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March 25, 2021

TO: Chairman Vedaa and Members of the Senate Government and Veterans Affairs Committee
FR: Jim Silrum, Deputy Secretary of State on behalf of Secretary of State Al Jaeger
RE: HB 1496 – Reporting expenditures about candidates by campaign finance filers

This bill attempts to place new disclosure requirements for candidates, political committees, and political parties (filers) that are subject to NDCC §§ 16.1-08.1-02.3 and 16.1-08.1-02.4. When a filer makes an expenditure in support of or opposition to a candidate, the filer making the expenditure must disclose the expenditure on the next campaign statement submitted.

Amendments that require consistency across the board make the complicated subject of campaign disclosure easier for everyone (filers and the public) to understand. If the Sixty-seventh Legislative Assembly desires to add disclosure requirements for campaign finance statements, we believe it is best to require them of all filers.

Our office was not asked to submit a fiscal note for this bill, but new requirements will necessitate a modification to the system that all filers, including every legislator, use to publicly disclose the contributions received and as required, expenditures made during the calendar dates covered by the disclosure statement. The estimated cost of this enhancement will be somewhere between \$15,000 and \$20,000.

Please see page 2 of this testimony to see the current campaign disclosure requirements for the filers subject to NDCC §§ 16.1-08.1-02.3 and 16.1-08.1-02.4.

Respectfully submitted.

Current Campaign Finance Disclosure Requirements

There are two major sets of requirements under current law for the various filer types in the system called North Dakota Campaign Finance Online (ND CFO):

NDCC § 16.1-08.1-02.3

- Applies to the following filers:
 - Candidates and candidate committees
 - Multicandidate committees (both for statewide candidates and non-specified)
 - Legislative district political parties
- Requires the disclosure of:
 - Contributions from a contributor totaling more than \$200 in a reporting period:
 - Contributor's name and mailing address
 - Total of contribution(s)
 - Date of last contribution received
 - Total of all contributions from contributors giving less than \$200 in a reporting period:
 - Statewide candidates and statewide multi candidate committees only: the balance of campaign fund at the beginning and end of reporting period
 - Total contributions from a contributor greater than \$500 in the 39 days before an election
 - Contributor's name and mailing address
 - Total received from a contributor during the 39 days that is greater than \$500
 - Date of last contribution received
 - Year-end statement only, totals of expenditures in the following categories:
 - Advertising
 - Campaign loan repayment
 - Operations
 - Travel
 - Miscellaneous
 - Except for judicial, county, and city candidates – Contributions greater than \$5,000:
 - Contributor's occupation
 - Employer
 - Employer's principal place of business
- Reporting periods for disclosure statements:
 - Pre- Primary – January 1 – 40 days before election when on or supporting candidates on ballot
 - Pre-General – January 1 – 40 days before election when on or supporting candidates on ballot
 - 48-Hour – within 48 hours of receiving contribution greater than \$500 in the 39 days before election
 - Year-End – January 1 - December 31

NDCC § 16.1-08.1-02.4

- Applies to:
 - State political parties
 - Political action committees
 - Measure committees
- All the same requirements listed above except for:
 - Disclosing expenditures on every statement greater than \$200:
 - Recipient name and mailing address
 - Total of expenditure(s) made to recipient in reporting period
 - Date of last expenditure
 - Total of all expenditures less than \$200 during the reporting period
 - No year-end totals for expenditure categories
 - For measure committees, contribution and expenditure reporting threshold is \$100