

1.1 A bill for an act

1.2 relating to elections; campaign finance; removing certain unconstitutional  
1.3 provisions governing independent expenditures in political campaigns;  
1.4 changing certain notice requirements and deadlines; changing certain campaign  
1.5 expenditure and contribution limits and certain reporting requirements;  
1.6 authorizing electronic filing of certain items with the Campaign Finance and  
1.7 Public Disclosure Board; providing contribution limits for judicial candidates;  
1.8 making certain reports filed with the Campaign Finance and Public Disclosure  
1.9 Board nonpublic data until certain conditions have been met; requiring the public  
1.10 subsidy for an eligible candidate be withheld until a required report has been  
1.11 filed; requiring a report; amending Minnesota Statutes 2008, sections 10A.01,  
1.12 subdivisions 18, 26; 10A.04, subdivision 5; 10A.071, subdivision 3; 10A.08;  
1.13 10A.09, subdivision 7; 10A.14, subdivisions 2, 4, by adding a subdivision;  
1.14 10A.20, subdivisions 1, 12, by adding subdivisions; 10A.27, subdivision 1;  
1.15 10A.31, by adding a subdivision; 10A.322, subdivision 1; 10A.323; 10A.35;  
1.16 13.607, by adding a subdivision; repealing Minnesota Statutes 2008, section  
1.17 10A.20, subdivision 6b.

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

1.19 Section 1. Minnesota Statutes 2008, section 10A.01, subdivision 18, is amended to  
1.20 read:

1.21 Subd. 18. **Independent expenditure.** "Independent expenditure" means an  
1.22 expenditure expressly advocating the election or defeat of a clearly identified candidate,  
1.23 if the expenditure is made without the express or implied consent, authorization, or  
1.24 cooperation of, and not in concert with or at the request or suggestion of, any candidate or  
1.25 any candidate's principal campaign committee or agent. An independent expenditure is  
1.26 not a contribution to that candidate. ~~An expenditure by a political party or political party~~  
1.27 ~~unit in a race where the political party has a candidate on the ballot is not an independent~~  
1.28 ~~expenditure.~~

2.1 Sec. 2. Minnesota Statutes 2008, section 10A.01, subdivision 26, is amended to read:

2.2 Subd. 26. **Noncampaign disbursement.** "Noncampaign disbursement" means  
2.3 a purchase or payment of money or anything of value made, or an advance of credit  
2.4 incurred, or a donation in kind received, by a principal campaign committee for any of  
2.5 the following purposes:

2.6 (1) payment for accounting and legal services;

2.7 (2) return of a contribution to the source;

2.8 (3) repayment of a loan made to the principal campaign committee by that  
2.9 committee;

2.10 (4) return of a public subsidy;

2.11 (5) payment for food, beverages, and necessary utensils and supplies, entertainment,  
2.12 and facility rental for a fund-raising event;

2.13 (6) services for a constituent by a member of the legislature or a constitutional officer  
2.14 in the executive branch, including the costs of preparing and distributing a suggestion or  
2.15 idea solicitation to constituents, performed from the beginning of the term of office to  
2.16 adjournment sine die of the legislature in the election year for the office held, and half  
2.17 the cost of services for a constituent by a member of the legislature or a constitutional  
2.18 officer in the executive branch performed from adjournment sine die to 60 days after  
2.19 adjournment sine die;

2.20 (7) payment for food and beverages consumed by a candidate or volunteers while  
2.21 they are engaged in campaign activities;

2.22 (8) payment for food or a beverage consumed while attending a reception or meeting  
2.23 directly related to legislative duties;

2.24 (9) payment of expenses incurred by elected or appointed leaders of a legislative  
2.25 caucus in carrying out their leadership responsibilities;

2.26 (10) payment by a principal campaign committee of the candidate's expenses for  
2.27 serving in public office, other than for personal uses;

2.28 (11) costs of child care for the candidate's children when campaigning;

2.29 (12) fees paid to attend a campaign school;

2.30 (13) costs of a postelection party during the election year when a candidate's name  
2.31 will no longer appear on a ballot or the general election is concluded, whichever occurs  
2.32 first;

