1, 16.1-08.1-03.2, 16.1-08.1-03.3,
5 16.1-08.1-03.5, and 16.1-08.1-03.7, subsection 3 of section 16.1-08.1-03.8, subsection 2 of
6 section 16.1-08.1-03.9, subsection 2 of section 16.1-08.1-03.10, subsection 2 of section
7 16.1-08.1-03.11, and sections 16.1-08.1-03.12, 16.1-08.1-04, 16.1-08.1-05, 16.1-08.1-06,
8 16.1-08.1-06.1, and 16.1-08.1-07 of the North Dakota Century Code, relating to campaign
9 finance; to provide a penalty; and to provide an effective date.

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

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

13 **16.1-08.1-01. Definitions.**

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

- 15 1. "Association" means any club, association, union, brotherhood, fraternity, organization,
16 or group of any kind of two or more persons, including labor unions, trade
17 associations, professional associations, or governmental associations, which is united
18 for any purpose, business, or object and which assesses any dues, membership fees,
19 or license fees in any amount, or which maintains a treasury fund in any amount. The
20 term does not include corporations, cooperative corporations, limited liability
21 companies, political committees, or political parties.
- 22 2. "Candidate" means an individual who seeks nomination for election or election to
23 public office, and includes:
- 24 a. ~~A person~~An individual holding public office;

- 1 b. ~~A person~~An individual who has publicly declared that ~~person's~~individual's
2 candidacy for nomination for election or election to public office or has filed or
3 accepted a nomination for public office;
- 4 c. ~~A person~~An individual who has formed a campaign or other committee for that
5 ~~person's~~individual's candidacy for public office;
- 6 d. ~~A person~~An individual who has circulated a nominating petition to have that
7 ~~person's~~individual's name placed on the ballot; and
- 8 e. ~~A person~~An individual who has, in any manner, solicited or received a
9 contribution for that ~~person's~~individual's candidacy for public office, whether
10 before or after the election for that office.
- 11 3. "Contribution" means a gift, transfer, conveyance, provision, receipt, subscription,
12 loan, advance, deposit of money, or anything of value, made for the purpose of
13 influencing the nomination for election, or election, of any person to public office or
14 aiding or opposing the circulation or passage of a statewide initiative or referendum
15 petition or measure. The term also means a contract, promise, or agreement, express
16 or implied, whether or not legally enforceable, to make a contribution for any of the
17 above purposes. The term includes funds received by a candidate for public office or a
18 political party or committee which are transferred or signed over to that candidate,
19 party, or committee from another candidate, party, or political committee or other
20 source. The term "anything of value" includes any good or service of more than a
21 nominal value. The term "nominal value" means the cost, price, or worth of the good or
22 service is trivial, token, or of no appreciable value. The term "contribution" does not
23 include:
- 24 a. A loan of money from a bank or other lending institution made in the regular
25 course of business.
- 26 b. Time spent by volunteer campaign or political party workers.
- 27 c. Money spent by a candidate on the candidate's own behalf.
- 28 d. Money or anything of value received for commercial transactions, including rents,
29 advertising, or sponsorships made as a part of a fair market value bargained-for
30 exchange.

- 1 e. Money or anything of value received by a candidate in that person's personal
2 capacity, including pursuant to a contract or agreement made for personal or
3 private employment purposes, and not received for a political purpose or to
4 influence the performance of that person's official duty.
- 5 f. Contributions of products or services for which the actual cost or fair market
6 value are reimbursed by a payment of money.
- 7 g. An independent expenditure.
- 8 4. "Cooperative corporations", "corporations", and "limited liability companies" are as
9 defined in this code, and for purposes of this chapter "corporations" includes nonprofit
10 corporations. However, if a political committee, the only purpose of which is accepting
11 contributions and making expenditures for a political purpose, incorporates for liability
12 purposes only, the committee is not considered a corporation for the purposes of this
13 chapter.
- 14 5. ~~"Direct expenditure" means an expenditure made by a corporation, cooperative~~
15 ~~corporation, limited liability company, or association for the specific purpose of~~
16 ~~promoting passage or defeat of an initiated or referred measure without the express or~~
17 ~~implied consent, authorization, or cooperation of, and not in concert with or at the~~
18 ~~request or suggestion of a measure committee.~~
- 19 6. "Expenditure" means a:
- 20 a. A gift, transfer, conveyance, provision, loan, advance, payment, distribution,
21 disbursement, outlay, or deposit of money or anything of value, except a loan of
22 money from a bank or other lending institution made in the regular course of
23 business, made for a political purpose or for the direct purpose of influencing the
24 passage or defeat of a measure or the nomination for election, or election, of any
25 individual to office. The term also means a
- 26 b. A contract, promise, or agreement, express or implied, whether or not legally
27 enforceable, to make any expenditure and includes the.
- 28 c. The transfer of funds by a political committee to another political committee.
- 29 d. An independent expenditure.

