CHAPTER 608-H.F.No. 2666

An act relating to elections; limiting campaign expenditures by congressional candidates who choose to receive a financial incentive for their campaigns; changing certain campaign practice and ethical practice requirements; clarifying and modifying certain exceptions to multicandidate political party expenditure limitations; modifying lobbyist reporting requirements; expanding certain reports by certain political committees and political funds; discontinuing the state ethical practices board's responsibility for developing and furnishing certain forms; providing a tax credit for contributions to candidates and political parties; limiting contributions and solicitations during a regular legislative session; providing a public subsidy for legislative candidates in special elections; requiring candidates to match funds received from the state elections campaign fund; requiring deer licenses to include an application for absentee ballots; requiring county auditors to provide a sample ballot for classroom use; specifying a time period for preparing a candidate's affidavit; providing for selection of judicial candidates; encouraging certain congressional action; requiring certain legislative meetings to be open; appropriating money; providing penalties; amending Minnesota Statutes 1988, sections 10A.01, subdivisions 7, 10b, 10c, 11, and by adding subdivisions; 10A.02, subdivision 1; 10A.04, subdivisions 2, 4, 4a, and by adding subdivisions; 10A.05; 10A.06; 10A.07; 10A.09, subdivision 2, and by adding a subdivision; 10A.20, subdivisions 3, 5, and by adding a subdivision; 10A.22, subdivision 7; 10A.24; 10A.25, subdivisions 2, 5, 6, 10, and by adding a subdivision; 10A.255, by adding a subdivision; 10A.27, subdivision 1, and by adding a subdivision; 10A.275; 10A.28, subdivision 1; 10A.30, subdivision 2; 97A.485, by adding a subdivision; 204B.09, subdivision 1; 290.06, by adding a subdivision; 383B.053, subdivision 1; and 383B.055, subdivisions 1 and 2; Minnesota Statutes 1989 Supplement, section 10A.09, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3; 10A; and 204D; proposing coding for new law as Minnesota Statutes, chapter 480B; repealing Minnesota Statutes 1988, sections 10A.32, subdivisions 1, 2, 3, and 4; and 10A.33; and Minnesota Statutes 1989 Supplement, section 10A.32, subdivision 3a.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA: ELECTIONS AND ETHICS REFORM ACT OF 1990

ARTICLE 1

LOBBYING DISCLOSURE

Section 1. Minnesota Statutes 1988, section 10A.01, subdivision 11, is amended to read:

Subd. 11. (a) "Lobbyist" means any an individual:

(a) (1) engaged for pay or other consideration, or authorized to spend money by another individual of, association to spend money, political subdivision, or public higher education system, who spends more than five hours in any month

or more than \$250, not including the individual's own travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit, by communicating or urging others to communicate with public or local officials; or

- (b) (2) who spends more than \$250, not including the individual's own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit, by communicating or urging others to communicate with public or local officials.
 - (b) "Lobbyist" does not include any:
 - (a) (1) a public official or employee of the state or any of its;
- (2) an employee of the state, including an employee of any of the public higher education systems;
 - (3) an elected local official;
- (4) a nonelected local official or an employee of a political subdivisions or public bodies subdivision acting in an official capacity, unless the nonelected official or employee of a political subdivision spends more than 50 hours in any month attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit other than the political subdivision employing the official or employee, by communicating or urging others to communicate with public or local officials, including time spent monitoring legislative or administrative action, or the official action of a metropolitan governmental unit, and related research, analysis, and compilation and dissemination of information relating to legislative or administrative policy in this state, or to the policies of metropolitan governmental units;
- (b) (5) a party or the party's representative appearing in a proceeding before a state board, commission or agency of the executive branch unless the board, commission or agency is taking administrative action;
- (e) (6) an individual while engaged in selling goods or services to be paid for by public funds;
- (d) (7) a news media medium or their its employees or agents while engaged in the publishing or broadcasting of news items, editorial comments or paid advertisements which directly or indirectly urge official action;
- (e) (8) a paid expert witness whose testimony is requested by the body before which the witness is appearing, but only to the extent of preparing or delivering testimony;
 - (f) (9) a stockholder of a family farm corporation as defined in section

- 500.24, subdivision 2, who does not spend over \$250, excluding the stockholder's own travel expenses, in any year in communicating with public officials; or
- (g) (10) a party or the party's representative appearing to present a claim to the legislature and communicating to legislators only by the filing of a claim form and supporting documents and by appearing at public hearings on the claim.
- Sec. 2. Minnesota Statutes 1988, section 10A.01, is amended by adding a subdivision to read:
- Subd. 25. LOCAL OFFICIAL. "Local official" means a person who holds elective office in a political subdivision or who is appointed to or employed in a public position in a political subdivision in which the person has authority to make, to recommend, or to vote on as a member of the governing body, major decisions regarding the expenditure or investment of public money.
- Sec. 3. Minnesota Statutes 1988, section 10A.01, is amended by adding a subdivision to read:
- Subd. 26. METROPOLITAN GOVERNMENTAL UNIT. "Metropolitan governmental unit" means any of the seven counties in the metropolitan area as defined in section 473.121, subdivision 2, a regional railroad authority established by one or more of those counties under section 398A.03, a city with a population of over 50,000 located in the seven-county metropolitan area, the metropolitan council, a metropolitan agency as defined in section 473.121, subdivision 5a, the Minnesota state high school league, and the Greater Minnesota Corporation.
- Sec. 4. Minnesota Statutes 1988, section 10A.01, is amended by adding a subdivision to read:
- Subd. 27. POLITICAL SUBDIVISION. "Political subdivision" means the metropolitan council, a metropolitan agency as defined in section 473.121, subdivision 5a, a municipality as defined in section 471.345, subdivision 1, the Minnesota state high school league, and the Greater Minnesota Corporation.
- Sec. 5. Minnesota Statutes 1988, section 10A.01, is amended by adding a subdivision to read;
- <u>Subd.</u> 28. **PRINCIPAL.** "Principal" means an individual or association that:
- (1) spends more than \$500 in the aggregate in any calendar year to engage a lobbyist, compensate a lobbyist, or authorize the expenditure of money by a lobbyist; or
- (2) is not included in clause (1) and spends a total of at least \$50,000 in any calendar year on efforts to influence legislative action, administrative action, or

the official action of metropolitan governmental units, as described in section 10.

Sec. 6. Minnesota Statutes 1988, section 10A.02, subdivision 1, is amended to read:

Subdivision 1. There is hereby created a state ethical practices board composed of six members. The members shall be appointed by the governor with the advice and consent of three-fifths of both the senate and the house of representatives acting separately. If either house fails to confirm the appointment of a board member within 45 legislative days after appointment, or by adjournment sine die, whichever occurs first, the appointment shall terminate on the day following the 45th legislative day or on adjournment sine die, whichever occurs first. If either house votes not to confirm an appointment, the appointment terminates on the day following the vote not to confirm. One member shall be a former member of the legislature from a major political party different from that of the governor; one member shall be a former member of the legislature from the same political party as the governor; two members shall be persons who have not been public officials, held any political party office other than precinct delegate, or been elected to public office for which party designation is required by statute in the three years preceding the date of their appointment; and the other two members shall not support the same political party. No more than three of the members of the board shall support the same political party. No member of the board may currently serve as a lobbyist.