2.33 (14) interest on loans paid by a principal campaign committee on outstanding loans;

2.34 (15) filing fees;

2.35 (16) post-general election thank-you notes or advertisements in the news media;

3.1 (17) the cost of campaign material purchased to replace defective campaign material,  
3.2 if the defective material is destroyed without being used;

3.3 (18) contributions to a party unit;

3.4 (19) payments for funeral gifts or memorials;

3.5 (20) the cost of a magnet less than six inches in diameter containing legislator  
3.6 contact information and distributed to constituents;

3.7 (21) costs associated with a candidate attending a political party state or national  
3.8 convention in this state; ~~and~~

3.9 (22) other purchases or payments specified in board rules or advisory opinions as  
3.10 being for any purpose other than to influence the nomination or election of a candidate or  
3.11 to promote or defeat a ballot question; and

3.12 (23) costs paid to a third party for processing contributions made by a credit card,  
3.13 debit card, or electronic check.

3.14 The board must determine whether an activity involves a noncampaign disbursement  
3.15 within the meaning of this subdivision.

3.16 A noncampaign disbursement is considered to be made in the year in which the  
3.17 candidate made the purchase of goods or services or incurred an obligation to pay for  
3.18 goods or services.

3.19 Sec. 3. Minnesota Statutes 2008, section 10A.04, subdivision 5, is amended to read:

3.20 Subd. 5. **Late filing.** ~~The board must send a notice by certified mail to any lobbyist~~  
3.21 ~~or principal who fails after seven days after a filing date imposed by this section to file a~~  
3.22 ~~report or statement or to pay a fee required by this section.~~ If a lobbyist or principal fails to  
3.23 file a report or pay a fee required by this section within ten business days after the ~~notice~~  
3.24 ~~was sent~~ report was due, the board may impose a late filing fee of \$5 per day, not to exceed  
3.25 \$100, commencing with the 11th day after the ~~notice was sent~~ report was due. The board  
3.26 must send ~~an additional~~ notice by certified mail to any lobbyist or principal who fails to file  
3.27 a report ~~or pay a fee~~ within ~~14 days after the first notice was sent by the board~~ ten business  
3.28 days after the report was due that the lobbyist or principal may be subject to a civil penalty  
3.29 for failure to file the report or pay the fee. A lobbyist or principal who fails to file a report  
3.30 or statement or pay a fee within seven days after the ~~second~~ certified mail notice was sent  
3.31 by the board is subject to a civil penalty imposed by the board of up to \$1,000.

3.32 Sec. 4. Minnesota Statutes 2008, section 10A.071, subdivision 3, is amended to read:

3.33 Subd. 3. **Exceptions.** (a) The prohibitions in this section do not apply if the gift is:

3.34 (1) a contribution as defined in section 10A.01, subdivision 11;

4.1 (2) services to assist an official in the performance of official duties, including  
4.2 but not limited to providing advice, consultation, information, and communication in  
4.3 connection with legislation, and services to constituents;

4.4 (3) services of insignificant monetary value;

4.5 (4) a plaque with a resale value of \$5 or less;

4.6 (5) a trinket or memento costing \$5 or less;

4.7 (6) informational material ~~of unexceptional value~~ with a resale value of \$5 or less; or

4.8 (7) food or a beverage given at a reception, meal, or meeting away from the  
4.9 recipient's place of work by an organization before whom the recipient appears to make a  
4.10 speech or answer questions as part of a program.

4.11 (b) The prohibitions in this section do not apply if the gift is given:

4.12 (1) because of the recipient's membership in a group, a majority of whose members  
4.13 are not officials, and an equivalent gift is given to the other members of the group; or

4.14 (2) by a lobbyist or principal who is a member of the family of the recipient, unless  
4.15 the gift is given on behalf of someone who is not a member of that family.