- 1 ~~7.6.~~ "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.
- 4 7. "Independent expenditure" means an expenditure made for a political purpose or for
5 the purpose of influencing the passage or defeat of a measure if the expenditure is
6 made without the express or implied consent, authorization, or cooperation of, and not
7 in concert with or at the request or suggestion of, any candidate or a candidate
8 committee or measure committee.
- 9 8. "Patron" means a person who owns equity interest in the form of stock, shares, or
10 membership or maintains similar financial rights in a cooperative corporation.
- 11 ~~8.9.~~ "Person" means an individual, partnership, political committee, association,
12 corporation, cooperative corporation, limited liability company, or other organization or
13 group of persons.
- 14 ~~9.10.~~ "Political committee" means any committee, club, association, or other group of
15 persons which receives contributions or makes expenditures for political purposes and
16 includes the following:
- 17 a. A political action committee, derived from a corporation, cooperative corporation,
18 limited liability company, or an association that is prohibited from making ~~direct~~
19 ~~contributions~~a contribution for political purposes under section
20 ~~16-1-08.1-03.3~~16.1-08.1-03.5, and which solicits or receives contributions or
21 makes expenditures for political purposes;
- 22 b. A candidate committee, established to support an individual candidate seeking
23 statewide office, that solicits or receives contributions for political purposes;
- 24 c. ~~A~~A political organization governed by section ~~527~~ of the Internal Revenue Code
25 ~~[26 U.S.C. 527]~~and registered with the federal election commission, which solicits
26 or receives contributions or makes expenditures for political purposes;
- 27 d. A multicandidate political committee, established to support multiple groups or
28 slates of candidates seeking public office, that solicits or receives contributions
29 for political purposes; ~~and~~
- 30 e. A measure committee that solicits or receives contributions for the purpose of
31 aiding or opposing a measure to be voted upon by the voters of the state; and

1 f. An incidental committee.

2 ~~40.11.~~ "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 ~~41.12.~~ "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 state office or any position taken in any bona fide news
16 story, commentary, or editorial.

17 ~~42.13.~~ "Public office" means every office to which ~~persons~~an individual can be elected by
18 vote of the people under the laws of this state.

19 **SECTION 2. AMENDMENT.** Subsection 3 of section 16.1-08.1-02 of the North Dakota
20 Century Code is amended and reenacted as follows:

21 3. The candidate committee, or candidate for statewide office who does not have a
22 candidate committee, and any candidate for legislative office shall file the statement in
23 the office of the secretary of state no later than the ~~twelfth~~thirty-second day before the
24 date of the election in which the candidate's name appears on the ballot or in which
25 the candidate seeks election through write-in votes complete from the beginning of
26 that calendar year through the ~~twentieth~~fortieth day before the date of the election.
27 Every candidate committee, or candidate for statewide office who does not have a
28 candidate committee, and every candidate for legislative office shall file a complete
29 statement for each calendar year no later than the thirty-first day of January of the
30 following year, regardless of whether the candidate sought election during that
31 calendar year.

1 **SECTION 3. AMENDMENT.** Subsection 2 of section 16.1-08.1-03 of the North Dakota
2 Century Code is amended and reenacted as follows:

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

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

11 **16.1-08.1-03.1. Contributions statement required of persons and measure committees**
12 **circulating or promoting passage or defeat of initiated or referred measure.**

13 1. ~~At the time the sponsoring committee for an initiated measure petition submits signed~~
14 ~~petitions to the secretary of state, the committee also shall submit a statement~~
15 ~~disclosing the total amount of contributions received by the committee to aid the~~
16 ~~committee in drafting and circulating the petition, the name and mailing address of~~
17 ~~each person that contributed more than one hundred dollars in the aggregate to the~~
18 ~~sponsoring committee, the date each such contribution was received, and the total~~
19 ~~amount of expenditures made by the committee to aid in the drafting and circulation of~~
20 ~~the petition.~~

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

1 the aggregate, the amount of each reportable expenditure, and the date the
2 expenditure was made.

3 ~~3-2.~~ A person or measure committee that is soliciting or accepting a contribution for the
4 purpose of aiding or opposing the circulation or passage of a statewide initiative or
5 referendum petition or measure placed upon a statewide ballot by action of the
6 legislative assembly may not accept a contribution of more than one hundred dollars
7 from an out-of-state person or political committee unless the contribution is
8 accompanied by a certified statement from the contributor listing the name, address,
9 and amount contributed by each person that contributed more than one hundred
10 dollars of the contribution. The statement must indicate if no person contributed in
11 excess of one hundred dollars of the out-of-state person's or political committee's
12 overall contribution. The certified statement must also list the occupation, employer,
13 and principal place of business for each individual who contributed more than one
14 hundred dollars of the contribution. The person soliciting or accepting a contribution for
15 the purpose of aiding the circulation of a statewide initiative or referendum petition or
16 of promoting passage or defeat of a statewide initiated or referred measure shall
17 include this statement with the contribution statement required to be filed under
18 subsection 21.

