

**The Data is Still Missing: An Examination of Campaign Contributions to  
Legislative Candidate Committees in North Dakota, 2016**

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## Overview

In 2016, the Upper Midwest Center on Public Policy released a report on campaign contributions to Legislative Campaign Committees in North Dakota from 2010 to 2015. It found that transparency in state house and senate elections suffered from a notable 'blind spot': legislative campaign committees are not required to report contributions of \$200 or less to the Secretary of State's office. This study updates the earlier report through an examination of campaign contributions in 2016.

Campaign disclosure laws are an essential component of transparency in state elections. These laws allow citizens to examine the size and source of individual campaign contributions in a timely manner. Citizens can then consider whether: the relationship implied by a contribution is indicative of some inappropriate influence; financial contributions by prominent citizens and interest groups serve as an unofficial endorsement; candidates spend too much time raising and spending money over an election cycle; and, certain candidates have an unfair advantage in regards to fundraising. The extent to which citizens can follow the flow of money through the electoral process shapes their ability to make informed decisions at the ballot box.

The individual states largely regulate electoral processes in the United States. However, states have very different approaches to campaign oversight.<sup>i</sup> For example, Florida and Wyoming require that all candidates file campaign-finance disclosure forms no matter how little money they may raise. Other states have candidates file disclosure forms only after raising a certain amount, typically \$1,000. The type of data collected can vary as well. Some states, such as Maryland and West Virginia, require full

reporting of all contributions. However, most states require full reporting only for contributions exceeding a certain level, from \$20 in Colorado to \$300 in New Jersey.

In North Dakota, candidates for the Legislative Assembly must report the names and addresses of those people and political action committees who contribute more than \$200 to their campaigns. However, legislative candidates do not have to provide such information on those contributing \$200 or less. Indeed, legislative candidates are not even required to provide an aggregate total of such contributions.<sup>ii</sup>

North Dakota's approach to transparency in legislative elections is notable for three reasons. First, the \$200 threshold is high when compared to other states. Second, the cost of running a campaign for the legislature here is low relative to other states. Consequently, \$200 is a meaningful contribution. Third, and most importantly, the \$200 threshold has left the public uninformed. It is unclear whether small contributions make up a significant portion of total contributions to legislative campaigns.

In addition, voters cannot consider the source of small contributions. There is an ongoing debate in North Dakota regarding the appropriateness of candidates receiving contributions from those they will ultimately regulate.<sup>iii</sup> For example, candidates for the Public Service Commission have been criticized for accepting contributions from people and political action committees associated with coal and oil companies.<sup>iv</sup> However, this debate becomes moot if significant portions of campaign contributions remain hidden.

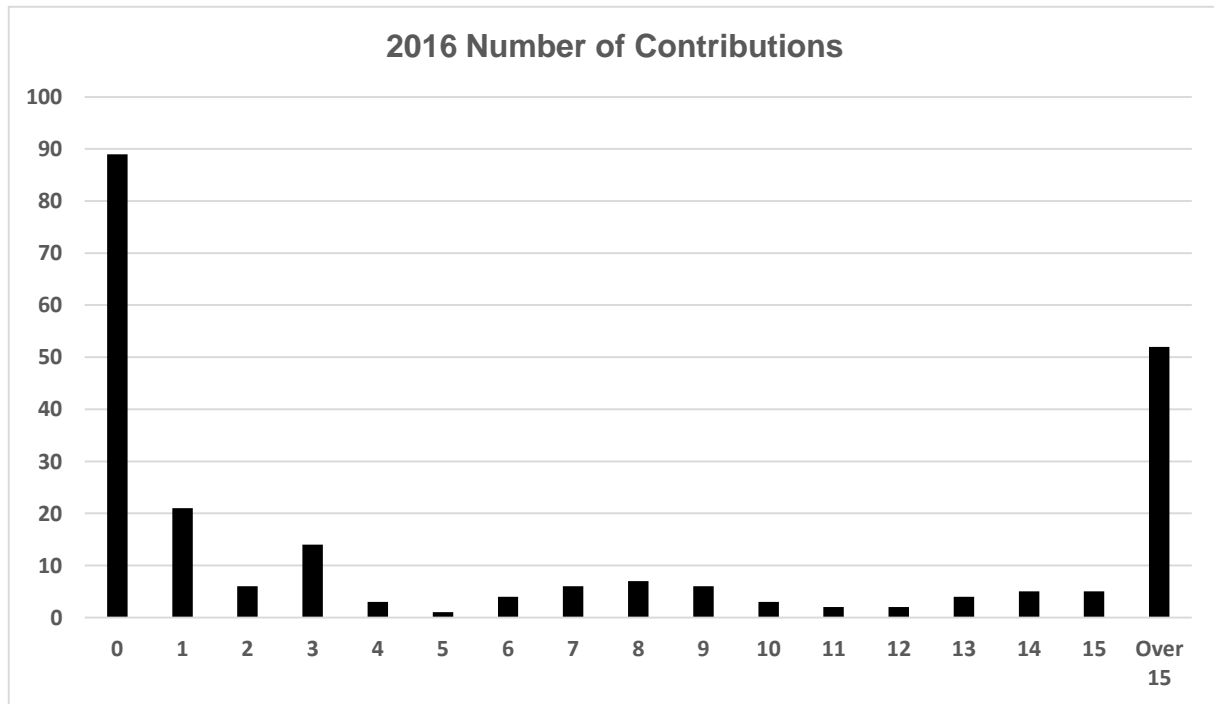
This study assesses transparency in the 2016 North Dakota legislative elections through an examination of campaign finance reports on the Secretary of State's

webpage.<sup>v</sup> State laws regarding campaign contributions are in Chapter 16.1-08.1 of the North Dakota Century Code.<sup>vi</sup>

## Results and Analysis

To illustrate the impact that North Dakota's campaign finance laws have upon transparency, the study presents the number of contributions made to each legislative committee in 2016.