4.16 Sec. 5. Minnesota Statutes 2008, section 10A.08, is amended to read:

4.17 **10A.08 REPRESENTATION DISCLOSURE.**

4.18 A public official who represents a client for a fee before an individual, board,  
4.19 commission, or agency that has rulemaking authority in a hearing conducted under chapter  
4.20 14, must disclose the official's participation in the action to the board within 14 days after  
4.21 the appearance. ~~The board must send a notice by certified mail to any public official  
4.22 who fails to disclose the participation within 14 days after the appearance.~~ If the public  
4.23 official fails to disclose the participation within ten business days after the ~~notice was sent~~  
4.24 disclosure required by this section was due, the board may impose a late filing fee of \$5  
4.25 per day, not to exceed \$100, starting on the 11th day after the ~~notice was sent~~ disclosure  
4.26 was due. The board must send ~~an additional~~ notice by certified mail to a public official  
4.27 who fails to disclose the participation within ~~14~~ ten business days after the ~~first notice was~~  
4.28 ~~sent by the board~~ disclosure was due that the public official may be subject to a civil  
4.29 penalty for failure to disclose the participation. A public official who fails to disclose the  
4.30 participation within seven days after the ~~second~~ certified mail notice was sent by the board  
4.31 is subject to a civil penalty imposed by the board of up to \$1,000.

4.32 Sec. 6. Minnesota Statutes 2008, section 10A.09, subdivision 7, is amended to read:

4.33 Subd. 7. **Late filing.** ~~The board must send a notice by certified mail to any  
4.34 individual who fails within the prescribed time to file a statement of economic interest~~

5.1 ~~required by this section.~~ If an individual fails to file a statement of economic interest  
5.2 required by this section within ten business days after the notice was sent, the board may  
5.3 impose a late filing fee of \$5 per day, not to exceed \$100, commencing on the 11th day  
5.4 after the ~~notice was sent~~ statement was due. The board must send ~~an additional~~ notice by  
5.5 certified mail to any individual who fails to file a statement within ~~14~~ ten business days  
5.6 after the ~~first notice was sent by the board~~ statement was due that the individual may be  
5.7 subject to a civil penalty for failure to file a statement. An individual who fails to file a  
5.8 statement within seven days after the ~~second~~ certified mail notice was sent by the board is  
5.9 subject to a civil penalty imposed by the board up to \$1,000.

5.10 Sec. 7. Minnesota Statutes 2008, section 10A.14, subdivision 2, is amended to read:

5.11 Subd. 2. **Form.** The statement of organization must include:

5.12 (1) the name and address of the committee, fund, or party unit;

5.13 (2) the name ~~and~~ address, and e-mail address of the chair of a political committee,  
5.14 principal campaign committee, or party unit;

5.15 (3) the name and address of any supporting association of a political fund;

5.16 (4) the name ~~and~~ address, and e-mail address of the treasurer and any deputy  
5.17 treasurers;

5.18 (5) the name, address, and e-mail address of the candidate of a principal campaign  
5.19 committee;

5.20 (6) a listing of all depositories or safety deposit boxes used; and

5.21 ~~(6)~~ (7) for the state committee of a political party only, a list of its party units.

5.22 Sec. 8. Minnesota Statutes 2008, section 10A.14, subdivision 4, is amended to read:

5.23 Subd. 4. **Failure to file; penalty.** ~~The board must send a notice by certified mail to~~  
5.24 ~~any individual who fails to file a statement required by this section.~~ If ~~the~~ an individual  
5.25 fails to file a statement required by this section within ten business days after the ~~notice~~  
5.26 ~~was sent~~ statement was due, the board may impose a late filing fee of \$5 per day, not to  
5.27 exceed \$100, commencing with the 11th day after the ~~notice was sent~~ statement was due.

5.28 The board must send ~~an additional~~ notice by certified mail to any individual who  
5.29 fails to file a statement within ~~14~~ ten business days after the ~~first notice was sent by the~~  
5.30 ~~board~~ statement was due that the individual may be subject to a civil penalty for failure to  
5.31 file the ~~report~~ statement. An individual who fails to file the statement within seven days  
5.32 after the ~~second~~ certified mail notice was sent by the board is subject to a civil penalty  
5.33 imposed by the board of up to \$1,000.