- Sec. 7. Minnesota Statutes 1988, section 10A.04, subdivision 2, is amended to read:
- Subd. 2. Each report shall cover the time from the last day of the period covered by the last report to 15 days prior to the current filing date. The reports shall be filed with the board by the following dates:
 - (a) January 15;
 - (b) April 15; and
 - (c) July 15; and
 - (d) October 15.
- Sec. 8. Minnesota Statutes 1988, section 10A.04, subdivision 4, is amended to read:
- Subd. 4. (a) The report shall include such information as the board may require from the registration form and the following information required by this subdivision for the reporting period:
- (a) (b) Each lobbyist shall report the lobbyist's total disbursements on lobbying, separately listing lobbying to influence legislative action, lobbying to influence

administrative action, and lobbying to influence the official actions of a metropolitan governmental unit, and a breakdown of these disbursements for each of those kinds of lobbying into categories specified by the board, including but not limited to the cost of publication and distribution of each publication used in lobbying; other printing; media, including the cost of production; postage; travel; fees, including allowances; entertainment; telephone and telegraph; and other expenses;

- (b) (c) Each lobbyist shall report the amount and nature of each honorarium, gift, loan, item or benefit, excluding contributions to a candidate, equal in value to \$50 or more, given or paid to any public or local official by the lobbyist or any employer or any employee of the lobbyist. The list shall include the name and address of each public or local official to whom the honorarium, gift, loan, item or benefit was given or paid and the date it was given or paid; and.
- (e) (d) Each lobbyist shall report each original source of funds in excess of \$500 in any year used for the purpose of lobbying to influence legislative action, each such source of funds used to influence administrative action, and each such source of funds used to influence the official action of metropolitan governmental units. The list shall include the name, address and employer, or, if self-employed, the occupation and principal place of business, of each payer of funds in excess of \$500.
- Sec. 9. Minnesota Statutes 1988, section 10A.04, subdivision 4a, is amended to read:
- Subd. 4a. If in any reporting period the lobbyist's reportable disbursements total not over \$100 and no honorarium, gift, loan, item or benefit equal in value to \$50 or more was given or paid to any public official, a statement to that effect in lieu of the report may be filed for that period. The unreported disbursements shall be included in the report for the following period, unless the total for that period, including the carryover, is not over \$100. The October January 15 report shall include all previously unreported disbursements, even though the total for the year is not over \$100.
- Sec. 10. Minnesota Statutes 1988, section 10A.04, is amended by adding a subdivision to read:
- Subd. 6. PRINCIPALS TO REPORT. (a) Each principal shall report to the board as required in this subdivision by March 15 for the preceding calendar year.
- (b) Each principal shall report which of the following categories includes the total amount, rounded to the nearest dollar, spent by the principal during the preceding calendar year to influence legislative action, administrative action, and the official action of metropolitan governmental units:
 - (1) \$501 to \$50,000;

- (2) \$50,001 to \$150,000; or
- (3) \$150,001 to \$250,000.
- (c) Beyond \$250,000, each additional \$250,000 constitutes an additional category, and each principal shall report which of the categories includes the total amount spent by the principal for the purposes provided in this subdivision.
- (d) The principal shall report under this subdivision a total amount that includes:
 - (1) all direct payments by the principal to lobbyists in Minnesota;
- (2) all expenditures for advertising, mailing, research, analysis, compilation and dissemination of information, and public relations campaigns related to legislative action, administrative action, or the official action of metropolitan governmental units in Minnesota; and
- (3) all salaries and administrative expenses attributable to activities of the principal relating to efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units in Minnesota.
- Sec. 11. Minnesota Statutes 1988, section 10A.04, is amended by adding a subdivision to read:
- <u>Subd. 7.</u> FINANCIAL RECORDS. The board may randomly audit the financial records of lobbyists and principals required to report under this section.
 - Sec. 12. Minnesota Statutes 1988, section 10A.05, is amended to read:

10A.05 LOBBYIST REPORT.

Within 30 days after each lobbyist filing date set by section 10A.04, the executive director of the board shall report to the governor, and the presiding officer of each house of the legislature, the names of the lobbyists registered who were not previously reported, the names of the persons or associations whom they represent as lobbyists and, the subject or subjects on which they are lobbying, and whether in each case they lobby to influence legislative or administrative action or both. At the same times, the executive director of the board shall report to the governing body of each metropolitan governmental unit, the names of the registered lobbyists who attempt to influence the official action of metropolitan governmental units, the names of the persons or associations whom they represent as lobbyists, and the subject or subjects on which they are lobbying.

Sec. 13. Minnesota Statutes 1988, section 10A.06, is amended to read:

10A.06 CONTINGENT FEES PROHIBITED.

No person shall may act as or employ a lobbyist for compensation which that is dependent upon the result or outcome of any legislative or administrative action, or of the official action of a metropolitan governmental unit. Any A person who violates the provisions of this section is guilty of a gross misdemeanor.

Sec. 14. CURRENT BOARD MEMBERS.

Section 6 does not apply to members of the ethical practices board appointed before the effective date of section 6.

Sec. 15. SEVERABILITY.

If a provision of this article is found to be unconstitutional and void, the remaining provisions of this article remain valid.

Sec. 16. EFFECTIVE DATE.

Sections 1 to 5, 8, 10, 11, and 12 are effective January 1, 1991. Section 13 is effective January 1, 1991, and applies to crimes committed on or after that date.

ARTICLE 2

ECONOMIC INTEREST AND CONFLICT REPORTING

Section 1. Minnesota Statutes 1988, section 10A.07, is amended to read:

10A.07 CONFLICTS OF INTEREST.

Subdivision 1. DISCLOSURE OF POTENTIAL CONFLICTS. Any A public official or a local official elected to or appointed by a metropolitan governmental unit who in the discharge of official duties would be required to take an action or make a decision which that would substantially affect the official's financial interests or those of an associated business, unless the effect on the official is no greater than on other members of the official's business classification, profession, or occupation, shall take the following actions:

- (a) (1) prepare a written statement describing the matter requiring action or decision and the nature of the potential conflict of interest;
- (b) (2) deliver copies of the statement to the board and to the official's immediate superior, if any; and
- (e) (3) if a member of the legislature or of the governing body of a metropolitan governmental unit, deliver a copy of the statement to the presiding officer of the house body of service.

If a potential conflict of interest presents itself and there is insufficient time to comply with the provisions of clauses (a) (1) to (e) (3), the public or local official shall verbally orally inform the superior or the official body of service, or committee thereof, of the body of the potential conflict. The official shall file a written statement with the board within one week after the potential conflict presents itself:

- Subd. 2. If the public official is not a member of the legislature or of the governing body of a metropolitan governmental unit, the superior shall assign the matter, if possible, to another employee who does not have a potential conflict of interest. If there is no immediate superior, the public official shall abstain, if possible, in a manner prescribed by the board from influence over the action or decision in question. If the public official is a member of the legislature, the house of service may, at the member's request, excuse the member from taking part in the action or decision in question. If the official is not permitted or is otherwise unable to abstain from action in connection with the matter, the official shall file a statement describing the potential conflict and the action taken. A public official shall file the statement with the board and a local official shall file the statement with the governing body of the official's political subdivision. The statement must be filed within a week of the action taken.
- <u>Subd.</u> 3. INTEREST IN CONTRACT; LOCAL OFFICIALS. <u>This section</u> <u>does not apply to a local official with respect to a matter governed by sections</u> 471.87 and 471.88.
- Sec. 2. Minnesota Statutes 1989 Supplement, section 10A.09, subdivision 1, is amended to read:
- Subdivision 1. TIME FOR FILING. Except for a candidate for elective office in the judicial branch, an individual shall file a statement of economic interest with the board:
- (a) (1) within 60 days of accepting employment as a public official or a local official in a metropolitan governmental unit;
- (b) (2) within 14 days after filing an affidavit of candidacy or petition to appear on the ballot for an elective public office or an elective local office in a metropolitan governmental unit;
- (e) (3) in the case of a public official requiring the advice and consent of the senate, within 14 days after undertaking the duties of office; or
- (d) (4) in the case of members of the Minnesota racing commission, the director of the division of pari-mutuel racing, chief of security, medical officer, inspector of pari-mutuels, and stewards employed or approved by the commission or persons who fulfill those duties under contract, within 60 days of accepting or assuming duties.