19 ~~4-3.~~ The statement required of a person or measure committee under subsection 21 must
20 be filed with the secretary of state no later than the ~~twelfth~~thirty-second day before the
21 date of the election in which the measure appears or would have appeared on the
22 ballot complete from the beginning of that calendar year through the ~~twentieth~~fortieth
23 day before the date of the election. A complete statement for the entire calendar year
24 for each statement required to be filed under ~~subsections 2 and 3~~this section must be
25 filed no later than the thirty-first day of January of the following year. Even if a person
26 required to report according to this section has not received any contributions in
27 excess of one hundred dollars during the reporting period, the person shall file a
28 statement as required by this chapter. A statement filed according to ~~subsections 2-~~
29 ~~and 3~~this section during the reporting period must show the following:

30 a. The gross total of all contributions received and expenditures made in excess of
31 one hundred dollars;

- 1 b. The gross total of all contributions received and expenditures made of one
2 hundred dollars, or less; and
3 c. The cash on hand in the filer's account at the start and close of the reporting
4 period.

5 **SECTION 5. AMENDMENT.** Section 16.1-08.1-03.2 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **16.1-08.1-03.2. Political committee registration.**

8 A statewide, judicial, or legislative candidate or political committee as defined in section
9 16.1-08.1-01 shall register its name, and address, and its agent's name and address, and a
10 designation as to whether the committee is incorporated solely for the purpose of liability
11 protection, with the secretary of state each calendar year ~~in which it receives any contribution~~.
12 The registration must be completed within fifteen business days of the receipt of any
13 contribution or expenditure made ~~and must be submitted with a registration fee of twenty-five~~
14 ~~dollars~~. A political committee that organizes and registers according to federal law and makes
15 an independent expenditure or makes a disbursement in excess of two hundred dollars to a
16 nonfederal candidate seeking public office, a political party, or political committee in this state is
17 not required to register as a political committee according to this section if the political
18 committee reports according to section 16.1-08.1-03.7. An incidental political committee is
19 required to register under this section only as a result of making a reportable expenditure or
20 contribution in the aggregate during any reporting period, but the registration under this section
21 does not change the nature of business for the organization. Registration under this section
22 does not reserve the name for exclusive use nor does it constitute registration of a trade name
23 under chapter 47-25.

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

26 **16.1-08.1-03.3. Campaign contributions by corporations, cooperative corporations,**
27 **limited liability companies, and associations prohibited - Violation - Penalty - Political**
28 **action committees authorized.**

- 29 1. ~~A corporation, cooperative corporation, limited liability company, or association may~~
30 ~~not make a direct contribution:~~

Sixty-third
Legislative Assembly

- 1 a. ~~To aid any political party, political committee, or organization except that a direct-~~
2 ~~contribution may be made to a measure committee as provided in section-~~
3 ~~16.1-08.1-03.5.~~
- 4 b. ~~To aid any corporation, limited liability company, or association organized or-~~
5 ~~maintained for political purposes as defined in this chapter.~~
- 6 e. ~~To aid any candidate for public office or for nomination to public office.~~
- 7 d. ~~For any political purpose or the reimbursement or indemnification of any person-~~
8 ~~for money or property so used.~~
- 9 e. ~~For the influencing of any measure before the legislative assembly, except in-~~
10 ~~accordance with chapter 54-05.1.~~
- 11 2. ~~This section does not prohibit the establishment, administration, and solicitation of~~
12 corporation, cooperative corporation, limited liability company, or association may
13 establish, administer, and solicit contributions to a separate and segregated fund to be
14 utilized for political purposes by athe corporation, cooperative corporation, limited
15 liability company, or association. It is unlawful for:
- 16 a. The person or persons controlling the fund to make contributions or expenditures
17 utilizing money or anything of value secured by physical force, job discrimination,
18 financial reprisals, or the threat of them; or utilize money from dues, fees,
19 treasury funds, or other money required as a condition of membership in an
20 association, or as a condition of employment; or utilize money obtained in any
21 commercial transaction. Moneys from fees, dues, treasury funds, or money
22 obtained in a commercial transaction may, however, be used to pay costs of
23 administration of the fund.
- 24 b. Any person soliciting an employee, stockholder, patron, or member for a
25 contribution to the fund to fail to inform the employee or member of the political
26 purposes of the fund at the time of the solicitation or of the general political
27 philosophy intended to be advanced through committee activities.
- 28 c. Any person soliciting an employee or member for a contribution to the fund to fail
29 to inform the employee or member at the time of the solicitation of the right to
30 refuse to contribute without any reprisal.

- 1 d. Any contribution to be accepted without keeping an accurate record of the
2 contributor and amount contributed and of amounts expended for political
3 purposes.
- 4 e. Any contribution to be accepted from any person who is not an employee,
5 stockholder, patron, or member of the corporation, cooperative corporation,
6 limited liability company, or association maintaining the political action committee.
- 7 f. Any expenditure made for political purposes to be reported under this section
8 before control of the expenditure has been released by the political action
9 committee except if there is a contract, promise, or agreement, expressed or
10 implied, to make such expenditure.