6.1 Sec. 9. Minnesota Statutes 2008, section 10A.14, is amended by adding a subdivision  
6.2 to read:

6.3 Subd. 5. **Exemptions.** For good cause shown, the board must grant exemptions to  
6.4 the requirement that e-mail addresses be provided.

6.5 Sec. 10. Minnesota Statutes 2008, section 10A.20, subdivision 1, is amended to read:

6.6 Subdivision 1. **First filing; duration.** The treasurer of a political committee,  
6.7 political fund, principal campaign committee, or party unit must begin to file the reports  
6.8 required by this section in the first year it receives contributions or makes expenditures  
6.9 in excess of \$100 and must continue to file until the committee, fund, or party unit is  
6.10 terminated. The reports must be filed electronically in a standards-based open format  
6.11 specified by the board. For good cause shown, the board must grant exemptions to the  
6.12 requirement that reports be filed electronically.

6.13 **EFFECTIVE DATE.** This section is effective January 1, 2012, and applies to  
6.14 reports for election years on or after that date.

6.15 Sec. 11. Minnesota Statutes 2008, section 10A.20, is amended by adding a subdivision  
6.16 to read:

6.17 Subd. 1b. **Release of reports.** Except as provided in subdivision 1c, a report filed  
6.18 under this section is nonpublic data until 8:00 a.m. on the day following the day the  
6.19 report was due.

6.20 Sec. 12. Minnesota Statutes 2008, section 10A.20, is amended by adding a subdivision  
6.21 to read:

6.22 Subd. 1c. **Reports of certain political party units.** (a) This subdivision applies to  
6.23 the following party units:

6.24 (1) the two state party units of major political parties that received the highest level  
6.25 of contributions in the last election year;

6.26 (2) the two party units established by members of a major party in the house of  
6.27 representatives that received the highest level of contributions in the last election year; and

6.28 (3) the two party units established by members of a major party in the senate that  
6.29 received the highest level of contributions in the last election year.

6.30 (b) A report filed under this section by a member of one of the party units listed in  
6.31 paragraph (a) is nonpublic data until the reports of each of the party units in that group  
6.32 have been filed.

7.1 (c) A report filed electronically under this section by a member of one of the party  
7.2 units listed in paragraph (a) is nonpublic data unless the reports of each of the party  
7.3 units in that group are filed electronically or until the board has created electronic data  
7.4 from the nonelectronic report so that data from each report are available in the same  
7.5 electronic form. The board may produce a viewable image of an electronic report after the  
7.6 requirements of paragraph (b) have been met.

7.7 (d) A party unit may waive the restrictions on publication of data established in this  
7.8 section through a written statement signed by the treasurer.

7.9 (e) Nothing in this subdivision prevents the board from publicly disclosing that an  
7.10 entity subject to this section has filed a report and the date the report was filed.

7.11 (f) Each group listed in paragraph (a) is exempt from the electronic filing requirement  
7.12 unless both members of the group have approved the filing format specified by the board.

7.13 Sec. 13. Minnesota Statutes 2008, section 10A.20, subdivision 12, is amended to read:

7.14 Subd. 12. **Failure to file; penalty.** ~~The board must send a notice by certified mail~~  
7.15 ~~to any individual who fails to file a statement required by this section.~~ If an individual  
7.16 fails to file a statement report required by this section that is due January 31 within ten  
7.17 business days after the ~~notice was sent~~ report was due, the board may impose a late filing  
7.18 fee of \$5 per day, not to exceed \$100, commencing with the 11th day after the ~~notice~~  
7.19 ~~was sent~~ report was due.

7.20 If an individual fails to file a statement report required by this section that is due  
7.21 before a primary or election within three days after the date due, regardless of whether the  
7.22 individual has received any notice, the board may impose a late filing fee of \$50 per day,  
7.23 not to exceed \$500, commencing on the fourth day after the date the statement was due.