- Sec. 3. Minnesota Statutes 1988, section 10A.09, subdivision 2, is amended to read:
- Subd. 2. NOTIFICATION. The secretary of state or the appropriate county auditor, upon receiving an affidavit of candidacy or petition to appear on the ballot from an individual required by this section to file a statement of economic interest, and any official who nominates or employs a public or local official required by this section to file a statement of economic interest, shall notify the board of the name of the individual required to file a statement and the date of the affidavit, petition, or nomination.
- Sec. 4. Minnesota Statutes 1988, section 10A.09, is amended by adding a subdivision to read:
- Subd. 6a. LOCAL OFFICIALS. A local official required to file a statement under this section shall file it with the governing body of the official's political subdivision. The governing body shall maintain statements filed with it under this subdivision as public data.
- Sec. 5. Minnesota Statutes 1988, section 383B.053, subdivision 1, is amended to read:

Subdivision 1. OFFICIALS REQUIRED TO FILE; DEADLINES. Every candidate for county office, every elected official of Hennepin county, every candidate for office and every elected official of a home rule charter city or statutory city located wholly within Hennepin county and having a population of 75,000 or more, and every candidate for school board and every elected official in special school district No. 1, Minneapolis shall file statements of economic interest as required by this section with the filing officer. A candidate shall file an original statement within 14 days of the filing of an affidavit or petition to appear on the ballot. All elected officials of Hennepin county and of a home rule charter city or statutory city located wholly in Hennepin county and having a population of 75,000 or more who are in office on March 19, 1980, shall file an original statement of economic interest 60 days after forms for disclosure are provided to the filing officer. Every individual required to file a statement shall file a supplementary statement on April 15 of each year in which the individual remains a candidate or elected official. An official required to file a statement of economic interest under section 10A.09 is not required to comply with this section.

Sec. 6. APPROPRIATION.

\$20,000 is appropriated from the general fund to the ethical practices board for the purposes of this act. This appropriation is for fiscal year 1991.

Sec. 7. EFFECTIVE DATE.

Article 2 is effective January 1, 1991.

ARTICLE 3

STATE CAMPAIGN REFORM

Section 1. Minnesota Statutes 1988, section 10A.01, subdivision 7, is amended to read:

Subd. 7. "Contribution" means a transfer of funds or a donation in kind.

Contribution includes any loan or advance of credit to a political committee, political fund, or principal campaign committee, which loan or advance of credit is (a) forgiven, or (b) paid by an entity individual or an association other than the political committee, political fund, or principal campaign committee to which the loan or advance of credit is made. If an advance of credit or a loan is forgiven or paid as provided in this subdivision, it is a contribution in the year in which the loan or advance of credit is made.

A contribution made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate.

Contribution does not include services provided without compensation by an individual volunteering personal time on behalf of a candidate, ballot question, political committee or political fund, or the publishing or broadcasting of news items or editorial comments by the news media.

- Sec. 2. Minnesota Statutes 1988, section 10A.01, subdivision 10b, is amended to read:
- Subd. 10b. "Independent expenditure" means an expenditure expressly advocating the election or defeat of a clearly identified candidate, which expenditure is made without the express or implied consent, authorization, or cooperation of, and not in concert with or at the request or suggestion of, any candidate or any candidate's principal campaign committee or agent. An independent expenditure is not a contribution to that candidate.
- Sec. 3. Minnesota Statutes 1988, section 10A.01, subdivision 10c, is amended to read:
- Subd. 10c. "Noncampaign disbursement" means a purchase or payment of money or anything of value made, or an advance of credit incurred, by a political committee, political fund, or principal campaign committee for any purpose other than to influence the nomination or election of a candidate or to promote or defeat a ballot question.

Noncampaign disbursement includes:

(a) Payment for accounting and legal services;

- (b) Return of a contribution to the source;
- (c) Repayment of a loan made to the political committee, political fund, or principal campaign committee by that committee or fund;
 - (d) Return of money from the state elections campaign fund;
- (e) Payment for food and, beverages consumed at, entertainment, and facility rental for a fundraising event;
- (f) Services for a constituent by a member of the legislature or a constitutional officer in the executive branch, performed from the beginning of the term of office to 60 days after adjournment sine die of the legislature in the election year for the office held; and
- (g) A donation in kind given to the political committee, political fund, or principal campaign committee for purposes listed in clauses (e) and (f). The board shall determine whether an activity involves a noncampaign disbursement within the meaning of this subdivision.
- Sec. 4. [10A.065] CONTRIBUTIONS AND SOLICITATIONS DURING LEGISLATIVE SESSION.
- Subdivision 1. REGISTERED LOBBYIST CONTRIBUTIONS; LEGIS-LATIVE SESSION. A candidate for the legislature, a candidate's principal campaign committee, any other political committee with the candidate's name or title, or any committee authorized by the candidate, shall not solicit or accept a contribution on behalf of the candidate's principal campaign committee, any other political committee with the candidate's name or title, or any committee authorized by the candidate, from a registered lobbyist, political committee, or political fund during a regular session of the legislature.
- <u>Subd. 2.</u> **DEFINITION.** <u>For purposes of this section, "regular session" does not include a special session or the interim between the two annual sessions of a biennium.</u>
- Subd. 3. CIVIL PENALTY. A candidate or political committee that violates this section is subject to a civil fine of up to \$500. If the board makes a public finding that there is probable cause to believe a violation of this section has occurred, the board shall bring an action, or transmit the finding to a county attorney who shall bring an action, in the district court of Ramsey county, to impose a civil fine as prescribed by the board. Fines paid under this section must be deposited in the general fund in the state treasury.
- Subd. 4. SPECIAL ELECTION. This section does not apply to a candidate or a candidate's principal campaign committee in a legislative special election during the period beginning when the person becomes a candidate in the special election and ending on the day of the special election.