- 11 3-2. All political action committees, as described in section 16.1-08.1-01, formed for the
12 purpose of administering the segregated fund provided for in this section shall file a
13 statement showing the name and mailing address of each contributor of an amount in
14 excess of two hundred dollars in the aggregate for the reporting period and a listing of
15 all expenditures of an amount in excess of two hundred dollars in the aggregate made
16 for political purposes with the secretary of state. The statement must include the
17 amount of each reportable contribution and the date it was received and the amount of
18 each reportable expenditure and the date it was made. A year-end statement covering
19 the entire calendar year must be filed no later than the thirty-first day of January of the
20 following year. A preelection statement must be filed no later than the
21 ~~twelfth~~thirty-second day before any primary, special, or general election and must be
22 complete from the beginning of the calendar year through the ~~twentieth~~fortieth day
23 before the election. Even if a political action committee has not received any
24 contributions or made any expenditures in excess of two hundred dollars during the
25 reporting period, the political action committee shall file a statement as required by this
26 chapter. A statement filed according to this section during the reporting period must
27 show the following:
- 28 a. The gross total of all contributions received and expenditures made in excess of
29 two hundred dollars;
- 30 b. The gross total of all contributions received and expenditures made of two
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 ~~4.3.~~ A political action committee shall report the occupation, employer, and principal place
4 of business of each person, or the political committee if not already registered
5 according to state or federal law, who contributed five thousand dollars or more in the
6 aggregate during the reporting period.

7 ~~5.4.~~ A person may not make a payment of that person's money or of another person's
8 money to any other person for a political purpose in any name other than that of the
9 person who supplies the money and a person may not knowingly receive the payment
10 nor enter nor cause the payment to be entered in that person's account or record in
11 any name other than that of the person by whom it actually was furnished.

12 ~~6.5.~~ If an officer, employee, agent, attorney, or other representative of a corporation,
13 cooperative corporation, limited liability company, or association makes any
14 contribution prohibited by this section out of corporate, cooperative corporation, limited
15 liability company, or association funds or otherwise violates this section, it is prima
16 facie evidence of a violation by the corporation, cooperative corporation, limited liability
17 company, or association.

18 ~~7.6.~~ A violation of this section may be prosecuted in the county where the contribution is
19 made or in any county in which it has been paid or distributed.

20 ~~8.7.~~ It is a class A misdemeanor for an officer, director, stockholder, manager, governor,
21 member, attorney, agent, or representative of any corporation, cooperative
22 corporation, limited liability company, or association to violate this section or to counsel
23 or consent to any violation. Any person who solicits or knowingly receives any
24 contribution in violation of this section is guilty of a class A misdemeanor.

25 ~~9.8.~~ Any officer, director, stockholder, manager, governor, member, attorney, agent, or
26 representative who makes, counsels, or consents to the making of a contribution in
27 violation of this section is liable to the company, corporation, limited liability company,
28 or association for the amount so contributed.

29 **SECTION 7. AMENDMENT.** Section 16.1-08.1-03.5 of the North Dakota Century Code is
30 amended and reenacted as follows:

1 **16.1-08.1-03.5. Allowable ~~corporate~~Corporate contributions and expenditures -**

2 **Report required.**

3 1. ~~Corporations, cooperative corporations, limited liability companies, and associations-~~
4 ~~may make contributions to a measure committee, as described in section-~~
5 ~~16.1-08.1-01, for the purpose of promoting passage or defeat of initiated or referred-~~
6 ~~measures. Corporations, cooperative corporations, limited liability companies, and~~
7 ~~associations may make expenditures and contributions for promoting any general~~
8 ~~political philosophy or belief deemed in the best interest of the employees,~~
9 ~~stockholders, patrons, or members of the corporation, cooperative corporation, limited~~
10 ~~liability company, or association other than a "political purpose" as defined by this~~
11 ~~chapter. A corporation, cooperative corporation, limited liability company, or~~
12 ~~association may not make a contribution for a political purpose.~~

13 2. A corporation, cooperative corporation, limited liability company, or association may
14 make a donation of property or money to a state political party or nonprofit entity
15 affiliated with or under the control of a state political party for deposit in a separate and
16 segregated fund. Money in the fund must be used exclusively by the state political
17 party or nonprofit entity affiliated with or under the control of a state political party for
18 purchasing, maintaining, or renovating a building and for the purchase of fixtures for
19 the building. A state political party or nonprofit entity affiliated with or under the control
20 of a state political party receiving a donation under this subsection shall file a
21 statement with the secretary of state no later than the thirty-first day of January of
22 each calendar year. The statement must include the name and mailing address of
23 each donor, the amount of each donation, the date each donation was received, all
24 expenditures made from the fund during the previous calendar year, and cash on hand
25 in the fund at the start and close of the reporting period. Any income and financial gain
26 generated from a building purchased, maintained, or renovated from donations
27 authorized under this subsection and not otherwise authorized by law must be
28 deposited in the building fund and must be reported when the political party or
29 nonprofit entity files the statement required under this subsection.