7.24 The board must send ~~an additional~~ notice by certified mail to an individual who fails  
7.25 to file a statement report within ~~14~~ ten business days after the ~~first notice was sent by the~~  
7.26 ~~board~~ report was due that the individual may be subject to a civil penalty for failure to  
7.27 file a ~~statement~~ the report. An individual who fails to file the ~~statement report~~ within  
7.28 seven days after the ~~second~~ certified mail notice was sent by the board is subject to a civil  
7.29 penalty imposed by the board of up to \$1,000.

7.30 Sec. 14. Minnesota Statutes 2008, section 10A.27, subdivision 1, is amended to read:

7.31 Subdivision 1. **Contribution limits.** (a) Except as provided in subdivision 2,  
7.32 a candidate must not permit the candidate's principal campaign committee to accept  
7.33 aggregate contributions made or delivered by any individual, political committee, or  
7.34 political fund in excess of the following:

8.1 (1) to candidates for governor and lieutenant governor running together, \$2,000 in  
8.2 an election year for the office sought and \$500 in other years;

8.3 (2) to a candidate for attorney general, \$1,000 in an election year for the office  
8.4 sought and \$200 in other years;

8.5 (3) to a candidate for the office of secretary of state or state auditor, \$500 in an  
8.6 election year for the office sought and \$100 in other years;

8.7 (4) to a candidate for state senator, \$500 in an election year for the office sought and  
8.8 \$100 in other years; ~~and~~

8.9 (5) to a candidate for state representative, \$500 in an election year for the office  
8.10 sought and \$100 in the other year; and

8.11 (6) to a candidate for judicial office, \$2,000 in an election year for the office sought  
8.12 and \$500 in other years.

8.13 (b) The following deliveries are not subject to the bundling limitation in this  
8.14 subdivision:

8.15 (1) delivery of contributions collected by a member of the candidate's principal  
8.16 campaign committee, such as a block worker or a volunteer who hosts a fund-raising  
8.17 event, to the committee's treasurer; and

8.18 (2) a delivery made by an individual on behalf of the individual's spouse.

8.19 (c) A lobbyist, political committee, political party unit, or political fund must not  
8.20 make a contribution a candidate is prohibited from accepting.

8.21 **EFFECTIVE DATE; APPLICABILITY.** This section is effective the day  
8.22 following final enactment, and applies to contributions received by a candidate for  
8.23 judicial office on or after that date. A candidate who has accepted a contribution from  
8.24 an individual, political committee, or political fund between January 1, 2010, and the  
8.25 effective date of this act may only accept an additional contribution from that individual,  
8.26 political committee, or political fund during calendar year 2010 to the extent that the  
8.27 additional contribution does not cause the aggregate amount received from that contributor  
8.28 to exceed the limit contained in this section.

8.29 Sec. 15. Minnesota Statutes 2008, section 10A.31, is amended by adding a subdivision  
8.30 to read:

8.31 **Subd. 7a. Withholding of public subsidy.** If a candidate who is eligible for  
8.32 payment of public subsidy under this section has not filed the report of receipts and  
8.33 expenditures required under section 10A.20 before a primary election, any public subsidy  
8.34 for which that candidate is eligible must be withheld by the board until the candidate  
8.35 complies with the filing requirements of section 10A.20 and the board has sufficient time

9.1 to review or audit the report. If a candidate who is eligible for public subsidy does not file  
9.2 the report due before the primary election under section 10A.20 by the date that the report  
9.3 of receipts and expenditures filed before the general election is due, that candidate shall  
9.4 not be paid public subsidy for that election.

9.5 Sec. 16. Minnesota Statutes 2008, section 10A.322, subdivision 1, is amended to read:

9.6 Subdivision 1. **Agreement by candidate.** (a) As a condition of receiving a public  
9.7 subsidy, a candidate must sign and file with the board a written agreement in which the  
9.8 candidate agrees that the candidate will comply with sections 10A.25; 10A.27, subdivision  
9.9 10; 10A.31, subdivision 7, paragraph (c); 10A.324; and 10A.38.