- Subd. 5. POLITICAL COMMITTEE. This section does not apply to a political committee established by a state political party; by the party organization within a congressional district, county, legislative district, municipality, or precinct; by all or part of the party organization within each house of the legislature, except for individual members; by a candidate for an office other than the legislature; or to a member of such a political committee acting solely on behalf of the committee.
- Sec. 5. Minnesota Statutes 1988, section 10A.20, subdivision 3, is amended to read:
 - Subd. 3. Each report under this section shall disclose:
- (a) The amount of liquid assets on hand at the beginning of the reporting period;
- (b) The name, address and employer, or occupation if self-employed, of each individual, political committee or political fund who within the year has made one or more transfers or donations in kind to the political committee or political fund, including the purchase of tickets for all fund raising efforts, which in aggregate exceed \$100 for legislative or statewide candidates or ballot questions, together with the amount and date of each transfer or donation in kind, and the aggregate amount of transfers and donations in kind within the year from each source so disclosed. A donation in kind shall be disclosed at its fair market value. An approved expenditure is listed as a donation in kind. A donation in kind is considered consumed in the reporting period in which it is received. The names of contributors shall be listed in alphabetical order;
- (c) The sum of contributions to the political committee or political fund during the reporting period;
- (d) Each loan made or received by the political committee or political fund within the year in aggregate in excess of \$100, continuously reported until repaid or forgiven, together with the name, address, occupation and the principal place of business, if any, of the lender and any endorser and the date and amount of the loan. If any loan made to the principal campaign committee of a candidate is forgiven at any time or repaid by any entity other than that principal campaign committee, it shall be reported as a contribution for the year in which the loan was made;
- (e) Each receipt in excess of \$100 not otherwise listed under clauses (b) to (d);
- (f) The sum of all receipts of the political committee or political fund during the reporting period;
- (g) The name and address of each individual or association to whom aggregate expenditures, including approved expenditures, have been made by or on

behalf of the political committee or political fund within the year in excess of \$100, together with the amount, date and purpose of each expenditure and the name and address of, and office sought by, each candidate on whose behalf the expenditure was made, identification of the ballot question which the expenditure is intended to promote or defeat, and in the case of independent expenditures made in opposition to a candidate, the name, address and office sought for each such candidate;

- (h) The sum of all expenditures made by or on behalf of the political committee or political fund during the reporting period;
- (i) The amount and nature of any advance of credit incurred by the political committee or political fund, continuously reported until paid or forgiven. If any advance of credit incurred by the principal campaign committee of a candidate is forgiven at any time by the creditor or paid by any entity other than that principal campaign committee, it shall be reported as a donation in kind for the year in which the advance of credit was incurred;
- (j) The name and address of each political committee, political fund, or principal campaign committee to which aggregate transfers in excess of \$100 have been made within the year, together with the amount and date of each transfer:
- (k) The sum of all transfers made by the political committee, political fund, or principal campaign committee during the reporting period;
- (l) For principal campaign committees only, the sum of noncampaign disbursements made in each category listed in section 10A.01, subdivision 10c, during the reporting period; and
- (m) The sum of all noncampaign disbursements made by the political committee, political fund, or principal campaign committee during the reporting period.
- (1) Except for contributions to a candidate or committee for a candidate for office in a municipality as defined in section 471.345, subdivision 1, the name and address of each individual or association to whom aggregate noncampaign disbursements in excess of \$100 have been made within the year by or on behalf of a principal campaign committee, political committee, or political fund, together with the amount, date, and purpose of each noncampaign disbursement.
- Sec. 6. Minnesota Statutes 1988, section 10A.20, subdivision 5, is amended to read:
- Subd. 5. In any statewide election any contribution or contributions from any one source totaling \$2,000 or more, or in any legislative election totaling more than \$400, received between the last day covered in the last report prior to an election and the election shall be reported to the board in one of the following ways:

- (1) in person within 48 hours after its receipt;
- (2) by telegram or mailgram within 48 hours after its receipt; or
- (3) by certified mail sent within 48 hours after its receipt.

These contributions must also be reported in the next required report.

The 48-hour notice requirement does not apply with respect to a primary if the statewide or legislative candidate is unopposed in that primary.

- Sec. 7. Minnesota Statutes 1988, section 10A.20, is amended by adding a subdivision to read:
- Subd. 13. THIRD PARTY REIMBURSEMENT. An individual, political committee, or political fund filing a report disclosing an expenditure or noncampaign disbursement that must be reported and itemized under subdivision 3, paragraph (g) or (l), that is a reimbursement to a third party is required to report the purpose of each expenditure or disbursement for which the third party is being reimbursed. An expenditure or disbursement is a reimbursement to a third party if it is for goods or services that were not directly provided by the individual or association to whom the expenditure or disbursement is made. Third party reimbursements include payments to credit card companies and reimbursement of individuals for expenses they have incurred.
- Sec. 8. Minnesota Statutes 1988, section 10A.22, subdivision 7, is amended to read:
- Subd. 7. STATEMENT REQUIRED; PENALTY. (a) The treasurer of a political committee or political fund shall not accept a contribution of more than \$100 from a political committee or political fund an association not registered in this state unless the contribution is accompanied by a written statement which meets the disclosure and reporting period requirements imposed by section 10A.20. This statement shall be certified as true and correct by an officer of the contributing political committee or political fund association. The political committee or political fund which accepts the contribution shall include a copy of the statement with the report which discloses the contribution to the board. The provisions of this subdivision shall not apply when a national political party transfers money to its affiliate in this state.
- (b) An unregistered association may provide the written statement required by this subdivision to no more than three political committees or political funds in any calendar year. Each statement must cover at least the 30 days immediately preceding and including the date on which the contribution was made. An unregistered association or an officer of it is subject to a civil penalty up to \$1,000 if the association or its officer:
 - (1) fails to provide a written statement as required by this subdivision; or

(2) fails to register after giving the written statement required by this subdivision to more than three political committees or political funds in any calendar year.

An officer of an association who violates this paragraph is guilty of a misdemeanor.

Sec. 9. Minnesota Statutes 1988, section 10A.24, is amended to read:

10A.24 DISSOLUTION OR TERMINATION.

Subdivision 1. TERMINATION REPORT. No political committee or political fund shall dissolve until it has settled all of its debts and disposed of all its assets in excess of \$100 and filed a termination report. The termination report may be made at any time and shall include all information required in periodic reports.

- Subd. 2. TERMINATION ALLOWED. Notwithstanding subdivision 1, after mailing notice to any remaining creditors by certified mail, a political committee or political fund that has debts incurred more than six years previously, has disposed of all its assets, and has met the requirements of section 10A.20, subdivision 7, may file a termination report.
- Sec. 10. [10A.242] DISSOLUTION OF INACTIVE COMMITTEES AND FUNDS.

Subdivision 1. DISSOLUTION REQUIRED. (a) A political committee or political fund must be dissolved within 60 days after receiving notice from the board that the committee has become inactive. The assets of the committee or fund must be spent for the purposes authorized by section 211B.12 and other applicable law or liquidated and deposited in the general account of the state elections campaign fund within 60 days after the board notifies the committee or fund that it has become inactive.

- Subd. 2. INACTIVITY DEFINED. (a) A principal campaign committee becomes inactive on the later of the following dates:
- (1) when six years have elapsed since the last election in which the person was a candidate for the office sought or held at the time the principal campaign committee registered with the board; or
- (2) when six years have elapsed since the last day on which the individual for whom it exists served in an elective office subject to this chapter.
- (b) A committee or fund other than a principal campaign committee becomes inactive when two years have elapsed since the end of a reporting period during which the committee or fund made an expenditure or disbursement requiring disclosure under this chapter.

