

State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. **2662**

03/03/2014 Authored by Simon

The bill was read for the first time and referred to the Committee on Elections

1.1 A bill for an act
1.2 relating to campaign finance; requiring notice and consent for certain political
1.3 activities by corporations; providing penalties; amending Minnesota Statutes
1.4 2012, section 211B.15, by adding a subdivision; proposing coding for new law in
1.5 Minnesota Statutes, chapters 10A; 211B.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. **[10A.205] CORPORATE POLITICAL ACTIVITY REPORTS.**

1.8 **Subdivision 1. Receipt of reports.** The board must maintain a copy of each
1.9 shareholder notification report received under section 211B.155 on the board's Web site.

1.10 **Subd. 2. Annual audit.** On an annual basis, the board shall randomly audit the
1.11 extent of compliance or noncompliance by corporations required to provide shareholder
1.12 notification under section 211B.155. No later than June 30 of each year, the board shall
1.13 submit a report to the legislature on the results of audits conducted in the preceding year.
1.14 An audit required by this subdivision shall be conducted in the manner provided for audits
1.15 and investigations by the board under section 10A.02, subdivision 10.

1.16 **EFFECTIVE DATE.** This section is effective June 1, 2014.

1.17 Sec. 2. Minnesota Statutes 2012, section 211B.15, is amended by adding a subdivision
1.18 to read:

1.19 **Subd. 4a. Shareholder consent.** (a) A corporation may not engage in contribution
1.20 or expenditure activity for political purposes that, in the aggregate, exceeds \$10,000 in a
1.21 calendar year, unless the shareholders of the corporation have approved the contribution
1.22 or expenditure activity by majority vote. The vote must be conducted according to
1.23 the rules and bylaws of the corporation, and may authorize a specific contribution or

expenditure, or may authorize a total budget for all contribution and expenditure activity by the corporation in a calendar year. The date and result of a vote required under this subdivision must be included in the shareholder report required by section 10A.205.

(b) As used in this subdivision, "shareholders" means, in the case of a corporation registered to do business in this state, all shareholders of the corporation residing in the state; in the case of a corporation incorporated in this state, all shareholders of the corporation; and in the case of a partnership registered to do business in this state, all partners.

Sec. 3. **[211B.155] CORPORATE POLITICAL ACTIVITY; NOTIFICATION TO SHAREHOLDERS AND PUBLIC REPORT REQUIRED.**

Subdivision 1. Definitions. For purposes of this section, the following terms have the meanings given:

(1) "corporation" has the meaning provided in section 211B.15, subdivision 1; and

(2) "shareholders" has the meaning provided in section 211B.15, subdivision 4a.

Subd. 2. Notification to shareholders. (a) At least quarterly, a corporation that directly or indirectly makes a contribution or expenditure for political purposes must notify the corporation's shareholders in writing of the nature of its contribution and expenditure activity during the previous quarter. For purposes of this section, a corporation makes a contribution or expenditure if the contribution or expenditure is funded through its general corporate treasury, a separate segregated fund, or any other entity or account established and controlled by the corporation.

(b) A notification required by this section must contain:

(1) the date and amount of each contribution and expenditure;

(2) if the contribution or expenditure was made to support or oppose a candidate for public office, the office sought by the candidate, the candidate's political party affiliation, and whether the contribution or expenditure was made in support of, or in opposition to, the candidate;

(3) if the contribution or expenditure was made to support or oppose a ballot question, a description of the ballot question, and whether the contribution or expenditure was made in support of, or in opposition to, the question;

(4) if the contribution or expenditure was made to advocate or raise awareness about a policy issue, the nature of the issue, and the corporation's position on the issue;

(5) if applicable, the date and result of any shareholder votes required to be conducted under section 211B.15, subdivision 4a, and the amount and nature of activity authorized by the vote; and

3.1 (6) the name of any corporate officer directly advocating for or approving the
3.2 corporation's involvement in support or opposition to the candidate, ballot question, or
3.3 policy issue.

3.4 (c) A corporation required to provide a notification to shareholders under this section
3.5 must make a copy of the notification accessible on the corporation's Web site for at least
3.6 one year following the date of the notification.

3.7 Subd. 3. **Public report.** A corporation required to provide a notification to
3.8 shareholders under this section must provide a copy of the notification to the Campaign
3.9 Finance and Public Disclosure Board, subject to the requirements and penalties provided
3.10 in section 10A.025 for filing reports.

3.11 Subd. 4. **Penalty.** A corporation convicted of violating this section is subject to the
3.12 penalties provided in section 211B.15, subdivision 7.

3.13 **EFFECTIVE DATE.** This section is effective June 1, 2014, and applies to
3.14 contributions and expenditures made on or after that date.