9.10 (b) Before the first day of filing for office, the board must forward agreement forms to  
9.11 all filing officers. The board must also provide agreement forms to candidates on request at  
9.12 any time. The candidate must file the agreement with the board by September 1 preceding  
9.13 the candidate's general election or a special election held at the general election. An  
9.14 agreement may not be filed after that date. An agreement once filed may not be rescinded.

9.15 (c) The board must notify the commissioner of revenue of any agreement signed  
9.16 under this subdivision.

9.17 (d) Notwithstanding paragraph (b), if a vacancy occurs that will be filled by means  
9.18 of a special election and the filing period does not coincide with the filing period for the  
9.19 general election, a candidate may sign and submit a spending limit agreement not later  
9.20 than the day after the ~~candidate files the affidavit of candidacy or nominating petition for~~  
9.21 the office close of the filing period for the special election for which the candidate filed.

9.22 Sec. 17. Minnesota Statutes 2008, section 10A.323, is amended to read:

9.23 **10A.323 AFFIDAVIT OF CONTRIBUTIONS.**

9.24 In addition to the requirements of section 10A.322, to be eligible to receive a public  
9.25 subsidy under section 10A.31 a candidate or the candidate's treasurer must file an affidavit  
9.26 with the board stating that during that calendar year the candidate has accumulated  
9.27 contributions from persons eligible to vote in this state in at least the amount indicated for  
9.28 the office sought, counting only the first \$50 received from each contributor:

- 9.29 (1) candidates for governor and lieutenant governor running together, \$35,000;  
9.30 (2) candidates for attorney general, \$15,000;  
9.31 (3) candidates for secretary of state and state auditor, separately, \$6,000;  
9.32 (4) candidates for the senate, \$3,000; and  
9.33 (5) candidates for the house of representatives, \$1,500.

10.1 The affidavit must state the total amount of contributions that have been received  
10.2 from persons eligible to vote in this state, disregarding the portion of any contribution in  
10.3 excess of \$50.

10.4 The candidate or the candidate's treasurer must submit the affidavit required by this  
10.5 section to the board in writing by the cutoff date for reporting of receipts and expenditures  
10.6 before a primary under section 10A.20, subdivision 4.

10.7 A candidate for a vacancy to be filled at a special election for which the filing period  
10.8 does not coincide with the filing period for the general election must submit the affidavit  
10.9 required by this section to the board within five days after ~~filing the affidavit of candidacy~~  
10.10 the close of the filing period for the special election for which the candidate filed.

10.11 Sec. 18. Minnesota Statutes 2008, section 10A.35, is amended to read:

10.12 **10A.35 COMMERCIAL USE OF INFORMATION PROHIBITED.**

10.13 Information copied from reports and statements filed with the board, other than  
10.14 reports and statements filed by lobbyists and lobbyist principals, may not be sold or used  
10.15 by an individual or association for a commercial purpose. Purposes related to elections,  
10.16 political activities, or law enforcement are not commercial purposes. An individual or  
10.17 association who violates this section is subject to a civil penalty of up to \$1,000. An  
10.18 individual who knowingly violates this section is guilty of a misdemeanor.

10.19 Sec. 19. Minnesota Statutes 2008, section 13.607, is amended by adding a subdivision  
10.20 to read:

10.21 Subd. 5a. **Campaign reports.** Certain reports filed with the Campaign Finance and  
10.22 Public Disclosure Board are classified under section 10A.20.

10.23 Sec. 20. **CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD;**  
10.24 **FUNDING OPTION.**

10.25 The Campaign Finance and Public Disclosure Board shall analyze the potential use  
10.26 of funds collected under Minnesota Statutes, section 10A.31, as the exclusive source of  
10.27 funding for the operations of the board.

10.28 The board must submit a report describing the board's findings and recommendations  
10.29 under this section to the chairs of the legislative committees with jurisdiction over  
10.30 elections finance no later than January 15, 2011.

10.31 Sec. 21. **REPEALER.**

10.32 Minnesota Statutes 2008, section 10A.20, subdivision 6b, is repealed.

11.1       Sec. 22. **EFFECTIVE DATE.**

11.2       Except as otherwise provided, this act is effective the day following final enactment.