30 3. A corporation, cooperative corporation, limited liability company, or association may
31 make a contribution to a measure committee for the purpose of promoting the passage

1 or defeat of an initiated or referred measure or make a contribution to any other
2 person that makes an independent expenditure. A corporation, cooperative
3 corporation, limited liability company, or association may make a ~~direct~~ independent
4 expenditure for a political purpose or for the purpose of promoting passage or defeat
5 of initiated or referred measures. ~~A direct expenditure~~ The corporation, cooperative
6 corporation, limited liability company, or association shall file a statement must be
7 filed disclosing a contribution or an independent expenditure made under this
8 subsection with the secretary of state within forty-eight hours after making the
9 contribution or independent expenditure. The statement must include:

- 10 a. The full name of the corporation, cooperative corporation, limited liability
11 company, or association;
- 12 b. The complete address of the corporation, cooperative corporation, limited liability
13 company, or association;
- 14 c. ~~The name and telephone number of the person completing the report of the~~
15 recipient of the contribution or independent expenditure;
- 16 ~~The~~ if the contribution or independent expenditure is related to a measure, the
17 title of the measure and whether the contribution or independent expenditure is
18 made in support of or opposition to the measure;
- 19 ~~The~~ if the contribution or independent expenditure is related to a measure, the
20 election date on which the measure either will appear or did appear on the ballot;
- 21 f. The amount of the contribution or independent expenditure;
- 22 g. The cumulative total amount of contributions and independent expenditures since
23 the beginning of the calendar year ~~in support of or opposition to the~~
24 measure which are required to be reported under this subsection;
- 25 h. The telephone number and the printed name and signature of the
26 ~~person~~ individual completing the report, attesting to the report being true,
27 complete, and correct; and
- 28 i. The date on which the report was signed.

29 **SECTION 8. AMENDMENT.** Section 16.1-08.1-03.7 of the North Dakota Century Code is
30 amended and reenacted as follows:

1 **16.1-08.1-03.7. Political committees that organize and register according to federal**
2 **law that make independent expenditures or disbursements to nonfederal candidates,**
3 **political parties, and political committees.**

4 A political committee that organizes and registers according to federal law and makes an
5 independent expenditure or makes a disbursement in excess of two hundred dollars to a
6 nonfederal candidate seeking public office or to a political party or political committee in this
7 state shall file a copy of that portion of the committee's federal report detailing the independent
8 expenditure or the disbursement made ~~to the candidate~~. The political committee shall file a copy
9 of the committee's federal report with the secretary of state at the time of filing the report with
10 the applicable federal agency. The report must include:

- 11 1. The name, mailing address, and treasurer of the political committee;
- 12 2. The recipient's name and mailing address; and
- 13 3. The date and amount of the independent expenditure or disbursement made.

14 **SECTION 9. AMENDMENT.** Subsection 3 of section 16.1-08.1-03.8 of the North Dakota
15 Century Code is amended and reenacted as follows:

- 16 3. A multicandidate political committee required to file a statement under this section
17 shall file the statement in the office of the secretary of state no later than the
18 ~~twelfth~~thirty-second day before the date of any primary, special, or general election.
19 The statement must be complete from the beginning of that calendar year through the
20 ~~twentieth~~fortieth day before the date of the primary, special, or general election. The
21 political committee shall file a complete statement for the entire calendar year no later
22 than the thirty-first day of January of the following year in which the political committee
23 received a reportable contribution.

24 **SECTION 10. AMENDMENT.** Subsection 2 of section 16.1-08.1-03.9 of the North Dakota
25 Century Code is amended and reenacted as follows:

- 26 2. A candidate or a candidate committee described in this section shall file a statement
27 with the secretary of state no later than the ~~twelfth~~thirty-second day before the date of
28 the election in which the candidate's name appears on the ballot or in which the
29 candidate seeks election through write-in votes. The reporting period for each of these
30 statements is from the beginning of that calendar year through the ~~twentieth~~fortieth
31 day before the date of the election.

1 **SECTION 11. AMENDMENT.** Subsection 2 of section 16.1-08.1-03.10 of the North Dakota
2 Century Code is amended and reenacted as follows:

3 2. A candidate or a candidate committee described in this section shall file a statement
4 with the county auditor no later than the ~~twelfth~~thirty-second day before the date of the
5 election in which the candidate's name appears on the ballot or in which the candidate
6 seeks election through write-in votes. The reporting period for each of these
7 statements is from the beginning of that calendar year through the ~~twentieth~~fortieth
8 day before the date of the election.