- Subd. 3. REMAINING DEBTS. If a committee or fund becomes inactive when it still has unpaid debts, the committee or fund shall liquidate available assets to pay the debts. If insufficient assets exist to pay the debts, the board may set up a payment schedule and allow the committee or fund to defer dissolution until all debts are paid. This section does not extinguish debts incurred by the committee or fund.
- Sec. 11. Minnesota Statutes 1988, section 10A.25, subdivision 2, is amended to read:
- Subd. 2. In a year in which an election is held for an office sought by a candidate, no expenditures shall be made by the principal campaign committee of that candidate, nor any approved expenditures made on behalf of that candidate which expenditures and approved expenditures result in an aggregate amount in excess of the following:
- (a) For governor and lieutenant governor, running together, \$600,000 \$1,626,691;
 - (b) For attorney general, \$100,000 \$271,116;
- (c) For secretary of state, state treasurer, and state auditor, separately, \$50,000 \$135,559;
 - (d) For state senator, \$15,000 \$40,669;
 - (e) For state representative, \$7,500 \$20,335.
- Sec. 12. Minnesota Statutes 1988, section 10A.25, is amended by adding a subdivision to read:
- Subd. 2a. AGGREGATED EXPENDITURES. If a candidate makes expenditures from more than one principal campaign committee for nomination or election to statewide office in the same election year, the amount of expenditures from all of the candidate's principal campaign committees for statewide office for that election year must be aggregated for purposes of the application of the limits on campaign expenditures under subdivision 2, clauses (a) to (c).
- Sec. 13. Minnesota Statutes 1988, section 10A.25, subdivision 5, is amended to read:
- Subd. 5. Notwithstanding the limits imposed by subdivision 2, the winning candidate in a contested race in a primary who receives less than twice as many votes as any one of the candidate's opponents in that primary may make aggregate expenditures and approved expenditures equal to 120 percent of the applicable amount as set forth in subdivision 2, as adjusted by section 10A.255.
- Sec. 14. Minnesota Statutes 1988, section 10A.25, subdivision 6, is amended to read:

- Subd. 6. In any year following an election year for the office held or sought, the aggregate amount of expenditures by and approved expenditures on behalf of a candidate for or holder of that office shall not exceed 20 percent one-fourth of the expenditure limit set forth in subdivision 2.
- Sec. 15. Minnesota Statutes 1988, section 10A.25, subdivision 10, is amended to read:
- Subd. 10. The expenditure limits imposed by this section apply only to candidates whose <u>major political party</u> opponents agree to be bound by the limits and who themselves agree to be bound by the limits as a condition of receiving a public subsidy for their campaigns in the form of an allocation of money from the state elections campaign fund.

A candidate of a major political party who agrees to be bound by the limits and receives a public subsidy, who has an opponent who: (1) is a candidate of a major political party; and (2) does not agree to be bound by the limits but is otherwise eligible to receive a public subsidy, is no longer bound by the limits, including those in section 26, subdivision 1, paragraph (c), but is still eligible to receive a public subsidy.

- Sec. 16. Minnesota Statutes 1988, section 10A.255, is amended by adding a subdivision to read:
- <u>Subd. 3.</u> PUBLICATION OF EXPENDITURE LIMIT. By June 15 of each year the board shall publish in the State Register the expenditure limit for each office for that calendar year under section 10A.25 as adjusted by this section.
- Sec. 17. Minnesota Statutes 1988, section 10A.27, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivisions 2 and 6, no candidate shall permit the candidate's principal campaign committee to accept contributions from any individual, political committee, or political fund in excess of the following:

- (a) To candidates for governor and lieutenant governor running together, \$60,000 in an election year for the office sought and \$12,000 in other years;
- (b) To a candidate for attorney general, \$10,000 in an election year for the office sought and \$2,000 in other years;
- (c) To a candidate for the office of secretary of state, state treasurer or state auditor, \$5,000 in an election year for the office sought and \$1,000 in other years;
- (d) To a candidate for state senator, \$1,500 in an election year for the office sought and \$300 one-third of that amount in other years; and

- (e) To a candidate for state representative, \$750 in an election year for the office sought and \$150 one-third of that amount in the other year.
- Sec. 18. Minnesota Statutes 1988, section 10A.27, is amended by adding a subdivision to read:
- Subd. 9. A candidate's principal campaign committee shall not accept in any calendar year aggregate contributions in an amount greater than the maximum amount allowed under subdivision 1 from another candidate's principal campaign committee or any other committee bearing the contributing candidate's name or title or otherwise authorized by the contributing candidate.
 - Sec. 19. Minnesota Statutes 1988, section 10A.275, is amended to read:

10A.275 MULTICANDIDATE POLITICAL PARTY EXPENDITURES.

- Subdivision 1. EXCEPTIONS. Notwithstanding any other provisions of this chapter, the following expenditures by a state political party or, a substate party unit of a state political party as described in section 10A.27, subdivision 4, or two or more party units acting together, with at least one party unit being either: the state party organization or the party organization within a congressional district, county, or legislative district, shall not be considered contributions to or expenditures on behalf of any candidate for the purposes of section 10A.25 or 10A.27, and shall not be allocated to any candidates pursuant to section 10A.22, subdivision 5:
- (a) expenditures on behalf of candidates of that party generally without referring to any of them specifically in any advertisement published, posted or broadcast;
- (b) expenditures for the preparation, display, mailing or other distribution of an official party sample ballot listing the names of three or more individuals whose names are to appear on the ballot;
- (c) expenditures for any telephone conversation including the names of three or more individuals whose names are to appear on the ballot; or
- (d) expenditures for any political party fundraising effort on behalf of three or more candidates .; or
- (e) expenditures for party committee staff member services that benefit three or more candidates.
- Subd. 2. APPLICATION. This section applies to a political committee of a political party as defined in section 10A.27, subdivision 4.
- Subd. 3. PARTY UNIT. For purposes of this section, "party unit" means the party organization within each house of the legislature; the state party organization; or the party organization within a congressional district, county, legislative district, municipality, or precinct.

- Sec. 20. Minnesota Statutes 1988, section 10A.28, subdivision 1, is amended to read:
- Subdivision 1. CANDIDATE EXCEEDING EXPENDITURE LIMITS. A candidate subject to the expenditure limits of <u>in</u> section 10A.25 who permits the candidate's principal campaign committee to make expenditures or permits approved expenditures to be made on the candidate's behalf in excess of the limits imposed by section 10A.25 shall be, as adjusted by section 10A.255, is subject to a civil fine up to four times the amount which the expenditures exceeded the limit.
- Sec. 21. Minnesota Statutes 1988, section 10A.30, subdivision 2, is amended to read:
- Subd. 2. Within the state elections campaign fund account there shall be maintained a separate <u>political party</u> account for the candidates of each political party and a general account.
 - Sec. 22. [10A.315] SPECIAL ELECTION SUBSIDY.
- (a) Each eligible candidate for a legislative office in a special election must be paid a public subsidy equal to the sum of:
- (1) the party account money at the last general election for the candidate's party for the office the candidate is seeking; and
- (2) the general account money paid to candidates for the same office at the last general election.
- (b) If the filing period for the special election does not coincide with the filing period for the general election, a candidate who wishes to receive this public subsidy must submit a signed agreement under section 24 to the board not later than the day after the candidate files the affidavit of candidacy or nominating petition for the office. To receive a subsidy, the candidate must meet the matching requirements of section 25, except that the dates in that section do not apply to a special election in which the filing period does not coincide with the filing period for the general election. To the extent feasible, the special election subsidy must be distributed in the same manner as money in the party and general accounts is distributed to legislative candidates in a general election.
- (c) The amount necessary to make the payments required by this subdivision is appropriated from the general fund to the state treasurer.
- Sec. 23. [10A.321] ESTIMATES OF MINIMUM AMOUNTS TO BE RECEIVED.
- Subdivision 1. CALCULATION AND CERTIFICATION OF ESTI-MATES. The commissioner of revenue shall calculate and certify to the board before July 1 in an election year an estimate of the total amount in the state

general account of the state elections campaign fund and the amount of money each candidate who qualifies, as provided in section 10A.31, subdivisions 6 and 7, may receive from the candidate's party account in the state elections campaign fund. This estimate must be based upon the allocations and formulas in section 10A.31, subdivision 5, any necessary vote totals provided by the secretary of state to apply the formulas in section 10A.31, subdivision 5, and the amount of money expected to be available after 100 percent of the tax returns have been processed.

