

HOUSE BILL NO. 1116

Introduced by

Representative Hoverson

1 A BILL for an Act to amend and reenact sections 15.1-09-08, 16.1-08.1-02.3, and 16.1-08.1-05
2 relating to campaign contribution statements for candidates seeking a school district office.

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

4 **SECTION 1. AMENDMENT.** Section 15.1-09-08 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **15.1-09-08. School district elections - Candidate filings.**

7 An individual seeking election to the board of a school district shall prepare and sign a
8 document stating the individual's name and the position for which that individual is a candidate.
9 A candidate shall also file a statement of interests as required by section 16.1-09-02 and a
10 campaign contribution statement as required by section 16.1-08.1-02.3. Whether or not the
11 election is held in conjunction with a statewide election, these documents must be filed with the
12 school district business manager, or mailed to and in the possession of the business manager,
13 by four p.m. of the sixty-fourth day before the election.

14 **SECTION 2. AMENDMENT.** Section 16.1-08.1-02.3 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **16.1-08.1-02.3. Pre-election, supplemental, and year-end campaign disclosure**
17 **statement requirements for candidates, candidate committees, multicandidate**
18 **committees, and nonstatewide political parties.**

19 1. Prior to the thirty-first day before a primary, general, or special election, a candidate or
20 candidate committee formed on behalf of the candidate, a multicandidate political
21 committee, or a political party other than a statewide political party soliciting or
22 accepting contributions shall file a campaign disclosure statement that includes all
23 contributions received from January first through the fortieth day before the election. A
24 candidate whose name is not on the ballot and who is not seeking election through

1 write-in votes, the candidate's candidate committee, and a political party that has not
2 endorsed or nominated any candidate in the election is not required to file a statement
3 under this subsection. The statement may be submitted for filing beginning on the
4 thirty-ninth day before the election. The statement must include:

- 5 a. For each aggregated contribution from a contributor which totals in excess of two
6 hundred dollars received during the reporting period:
 - 7 (1) The name and mailing address of the contributor;
 - 8 (2) The total amount of the contribution; and
 - 9 (3) The date the last contributed amount was received;
- 10 b. The total of all aggregated contributions from contributors which total in excess of
11 two hundred dollars during the reporting period;
- 12 c. The total of all contributions received from contributors that contributed two
13 hundred dollars or less each during the reporting period; and
- 14 d. For a statewide candidate, a candidate committee formed on behalf of a
15 statewide candidate, and a statewide multicandidate committee, the balance of
16 the campaign fund on the fortieth day before the election and the balance of the
17 campaign fund on January first.

18 2. Beginning on the thirty-ninth day before the election through the day before the
19 election, a person that files a statement under subsection 1 must file a supplemental
20 statement within forty-eight hours of the start of the day following the receipt of a
21 contribution or aggregate contribution from a contributor which is in excess of five
22 hundred dollars. The statement must include:

- 23 a. The name and mailing address of the contributor;
- 24 b. The total amount of the contribution received during the reporting period; and
- 25 c. The date the last contributed amount was received.

26 3. Prior to February first, a candidate or candidate committee, a multicandidate political
27 committee, or a nonstatewide political party soliciting or accepting contributions shall
28 file a campaign disclosure statement that includes all contributions received and
29 expenditures, by expenditure category, made from January first through December
30 thirty-first of the previous year. The statement may be submitted for filing beginning on
31 January first. The statement must include:

- 1 a. For a statewide candidate, a candidate committee formed on behalf of a
2 statewide candidate, and a statewide multicandidate committee, the balance of
3 the campaign fund on January first and on December thirty-first;
- 4 b. For each aggregated contribution from a contributor which totals in excess of two
5 hundred dollars received during the reporting period:
 - 6 (1) The name and mailing address of the contributor;
 - 7 (2) The total amount of the contribution; and
 - 8 (3) The date the last contributed amount was received;
- 9 c. The total of all aggregated contributions from contributors which total in excess of
10 two hundred dollars during the reporting period;
- 11 d. The total of all contributions received from contributors that contributed two
12 hundred dollars or less each during the reporting period; and
- 13 e. The total of all other expenditures made during the previous year, separated into
14 expenditure categories.
- 15 4. A person required to file a statement under this section, other than a candidate for
16 judicial office, county office, ~~or~~ city office, or school district office, or a candidate
17 committee for a candidate exempted under this subsection, shall report each
18 aggregated contribution from a contributor which totals five thousand dollars or more
19 during the reporting period. For these contributions from individuals, the statement
20 must include the contributor's occupation, employer, and the employer's principal
21 place of business.
- 22 5. A candidate for city office in a city with a population under five thousand and a
23 candidate committee for the candidate are exempt from this section. A candidate for
24 school district office in a school district with a population under five thousand and a
25 candidate committee for the candidate are exempt from this section.
- 26 6. A candidate for county office and a candidate committee for a candidate for county
27 office shall file statements under this chapter with the county auditor. A candidate for
28 city office who is required to file a statement under this chapter and a candidate
29 committee for such a candidate shall file statements with the city auditor. A candidate
30 for school district office who is required to file a statement under this chapter and a
31 candidate committee for such a candidate shall file statements with the school district

1 business manager. Any other person required to file a statement under this section
2 shall file the statement with the secretary of state.

3 7. The filing officer shall assess and collect fees for any reports filed after the filing
4 deadline.

5 8. To ensure accurate reporting and avoid commingling of campaign and personal funds,
6 candidates shall use dedicated campaign accounts that are separate from any
7 personal accounts.

8 **SECTION 3. AMENDMENT.** Section 16.1-08.1-05 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **16.1-08.1-05. Audit by secretary of state - Requested audits - Reports.**

11 1. If a substantial irregularity is evident or reasonably alleged, the secretary of state may
12 arrange an audit of any statement filed pursuant to this chapter, to be performed by a
13 certified public accountant of the filer's choice, subject to approval by the secretary of
14 state. If an audit of a statement arranged by the secretary of state under this
15 subsection reveals a violation of this chapter, the candidate, political party, political
16 committee, or other person filing the statement shall pay a fine to the secretary of
17 state equal to two hundred percent of the aggregate of contributions and expenditures
18 found to be in violation or an amount sufficient to pay the cost of the audit, whichever
19 is greater. If an audit of a statement arranged by the secretary of state under this
20 subsection does not reveal a violation of this chapter, the cost of the audit must be
21 paid for by the secretary of state.

22 2. If a substantial irregularity is reasonably alleged, the secretary of state may arrange an
23 audit of any statement filed pursuant to this chapter, performed by a certified public
24 accountant of the filer's choice, subject to approval by the secretary of state, upon
25 written request by any interested party made to the secretary of state within thirty days
26 following receipt of a statement by the secretary of state. The request must be made in
27 writing, recite a substantial irregularity and a lawful reason for requesting an audit, and
28 be accompanied by a bond in an amount established by the secretary of state
29 sufficient to pay the cost of the audit. If an audit of a statement arranged by the
30 secretary of state under this subsection reveals a violation of this chapter, the
31 candidate, political party, or political committee filing the statement shall pay a fine to

1 the secretary of state equal to two hundred percent of the aggregate of contributions
2 and expenditures found to be in violation or an amount sufficient to pay the cost of the
3 audit, whichever is greater, and the bond shall be returned to the person submitting it.
4 If an audit of a statement arranged by the secretary of state under this subsection
5 does not reveal a violation of this chapter, the cost of the audit must be satisfied from
6 the bond filed with the secretary of state.

7 3. An audit may not be made or requested of a statement for the sole reason that it was
8 not timely filed with the secretary of state. An audit made or arranged according to this
9 section must audit only those items required to be included in any statement,
10 registration, or report filed with the secretary of state according to this chapter. The
11 secretary of state may collect any payment obligation arising out of this section by civil
12 action or by assignment to a collection agency, with any costs of collection to be
13 added to the amount owed and to be paid by the delinquent filer. Any remaining
14 moneys collected by the secretary of state after an audit is paid for under this section
15 must be deposited in the state's general fund. This section does not apply to
16 statements filed by candidates or candidate committees for candidates for county or
17 city, or school district offices.