9 **SECTION 12. AMENDMENT.** Subsection 2 of section 16.1-08.1-03.11 of the North Dakota
10 Century Code is amended and reenacted as follows:

11 2. A candidate or a candidate committee described in this section shall file a statement
12 with the city auditor no later than the ~~twelfth~~thirty-second day before the date of any
13 election in which the candidate's name appears on the ballot or in which the candidate
14 seeks election through write-in votes. The reporting period for each of these
15 statements is from the beginning of that calendar year through the ~~twentieth~~fortieth
16 day before the date of the election.

17 **SECTION 13. AMENDMENT.** Section 16.1-08.1-03.12 of the North Dakota Century Code is
18 amended and reenacted as follows:

19 **16.1-08.1-03.12. Contribution statements of political organizations incidental**
20 **committees and other political committees.**

21 ~~4. An organization governed by section 527 of the Internal Revenue Code [26 U.S.C.-~~
22 ~~527], which solicits or receives contributions or makes expenditures for political-~~
23 ~~purposes, shall file a statement showing the name and mailing address of each-~~
24 ~~contributor of an amount in excess of two hundred dollars in the aggregate for the-~~
25 ~~reporting period and a listing of all expenditures of an amount in excess of two-~~
26 ~~hundred dollars in the aggregate made for political purposes with the secretary of-~~
27 ~~state. The statement must include the amount of each reportable contribution and the-~~
28 ~~date the contribution was received. The statement must also include the amount of-~~
29 ~~each reportable expenditure and the date the expenditure was made.~~

Sixty-third
Legislative Assembly

- 1 2. ~~A preelection statement must be filed no later than the twelfth day before a primary,~~
2 ~~special, or general election and must be complete from the beginning of the calendar~~
3 ~~year through the twentieth day before the election.~~
- 4 3. ~~A year-end statement covering the entire calendar year must be filed no later than the~~
5 ~~thirty-first day of January of the following year.~~
- 6 4. ~~Even if such an organization has not received any contributions or made any~~
7 ~~expenditure in excess of two hundred dollars during the reporting period, the~~
8 ~~organization shall file a statement as required by this chapter.~~
- 9 5. ~~A statement filed according to this section during the reporting period must show the~~
10 ~~following:~~
 - 11 a. ~~The gross total of all contributions received and expenditures made in excess of~~
12 ~~two hundred dollars;~~
 - 13 b. ~~The gross total of all contributions received and expenditures made of two~~
14 ~~hundred dollars or less; and~~
 - 15 c. ~~The cash on hand in the filer's account at the start and close of the reporting~~
16 ~~period.~~
- 17 6. ~~The organization shall report the occupation, employer, and principal place of business~~
18 ~~of each person, or the political committee if not already registered according to state or~~
19 ~~federal law, that contributed five thousand dollars or more in the aggregate during the~~
20 ~~reporting period.~~
- 21 1. An incidental committee or political committee not otherwise covered by another
22 section of this chapter may make a contribution to a measure committee for the
23 purpose of promoting the passage or defeat of an initiated or referred measure or
24 make a contribution to any other person that makes an independent expenditure. The
25 incidental committee or political committee may make an independent expenditure for
26 a political purpose or for the purpose of promoting passage or defeat of initiated or
27 referred measures. The incidental committee or political committee shall file a
28 statement disclosing a contribution for a political purpose or an independent
29 expenditure made under this subsection with the secretary of state within forty-eight
30 hours after making the contribution or independent expenditure. The statement filed
31 under this subsection must include:

- 1 a. The full name of the incidental committee or political committee;
- 2 b. The complete address of the incidental committee or political committee;
- 3 c. The name of the recipient of the contribution or independent expenditure;
- 4 d. If the contribution or independent expenditure is related to a measure, the title of
5 the measure and whether the contribution or independent expenditure is made in
6 support of or opposition to the measure;
- 7 e. If the contribution or independent expenditure is related to a measure, the
8 election date on which the measure appeared or will appear on the ballot;
- 9 f. The amount of the contribution or independent expenditure made to a recipient in
10 this state;
- 11 g. The cumulative total of contributions and independent expenditures since the
12 beginning of the calendar year made to recipients in this state;
- 13 h. The telephone number, printed name, and signature of the individual completing
14 the report, attesting to the report being true, complete, and correct; and
- 15 i. The date on which the report was signed.
- 16 2. An incidental committee that solicits or accepts contributions for any political purpose
17 shall file a statement in the office of the secretary of state no later than the
18 thirty-second day before the date of any primary, special, or general election. The
19 statement must be complete from the beginning of that calendar year through the
20 fortieth day before the date of the primary, special, or general election. The committee
21 shall file a complete statement for the entire calendar year no later than the thirty-first
22 day of January of the following year in which the committee received a reportable
23 contribution. Even if an incidental committee has not received any contributions in
24 excess of two hundred dollars during the reporting period, the committee shall file a
25 statement as required under this chapter. A statement filed under this subsection
26 during the reporting period must show the following:
- 27 a. The gross total of all contributions received in excess of two hundred dollars;
- 28 b. The name and mailing address of each contributor that contributed in excess of
29 two hundred dollars in the aggregate to the committee during a reporting period;
- 30 c. The gross total of all contributions received of two hundred dollars or less;
- 31 d. The date the last reportable contribution was received;

- 1 e. The cash on hand in the filer's account at the start and close of the reporting
2 period; and
- 3 f. The occupation, employer, and principal place of business of each person, or the
4 political committee if not already registered according to state or federal law,
5 which contributed five thousand dollars or more in the aggregate during the
6 reporting period.