Subd. 2. PUBLICATION, CERTIFICATION, AND NOTIFICATION PRO-CEDURES. Before the first day of filing for office, the board shall publish and forward to all filing officers the estimates calculated and certified under subdivision 1 along with a copy of section 10A.25, subdivision 10. Within seven days after the last day for filing for office, the secretary of state shall certify to the board the name, address, office sought, and party affiliation of each candidate who has filed with that office an affidavit of candidacy or petition to appear on the ballot. The auditor of each county shall certify to the board the same information for each candidate who has filed with that county an affidavit of candidacy or petition to appear on the ballot. Within seven days afterward, the board shall estimate the minimum amount to be received by each candidate who qualifies, as provided in section 10A.31, subdivisions 6 and 7. By August 15 the board shall notify all candidates of their minimum amount. The board shall include with the notice a form for the agreement provided in section 24 along with a copy of section 10A.25, subdivision 10.

Sec. 24. [10A.322] PUBLIC SUBSIDY AGREEMENTS.

Subdivision 1. AGREEMENT BY CANDIDATE. As a condition of receiving a public subsidy from the state elections campaign fund, a candidate shall sign and file with the board a written agreement in which the candidate agrees that the candidate will comply with sections 10A.25 and section 26. Before the first day of filing for office, the board shall forward agreement forms to all filing officers. The candidate may sign an agreement and submit it to the filing officer on the day of filing an affidavit of candidacy or petition to appear on the ballot, in which case the filing officer shall without delay forward signed agreements to the board. Alternatively, the candidate may submit the agreement directly to the board by the following September 1. An agreement may not be rescinded after that date. The board shall forward a copy of any agreement signed under this subdivision to the commissioner of revenue.

Subd. 2. HOW LONG AGREEMENT IS EFFECTIVE. The agreement, insofar as it relates to the expenditure limits in section 10A.25, as adjusted by section 10A.255, remains effective for candidates until the dissolution of the principal campaign committee of the candidate or the day filings open for the next succeeding election to the office held or sought at the time of the agreement, whichever occurs first.

- Subd. 3. ESTIMATE; ACTUAL AMOUNT. For the purposes of subdivisions 1 to 3 only, the total amount to be distributed to each candidate is calculated to be the candidate's share of the total estimated funds in the candidate's party account as provided in section 23, subdivision 1, plus the total amount estimated as provided in section 23, subdivision 1, to be in the general account of the state elections campaign fund and set aside for that office divided by the number of candidates whose names are to appear on the general election ballot for that office. If for any reason the amount actually received by the candidate is greater than the candidate's share of the estimate, and the contributions thereby exceed the difference, the agreement must not be considered violated.
- Subd. 4. CREDIT RECEIPT FORMS; PENALTY. The board shall make available to a political party on request and to any candidate for whom an agreement under this section is effective, a supply of official credit receipt forms that state in boldface type that (1) a contributor who is given a receipt form is eligible to claim a credit as provided in section 290.06, subdivision 23, and (2) if the contribution is to a candidate, that the candidate has signed an agreement to limit campaign expenditures as provided in section 24. The forms must provide duplicate copies of the receipt to be attached to the contributor's claim. A candidate who does not sign an agreement under this section and who willfully issues an official credit receipt form or a facsimile of one to any of the candidate's contributors is guilty of a misdemeanor.

Sec. 25. [10A.323] MATCHING REQUIREMENTS.

In addition to the requirements of section 24, to be eligible to receive a public subsidy from the state elections campaign fund a candidate shall file an affidavit with the board stating that during that calendar year the candidate has accumulated contributions, including unexpended balances from the year before, equal to 20 percent or more of the minimum amount that the board estimates, on August 15 of the general election year, would be received by the candidate from the state elections campaign fund. The candidate or the candidate's treasurer shall submit the affidavit required by this subdivision to the board in writing by October 1 of the general election year.

Sec. 26. [10A.324] RETURN OF PUBLIC SUBSIDY.

Subdivision 1. WHEN RETURN REQUIRED. A candidate shall return all or a portion of the public subsidy received from the state elections campaign fund under the circumstances in paragraph (a), (b), or (c).

- (a) To the extent that the amount of public subsidy received by the candidate exceeds the expenditure limits for the office held or sought, as provided in section 10A.25 and as adjusted by section 10A.255, the treasurer of the candidate's principal campaign committee shall return the excess to the board.
 - (b) To the extent that the amount of public subsidy received exceeds the

- aggregate of: (1) actual expenditures made by the principal campaign committee of the candidate; and (2) approved expenditures made on behalf of the candidate, the treasurer of the candidate's principal campaign committee shall return an amount equal to the difference to the board.
- (c) Except for an amount equal to 25 percent of the expenditure limits set forth in section 10A.25, but not exceeding \$15,000, any amount by which the aggregate contributions and approved expenditures agreed to exceed the difference between: (1) the amount which legally may be expended by or for the candidate; and (2) the amount the candidate receives from the state elections campaign fund must be returned to the state treasurer, deposited in the state treasury, and credited to the general fund.
- Subd. 2. CALCULATION. Money in the account of the principal campaign committee of a candidate on January 1 of the election year for the office held or sought must be considered contributions accepted by that candidate in that year for the purposes of this subdivision. The portion of contributions accepted by a candidate in an election year that equals the amount of noncampaign disbursements and contributions and expenditures to promote or defeat a ballot question that are made by that candidate in that year does not count toward the aggregate contributions and approved expenditure limit imposed by this section.
- Subd. 3. HOW RETURN DETERMINED. Whether or not a candidate is required under subdivision 1 to return all or a portion of the public subsidy received from the state elections campaign fund must be determined from the report required to be filed with the board by that candidate by January 31 of the year following an election. For purposes of this section, a transfer from one principal campaign committee to another principal campaign committee is considered to be a noncampaign disbursement. Any amount required to be returned must be submitted in the form of a check or money order and must accompany the report filed with the board. The board shall forward the check or money order to the state treasurer for deposit in the general fund. The amount returned must not exceed the amount of public subsidy received by the candidate from the state elections campaign fund.
- Subd. 4. RETURN NOT REQUIRED. A candidate whose campaign spending is unlimited under conditions imposed by section 10A.25, subdivision 10, and who certifies that the candidate made campaign expenditures equal to the full amount of the public financing received is not required to return any portion of the money received from the state elections campaign fund under the aggregate contribution limit provisions of this section.

Sec. 27. [10A.325] POLITICAL PARTY NOT HAVING CERTAIN CAN-DIDATES.

If money has been accumulated in the state elections campaign fund for the candidates of a political party, and the party does not have a candidate in a general election for the office of state senator or state representative, the party account money allocated for the office for which there is no candidate must be

returned to the general fund of the state. If that party does not have a candidate in a general election for any state constitutional office, the party account money allocated for that office must be transferred to the state general account of the state elections campaign fund for reallocation to all of the candidate offices as provided in section 10A.31, subdivision 5, and for distribution in that election year to candidates as provided in section 10A.31, subdivision 7.