**Figure 1: Number of Reported Contributions by Legislative Campaign Committees, 2016 (230 cases)**



North Dakota Secretary of State, 2016

Figure 1 presents the number of contributions of more than \$200 in 2016 as reported by the individual legislative campaign committees to the North Dakota Secretary of State. This includes all candidates for state house and senate. The graph runs from zero reported contributions, or 'No Reportable Contributions for Reporting Period,' to more than fifteen. As can be seen, a large portion of legislative committees did not report any contributions. Either these committees did not raise money during the past year or all contributions were \$200 or less.

Of the 230 candidate committees in 2016 (73 for state senate, 157 for state house), 89 committees, or 38.7 percent, did not report any contributions at all. Twenty-one committees reported only a single contribution during that volatile election year, while six reported two contributions, fourteen reported three contributions, and three reported four contributions. Fifty-two committees reported more than fifteen contributions.

It should be noted that three committees reporting 'zero' campaign contributions did receive 'in-kind' contributions. 'In-kind' contributions refer to goods and services rather than financial contributions.

Candidate committees reporting zero contributions in 2016 include those for House Majority Leader Al Carlson (R), House Assistant Majority Leader Don Vigesaa (R), House Majority Caucus Chair Mike Lefor (R), Assistant House Minority Leader Kathy Hogan (D), Senate Minority Leader Joan Heckaman (D), and Senate Minority Caucus Chair Carolyn Nelson (D).

By way of comparison, of the 200 candidate committees in 2010, 68 committees, or 35.0%, did not report any contributions at all. Of the 211 candidate committees in 2012, 68 committees, or 32.2%, did not report any contributions. Finally, of the 194 candidate committees in 2014, 70 committees, or 36.1%, did not report any contributions.

The data once again suggests that the \$200 threshold has a notable impact upon transparency in North Dakota legislative campaigns, though the extent of this impact remains unclear. It is quite curious that so many campaign committees received so few contributions, particularly during election years. Consequently, citizens have been placed in a difficult position: they do not have enough information to decide whether small contributions are worth worrying about. Once again, North Dakota voters don't know what they don't know about legislative fundraising.

There is evidence that small contributions of \$200 or less play an important role in elections for statewide offices, such as Governor or a position on the Public Service Commission. While campaign committees for statewide office do not have to identify the source of contributions of \$200 or less, they are required to report the aggregate amount to the Secretary of State. A recent study of statewide campaign committees<sup>vii</sup> demonstrated that, on average, the percent of total contributions derived by statewide candidates through small contributions ranged from a low of 9.71% in 2013 to a high of 28.96% in 2012.

## **Conclusion**

This study provides an overview of campaign finance transparency in North Dakota legislative races. It finds that the state's campaign laws have left its citizens in a difficult position: since legislative campaign committees do not report contributions of \$200 or less, citizens cannot determine whether such contributions are meaningful in terms of the elections themselves or the subsequent behavior of individual legislators within the Legislative Assembly. Indeed, without information on small contributions, citizens cannot place the larger, reported contributions in any meaningful context. North Dakota voters remain uninformed about crucial aspects of their legislative elections.

## Endnotes

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<sup>i</sup> See the National Conference on State Legislatures at <http://www.ncsl.org/research/elections-and-campaigns/state-limits-on-contributions-to-candidates.aspx>, the Campaign Disclosure Project at <http://www.campaigndisclosure.org/>, and the National Institute on Money in State Politics at <http://www.followthemoney.org/> for further information.

<sup>ii</sup> North Dakota requires all candidate committees for statewide to report the names of people and organizations who contribute more than \$200 to their campaigns. These statewide committees do not have to give the names and address of those contributing \$200 or less. Instead, the aggregate total of all such contributions must be included in reports to the Secretary of State's office.

See [https://www.ndsu.edu/fileadmin/centers/publicpolicy/ND\\_Campaign\\_finance\\_study.pdf](https://www.ndsu.edu/fileadmin/centers/publicpolicy/ND_Campaign_finance_study.pdf) for further information.

Candidates for Congress are overseen by federal regulations.

<sup>iii</sup> See [http://www.nytimes.com/interactive/2014/11/24/us/north-dakota-oil-boom-politics.html?\\_r=0](http://www.nytimes.com/interactive/2014/11/24/us/north-dakota-oil-boom-politics.html?_r=0) and <https://www.publicintegrity.org/2014/07/21/15107/how-oil-and-gas-firms-gained-influence-and-transformed-north-dakota>

<sup>iv</sup> See <http://www.thedickinsonpress.com/content/attorneys-argue-about-campaign-contributions-coal-interests-psc-members-lawsuits-seeking> and <http://www.followthemoney.org/research/blog/51-million-elected-utility-regulators-score-big-bucks/>

<sup>v</sup> See <https://apps.nd.gov/sec/emspub/gp/cfdisclosure/rptsearch/byrpt.htm?type=byRpt>.

<sup>vi</sup> See <http://www.legis.nd.gov/general-information/north-dakota-century-code>.

<sup>vii</sup> See [https://www.ndsu.edu/fileadmin/centers/publicpolicy/ND\\_Campaign\\_finance\\_study.pdf](https://www.ndsu.edu/fileadmin/centers/publicpolicy/ND_Campaign_finance_study.pdf).