7 **SECTION 14.** Section 16.1-08.1-03.13 of the North Dakota Century Code is created and
8 enacted as follows:

9 **16.1-08.1-03.13. Contribution statements required of initiated petition sponsoring**
10 **committees.**

- 11 1. At the time the sponsoring committee for an initiated petition requests approval of the
12 secretary of state to circulate petitions for the purpose of placing a measure on the
13 ballot, the committee also shall submit a statement disclosing the contributions
14 received and the expenditures made for the purpose of drafting the petition.
- 15 2. At the time the sponsoring committee for an initiated petition submits signed petitions
16 to the secretary of state, the committee also shall submit a statement disclosing the
17 contributions received and expenditures made for the purpose of circulating the
18 petition.
- 19 3. If December thirty-first falls between the date the secretary of state approves the
20 petition for circulation and the date the signed petitions are submitted to the secretary
21 of state, a complete statement for the calendar year shall be filed no later than the
22 thirty-first day of January of the following year.
- 23 4. The sponsoring committee also shall file a complete statement for the calendar year in
24 which the measure appeared or was to appear on the ballot. This statement shall be
25 filed no later than the thirty-first day of January of the following year.
- 26 5. A sponsoring committee may not accept a contribution of more than one hundred
27 dollars from an out-of-state person or political committee unless the contribution is
28 accompanied by a statement from the contributor listing the name, address, and
29 amount contributed by each person that contributed more than one hundred dollars of
30 the contribution. The statement must indicate if no person contributed in excess of one
31 hundred dollars of the out-of-state person's or political committee's overall

1 contribution. The statement must also list the occupation, employer, and principal
2 place of business for each individual who contributed more than one hundred dollars
3 of the contribution.

4 6. The statements required of this section shall include:

5 a. The gross total of all contributions received and expenditures made in excess of
6 one hundred dollars;

7 b. The gross total of all contributions received and expenditures made of one
8 hundred dollars or less;

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

11 d. The name and mailing address of each person that contributed in excess of one
12 hundred dollars to the sponsoring committee;

13 e. The amount of each reportable contribution;

14 f. The date each reportable contribution was received;

15 g. The name and mailing address of each recipient of an expenditure exceeding
16 one hundred dollars in the aggregate;

17 h. The amount of each reportable expenditure; and

18 i. The date the expenditure was made.

19 **SECTION 15. AMENDMENT.** Section 16.1-08.1-04 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **16.1-08.1-04. Supplemental statement required on large contributions received after**
22 **original statement - Filing time.**

23 If any candidate, political party, or political committee receives contributions in excess of
24 five hundred dollars in the aggregate ~~in the twenty-day period before~~within the thirty-nine days
25 immediately preceding any election from any individual contributor, that candidate, political
26 party, political committee, or person shall make and file a supplemental statement in the same
27 form as required by section 16.1-08.1-02, 16.1-08.1-03, 16.1-08.1-03.1, 16.1-08.1-03.3,
28 16.1-08.1-03.8, 16.1-08.1-03.9, 16.1-08.1-03.10, ~~or~~ 16.1-08.1-03.11, or 16.1-08.1-03.12 stating
29 the name and street address of the contributor and the aggregated amount of the contribution
30 and file the statement in the appropriate office within forty-eight hours of the receipt of the
31 contribution.

1 **SECTION 16. AMENDMENT.** Section 16.1-08.1-05 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **16.1-08.1-05. Audit by secretary of state - Requested audits - Reports.**

- 4 1. If a substantial irregularity is evident or reasonably alleged, the secretary of state may
5 arrange an audit of any statement filed pursuant to this chapter, to be performed by a
6 certified public accountant of the filer's choice, subject to approval by the secretary of
7 state. If an audit of a statement arranged by the secretary of state under this
8 subsection reveals a violation of this chapter, the candidate, political party, or political
9 committee, or other person filing the statement shall pay a fine to the secretary of
10 state equal to ~~five~~two hundred percent of the aggregate of contributions and
11 expenditures found to be in violation or an amount sufficient to pay the cost of the
12 audit, whichever is greater. If an audit of a statement arranged by the secretary of
13 state under this subsection does not reveal a violation of this chapter, the cost of the
14 audit must be paid for by the secretary of state.
- 15 2. If a substantial irregularity is reasonably alleged, the secretary of state may arrange an
16 audit of any statement filed pursuant to this chapter, performed by a certified public
17 accountant of the filer's choice, subject to approval by the secretary of state, upon
18 written request by any interested party made to the secretary of state within thirty days
19 following receipt of a statement by the secretary of state. The request must be made in
20 writing, recite a substantial irregularity and a lawful reason for requesting an audit, and
21 be accompanied by a bond in an amount established by the secretary of state
22 sufficient to pay the cost of the audit. If an audit of a statement arranged by the
23 secretary of state under this subsection reveals a violation of this chapter, the
24 candidate, political party, or political committee filing the statement shall pay a fine to
25 the secretary of state equal to ~~five~~two hundred percent of the aggregate of
26 contributions and expenditures found to be in violation or an amount sufficient to pay
27 the cost of the audit, whichever is greater, and the bond shall be returned to the
28 person submitting it. If an audit of a statement arranged by the secretary of state under
29 this subsection does not reveal a violation of this chapter, the cost of the audit must be
30 satisfied from the bond filed with the secretary of state.