- Sec. 28. Minnesota Statutes 1988, section 290.06, is amended by adding a subdivision to read:
- Subd. 23. CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES. (a) A taxpayer may claim a credit equal to the amount of the taxpayer's contributions made in the calendar year to candidates and to any political party. The maximum credit for an individual must not exceed \$50 and, for a married couple filing jointly, must not exceed \$100. A credit for a contribution is allowed only if the taxpayer files a form required by the commissioner and attaches to the form a copy of an official credit receipt form issued by the candidate or party. A claim must be filed with the commissioner not sooner than September 1 of the calendar year in which the contribution is made and no later than April 15 of the calendar year following the calendar year in which the contribution is made. A taxpayer may file only one claim per calendar year. Amounts paid by the commissioner after June 15 of the calendar year following the calendar year in which the contribution is made must include interest at the rate specified in section 270.76.
- (b) No credit is allowed under this subdivision for a contribution to any candidate who has not signed an agreement to limit campaign expenditures as provided in section 24, or article 4, section 4, and for whom voluntary spending limits are specified in section 10A.25 or article 4, section 4. This subdivision does not limit the campaign expenditure of a candidate who does not sign an agreement but accepts a contribution for which the contributor improperly claims a credit.
- (c) For purposes of this subdivision, "political party" means a major political party as defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion on the income tax or property tax refund form under section 10A.31, subdivision 3a. A "major or minor party" includes the aggregate of the party organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts. "Candidate" means a candidate as defined in section 10A.01, subdivision 5, but does not include a candidate for judicial office. Beginning January 1, 1991, "candidate" also means a candidate for the United States Senate or United States House of Representatives from Minnesota.
- (d) The commissioner shall include a copy of the credit form with the instructions for the long and short individual taxation forms. The commissioner

shall make copies of the form available to the public and candidates upon request.

- (e) The following data collected or maintained by the commissioner under this subdivision are private: the identities of individuals claiming a credit, the identities of candidates to whom those individuals have made contributions, and the amount of each contribution.
- (f) The amount necessary to pay claims for the credit provided in this section is appropriated from the general fund to the commissioner of revenue.

Sec. 29. TRANSITIONAL PROVISION FOR INACTIVE POLITICAL COMMITTEES AND FUNDS.

Subdivision 1. NOTICE. Within 30 days after the effective date of section 10, the ethical practices board shall send a notice to all political committees and funds informing them of the new requirements concerning inactive committees and funds, along with a copy of section 10.

Subd. 2. EXISTING INACTIVE COMMITTEES AND FUNDS. A political committee or fund that is inactive under the criteria set forth in section 10, subdivision 3, on the effective date of that section, shall dissolve by December 31, 1990, unless the board defers dissolution under section 10, subdivision 3.

Sec. 30. SEVERABILITY.

If a provision of this article is found to be unconstitutional and void, the remaining provisions of this article remain valid.

Sec. 31. APPROPRIATION.

The sum of \$150,000 is appropriated from the general fund to the commissioner of revenue for fiscal years 1990 and 1991 for the administration of the credit in section 28.

Sec. 32. REPEALER.

Minnesota Statutes 1988, sections 10A.32, subdivisions 1, 2, 3, and 4; and 10A.33; and Minnesota Statutes 1989 Supplement, section 10A.32, subdivision 3a, are repealed.

Sec. 33. EFFECTIVE DATE.

Sections 1 to 4, 6 to 17, 19 to 27, 29, 30, and 32 are effective the day following final enactment. Sections 5 and 18 are effective January 1, 1991. Section 28 is effective for taxable years beginning after December 31, 1989, for contributions to candidates as defined in section 10A.01, subdivision 5, excluding candidates for judicial office. Section 28 is effective for taxable years beginning after December 31, 1990, for contributions to candidates for the United States House of Representatives and United States Senate.

ARTICLE 4

CONGRESSIONAL CAMPAIGN REFORM

Section 1. [10A.40] LEGISLATIVE FINDINGS OF FACT; LEGISLATIVE INTENT.

<u>Subdivision</u> <u>1.</u> CAMPAIGN FINANCING; FINDINGS OF FACT. <u>The</u> legislature finds that:

- (1) the spending on campaigns for congressional office has increased to a disgraceful level and continues to rise;
- (2) the need to raise campaign contributions has caused Minnesota congressional candidates to aggressively solicit contributions from special interest groups and out-of-state sources, which diverts them from meeting Minnesota voters and publicly debating the pressing issues of the day;
- (3) the current practice of congressional campaign contributions and spending, along with ethical scandals in Washington, D.C., have created a public perception of political corruption and undue influence by wealthy special interests;
- (4) the United States Congress has debated necessary reforms for years but has failed to act, and the Federal Elections Campaign Act does not provide a means to encourage congressional candidates to voluntarily limit the amount of money they spend in campaigns; and
- (5) as a consequence, Minnesota's representation in Congress is jeopardized and the public's confidence in our elected congressional representatives is weakened.
- Subd. 2. PURPOSE. (a) In order to redress the problems described in subdivision 1, it is necessary to encourage congressional candidates to voluntarily limit the amount of money they spend on campaigns. A further purpose is to achieve the same successful results in congressional campaigns that have made Minnesota's state campaign spending system a model for the nation in the 15 years since its adoption.
- (b) This article is intended to address the problems described in subdivision 1 as follows:
- (1) by establishing voluntary limitations on campaign spending, candidates are discouraged from escalating campaign spending through the current means of financing campaigns, and campaign spending will likely be curtailed;
- (2) by providing an alternate source of financing, congressional candidates will be less susceptible to political corruption and less dependent on special interests, which will enhance the public's confidence in their congressional representatives;

- (3) by allowing candidates to focus on public issues rather than fundraising, the public will be better served in its representation and its opportunity to select the better candidate;
- (4) by reducing the influence of special interest groups and out-of-state contributions, the integrity of the process and the confidence of the public in their public servants will be enhanced; and
- (5) as a consequence, Minnesota will build on the success of its system of voluntary expenditure limits.
- Subd. 3. LEGISLATIVE INTENT. In enacting sections 1 to 12, the legislature intends to provide a system to encourage voluntary campaign expenditure limits that, in concert with the existing federal law and rules, will provide a comprehensive system of campaign and election regulation. The legislature does not intend to enact legislation that is in conflict with existing federal law, and does not intend to regulate where specific federal laws have already been enacted.

Sec. 2. [10A.41] DEFINITIONS.

- Subdivision 1. APPLICATION. The definitions in this section apply to sections 1 to 12. Where consistent with federal law, the definitions in section 10A.01 also apply to sections 1 to 12.
- Subd. 2. AUTHORIZED COMMITTEE. "Authorized committee" means the principal campaign committee or another political committee designated and authorized by a congressional candidate under United States Code, title 2, section 432, subsection (e)(1), to receive contributions or make expenditures on behalf of that congressional candidate.
- Subd. 3. CAMPAIGN EXPENDITURE; EXPENDITURE. "Campaign expenditure" or "expenditure" means "expenditure" as that term is defined under United States Code, title 2, section 431, paragraph (9).
- Subd. 4. CONGRESSIONAL CANDIDATE. "Congressional candidate" means an individual who seeks nomination or election to the United States Senate or United States House of Representatives from this state and who is a "candidate" as that term is defined under United States Code, title 2, section 431, paragraph (2). A congressional candidate is not a "candidate" as defined in section 10A.01, subdivision 5.
- Subd. 5. CONTRIBUTION. "Contribution" means a "contribution" as that term is defined under United States Code, title 2, section 431, paragraph (8).
- Subd. 6. INDEPENDENT CANDIDATE. "Independent candidate" means a congressional candidate who is not the candidate of a major political party, minor political party, or new political party.

