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2001 SENATE GOVERNMENT AND VETERANS AFFAIRS

SB 2357

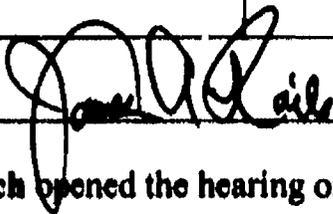
2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2357

Senate Government and Veterans Affairs Committee

Conference Committee

Hearing Date February 9, 2001

Tape Number	Side A	Side B	Meter #
1		X	21.6-45.8
February 15, 2001 2	X		58.0-End
2		X	0.0-4.4
Committee Clerk Signature 			

Minutes: Chairman Krebsbach opened the hearing on SB 2357. Senator Aaron Krauter, District 35, prime sponsor of the bill appeared before the committee. If someone is going to buy an election in North Dakota, the people of ND need to know who, what and why. That is what this bill is looking at. We have had situations across the US in federal and state races where large amounts of moneys have been used and influenced races. We do not need to let that happen in the state of ND. SB 2357 looks at the contribution side of campaigns. Currently the law says that anything in excess of \$200 in aggregate needs to be reported. What this piece of legislation does is that it also includes that a total amount needs to be reported and anything that an individual candidate contributes is now part of the definition. When we look at the total amount reported this does not add any additional work to any candidate, political party, or committee. You are keeping track of those dollars already. What this adds is that on that whole campaign is that total dollar amount. Questions were offered by Senators Kilzer and Dever. Gail Erickson appeared before the committee and presented the attached written testimony.

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Senate Government and Veterans Affairs Committee

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Questions were offered by **Senators T. Mathern, Dever, and Wardner**. (Tape 1, Side B, Meter #'s 29.7-35.1) Appearing in neutral position on the bill was **Corey Fong**, representing the Secretary of State's Office. He indicated that federal candidates have a variety of reporting plans including contributions over certain thresholds from individuals, separate from PACS, and also things like cash on hand, how much do they have to deal with at that particular moment. They also have gross reporting kinds of requirements. Yes in a way they have the same thing. I don't think this bill is trying to get a cash on hand, in others words how much money I have at that particular time. They are trying to get at how many contributions or how much gross did I take in for contributions over the threshold or under the threshold. Really that's the only clarification he had. **Senator C. Nelson** inquired on the Federal Form there's two things on income. There's total income and then you itemize over \$200's and the information about all those people, and all PACS. When it gets to the expenses, it's total expenses. At the bottom you've got to list what you have for cash on hand. You've got to tell what the difference is between your income and your outgo. **Senator C. Nelson** inquired if there was any testimony prior to the time she returned to committee whether this is a consistent thing? In the last campaign there was a candidate who did indicate how much money she spent on her own behalf. She didn't write her name, her husband said we will show this and it was put in in his name as a contribution to her campaign of this chunk of money so that everything was out there for people to see. I'm not sure that she was required to do that. If she'd have written a check to herself she probably wouldn't have had to. **Corey Fong** indicated that currently there is no reporting requirements of candidates to make. It certainly wasn't in violation of the law. I must admit we have had candidates before that have reported what they spent of their own money and they have done that voluntarily. It's not required by law. **Senator Wardner** and **Senator Dever** offered comments

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Senate Government and Veterans Affairs Committee

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regarding personal campaign contributions. There was nothing further at this time. Chairman Krebsbach closed the hearing on SB 2357. February 15, 2001 Committee discussion of SB 2357 took place. Chairman Krebsbach indicated this is the one which deals with the disclosure of money that the candidate spends in his or her own behalf. Senator T. Mathern indicated that he thought there were issues raised in this last campaign that related to both Democrats and Republican candidates in terms of personal money that was put in. Really this is a way of making sure that even though we have reporting requirements, making sure that the full reporting requirement includes what you put in personally. That is what this bill is about. Senator C. Nelson indicated that she thinks this is a rather murky area. She had handled Mary Eckstrom's campaign and when Rick put money in, her husband, Senator C. Nelson questioned whether he needed to, but she wanted her books to balance. She was running for auditor. She had spent over \$7,000 of her own money and that is on her report form, that that is how much she spent of her own. She thought she was qualified just like everybody else who paid over \$200.00. That how we chose to interpret it. I know that it is murky, because it says contributors to. Is your family a contributor? Senator Wardner indicated that the only thing he could say about this is why people run for state wide office because people in the past did spend, they borrowed money to campaign, for campaign money to advertise at the last minute and they lost. He always made the statement when the money runs out, he'll have to go walk shoe leather. A motion for a Do Not Pass was made by Senator Wardner, seconded by Senator Dever. Roll Call Vote indicated 4 Yeas, 2 Nays, and 0 Absent or Not Voting. Senator Kilzer will carry the bill.

REPORT OF STANDING COMMITTEE (410)
February 15, 2001 4:40 p.m.

Module No: SR-28-3587
Carrier: Kilzer
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2357: Government and Veterans Affairs Committee (Sen. Krebsbach, Chairman)
recommends **DO NOT PASS** (4 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING).
SB 2357 was placed on the Eleventh order on the calendar.

2001 TESTIMONY

SB 2357

Testimony in Favor of SB 2357

My name is Gail Erickson, and I am representing the ND Progressive Coalition in asking your support for SB 2357.

SB 2357 would require more complete disclosure of campaign finance contributions in two ways. First, it would require the candidate to disclose money the candidate spends on his/her own behalf. Secondly, it would require any entity currently required to itemize contributions over \$200 to also report the total of all non-itemized contributions. This is the third of the disclosure bills you are hearing this morning designed to remove the secrecy from campaign finance. When the legislature changed the itemization requirements for disclosure in the 1999 session without requiring an aggregate reporting of non-itemized contributions, it severely compromised the accountability and credibility of campaign finance disclosure.

I have been doing some research on the costs of electronic media campaigning for the 2000 election cycle. I've only gathered information from Bismarck area radio and TV stations, but in some cases it reveals that expenditures greatly exceed the amount of contributions reported in the 2000 cycle. We know that campaign costs are not limited to the electronic media. So where does the rest of the money come from? Additionally, my analysis of several candidate and district party disclosure reports indicates transfers to other candidates or to district political parties that greatly exceed the total amount of contributions disclosed by the candidate. Lack of full disclosure gives voters the impression that candidates and political parties have something to hide.

This is not an onerous requirement, since campaign managers have to keep track anyway of the income available for campaign costs. It should require only one additional line on the reporting form for information already readily available to the reporting entities.

I urge you to support SB 2357 as a very simple means of rebuilding accountability and credibility in our campaign system.

Gail H. Erickson
ND Progressive Coalition
410 E Thayer Ave Ste 2
Bismarck
(701) 224-8090
Lobbyist # 470