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

11 **SECTION 17. AMENDMENT.** Section 16.1-08.1-06 of the North Dakota Century Code is
12 amended and reenacted as follows:

13 **16.1-08.1-06. Contributions and expenditure statement requirements.**

- 14 1. Any statement required by this chapter to be filed with the secretary of state must be:
- 15 a. Deemed properly filed when ~~deposited with or~~ electronically delivered to the
16 secretary of state within the prescribed time and in the format established by the
17 secretary of state. ~~A statement that is mailed is deemed properly filed when it is~~
18 ~~postmarked and directed to the secretary of state within the prescribed time.~~ If
19 the secretary of state does not receive a statement, a duplicate of the statement
20 must be promptly filed upon notice by the secretary of state of its nonreceipt.
21 After a statement has been filed, the secretary of state may request or accept
22 written clarification along with an amended statement from a candidate, political
23 party, or political committee filing the statement when discrepancies, errors, or
24 omissions on the statement are discovered by the secretary of state, the
25 candidate, political party, or political committee filing the statement, or by any
26 interested party reciting a lawful reason for requesting clarification and an
27 amendment be made. When requesting an amended statement, the secretary of
28 state shall establish a reasonable period of time, not to exceed ten days, agreed
29 to by the candidate, political party, or political committee, for filing the amended
30 statement with the secretary of state.

- 1 b. Preserved by the secretary of state for a period of ~~four~~ten years from the date of
2 filing. The statement is to be considered a part of the public records of the
3 secretary of state's office and must be open to public inspection.
- 4 2. ~~If the filing date falls on a Saturday or Sunday or a holiday on which the office of the~~
5 ~~secretary of state is closed, the statement must be filed on the next available day on~~
6 ~~which the office of the secretary of state is open.~~ In determining the amount of
7 individual contributions from any contributor, all amounts received from the same
8 contributor during the reporting period must be aggregated to report an overall total
9 contribution for the purposes of the statements required by this chapter. Aggregate
10 contributions must reference the date of the most recent contribution. Contributions
11 made separately by different persons from joint accounts are considered separate
12 contributions for reporting purposes.
- 13 3. Any statement and data filed electronically must be made available on the internet to
14 the public free of charge within twenty-four hours after filing.
- 15 4. Unless otherwise provided by law, any candidate, political party, committee, or person
16 may not be charged a fee for filing any statement with the secretary of state under this
17 chapter.

18 **SECTION 18. AMENDMENT.** Section 16.1-08.1-06.1 of the North Dakota Century Code is
19 amended and reenacted as follows:

20 **16.1-08.1-06.1. Filing officer to charge and collect fees for late filing.**

- 21 1. If a statement, ~~registration,~~ or report required to be filed according to this chapter is not
22 filed within the prescribed time, the filing officer to whom the report was to be filed is
23 authorized to charge and collect a late fee as follows:
- 24 a. Within six days after the prescribed time, twenty-five dollars;
25 b. Within eleven days after the prescribed time, fifty dollars; and
26 c. Thereafter, one hundred dollars.
- 27 2. A filing officer may require an amendment to be filed for any statement, ~~registration,~~ or
28 report that is incorrect or incomplete. The amendment must be filed with the filing
29 officer within ten business days after the amendment has been requested in writing. If
30 an amendment is not filed within the prescribed time, the filing officer is authorized to
31 charge and collect a late fee as follows:

- 1 a. Within six days after the date the amendment was due, fifty dollars;
2 b. Within eleven days after the date the amendment was due, one hundred dollars;
3 and
4 c. Thereafter, two hundred dollars.
- 5 3. The filing officer may collect any payment obligation arising out of this section by civil
6 action or by assignment to a collection agency, with any costs of collection to be
7 added to the amount owed and to be paid by the delinquent filer.

8 **SECTION 19. AMENDMENT.** Section 16.1-08.1-07 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **16.1-08.1-07. Penalty.**

11 Except as otherwise provided, any person who willfully violates any provision of this chapter
12 is guilty of an ~~infraction~~ class A misdemeanor.

13 **SECTION 20. EFFECTIVE DATE.** Section 17 of this Act becomes effective on May 1, 2014.