- Subd. 7. MINOR POLITICAL PARTY. "Minor political party" means any political party under whose name in the last state general election a candidate filed for statewide or congressional office and received less than five percent but more than three percent of the vote for that office.
- <u>Subd. 8.</u> NEW POLITICAL PARTY. "New political party" means a political party that is neither a major political party nor a minor political party.
- Subd. 9. POLITICAL COMMITTEE. "Political committee" means a "political committee" as that term is defined under United States Code, title 2, section 431, paragraph (4). "Political committee" includes a major political party, a minor political party, a principal campaign committee, and an authorized committee.
- Subd. 10. PRINCIPAL CAMPAIGN COMMITTEE. "Principal campaign committee" means a political committee designated and authorized by a congressional candidate under United States Code, title 2, section 432, subsection (e)(1).

Sec. 3. [10A.42] LIMITATION ON APPLICATION.

The provisions of sections 10A.11 to 10A.24 relating to the organization, registration, and administration of and reporting and disclosure by political funds and political committees, including principal campaign committees, do not apply to congressional candidates and authorized committees of congressional candidates. The organization, registration, and administration of and reporting and disclosure by authorized committees of congressional candidates are governed by United States Code, title 2, chapter 14.

Sec. 4. [10A.43] EXPENDITURE LIMIT AGREEMENT.

Subdivision 1. FINANCIAL INCENTIVE. (a) The state treasurer shall pay a financial incentive to each congressional candidate of a major political party or minor political party whose name will appear on the ballot in a general or special election, who has signed an agreement to limit campaign expenditures as provided in this section, and who is abiding by the agreement. In the case of an independent or new political party candidate, the congressional candidate must in addition receive more than three percent of the vote cast at the general election for the office sought. An incentive is not payable to a congressional candidate whose name appears only on the ballot in a primary election, but an incentive paid to a candidate in a general or special election may be used to pay expenses or retire debt incurred in the primary campaign.

(b) The amount of the incentive is up to 25 percent of the expenditure limit for a congressional candidate for the office of United States senator and up to 25 percent of the expenditure limit for a congressional candidate for the office of representative in Congress.

- Subd. 2. AGREEMENT. As a condition of receiving an incentive, a congressional candidate shall sign and file with the board an agreement that the aggregate of expenditures made by the authorized committees of the congressional candidate will not exceed the expenditure limits in section 5. The expenditure limits apply only to congressional candidates who have agreed to be bound by the limits as a condition of receiving an incentive for their campaigns.
- Subd. 3. SUBMISSION OF AGREEMENT. Before the first day of filing for office, the board shall forward agreement forms to all filing officers. The congressional candidate may sign an agreement and submit it to the filing officer on the day of filing an affidavit of candidacy or petition to appear on the ballot, in which case the filing officer shall without delay forward signed agreements to the board. Alternatively, for a general election the congressional candidate may submit the agreement directly to the board by September 1 preceding the general election. An agreement may not be rescinded after that date. The board shall forward a copy of any agreement signed under this subdivision to the commissioner of revenue.
- Subd. 4. HOW LONG AGREEMENT IS EFFECTIVE. The agreement. insofar as it relates to the expenditure limits in section 5, remains effective for congressional candidates until the termination of the authorized committees of the congressional candidate, as provided under United States Code, title 2, section 433(d), or the day filings open for the next succeeding election to the office held or sought at the time of agreement, whichever occurs first.
- Subd. 5. CREDIT RECEIPT FORMS; PENALTY. The board shall make available to a political party on request and to any congressional candidate signing an agreement under this section a supply of official credit receipt forms that state in boldface type that (1) a contributor who is given a receipt form is eligible to claim a credit as provided in section 290.06, subdivision 23, and (2) if the contribution is to a congressional candidate, that candidate has signed an agreement to limit campaign expenditures as provided in this section. A congressional candidate who does not sign an agreement under this section and who willfully issues an official credit receipt form or a facsimile of one to any of the candidate's contributors is guilty of a misdemeanor.

Sec. 5. [10A.44] CONGRESSIONAL CAMPAIGN SPENDING LIMITS.

Subdivision 1. LIMITS. During the calendar year in which an election is held for an office sought by a congressional candidate, no expenditures may be made by the authorized committees of that congressional candidate that result in an aggregate amount in excess of the following:

- (1) for United States senator, \$3,400,000; and
- (2) for representative in Congress, \$425,000.

A congressional candidate whose name will appear on the ballot in more than one general or special election in a year is subject to a separate spending limit for each election. For a candidate for representative in Congress in a special election, the expenditure limits apply during the ten months before and the two months after the special election.

- Subd. 2. ADJUSTMENT BY CONSUMER PRICE INDEX. (a) The dollar amounts provided in subdivision 1 must be adjusted for general election years as provided in this subdivision. By June 1 of the general election year, the executive director of the board shall determine the percentage increase in the consumer price index from December of the year preceding the last general election year to December of the year preceding the year in which the determination is made. The dollar amounts used for the last general election year must be multiplied by that percentage. The product of the calculation must be added to each dollar amount to produce the dollar limitations to be in effect for the next general election and any special elections for which filings open before a new limit is set. The product must be rounded up to the next highest whole dollar. The index used must be the revised consumer price index for all urban consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States Department of Labor with 1982 as a base year.
- (b) The dollar amounts in subdivision 1 must be adjusted for races in years subsequent to 1990 in the manner provided in paragraph (a), and the last general election year must be considered to be 1990 and the dollar amounts used for the last general election year for the offices of United States senator and representative in Congress must be \$3,400,000 and \$425,000 respectively.
- (c) By June 15 of each year, the board shall publish in the State Register the expenditure limit for each office for that calendar year as adjusted under this subdivision.
- Subd. 3. CONTESTED PRIMARY RACES. Notwithstanding the limits imposed by subdivisions 1 and 2, the winning congressional candidate in a contested race in a primary who receives less than twice as many votes as any one of the candidate's opponents in that primary may make aggregate expenditures equal to 120 percent of the applicable amount under subdivisions 1 and 2.
- Subd. 4. POSTELECTION YEAR EXPENDITURES. In any year following an election year for the office held or sought, the aggregate amount of expenditures on behalf of a congressional candidate for or holder of that office must not exceed 20 percent of the expenditure limit in subdivisions 1 and 2.
- <u>Subd. 5.</u> LIMITATION CONDITIONAL. (a) The expenditure limits imposed by this section apply as provided by this subdivision.
- (b) If all the congressional candidates seeking an office agree to be bound by the limits, no candidate may receive an incentive, but all candidates are bound by the limits.
- (c) If all major political party congressional candidates seeking an office agree to be bound by the limits, no such candidate of a major political party may receive an incentive, but all such candidates are bound by the limits.
 - (d) If a candidate of a major political party, minor political party or new

political party, or an independent candidate, (i) agrees to be bound by the limits, and (ii) has an opponent who is a candidate of a major political party and who declines to be bound by the limits, the candidate who agrees to limits is eligible to receive an incentive and is not bound by the limits.

Subd. 6. CERTAIN POSTELECTION COSTS. After the election, a congressional candidate who is not a congressional incumbent and has been elected to Congress may spend an amount up to ten percent of the limits under subdivision 1 or 2 to defray transition costs. This money may be spent only for the costs of the transition that are incurred between the election and the date on which the elected candidate begins congressional service and cannot be used to retire debts remaining from the primary or general election campaign.

Sec. 6. [10A.45] CONTRIBUTION AND LOAN LIMITS.

Contributions by or to a congressional candidate and loans to a congressional candidate are governed by United States Code, title 2, chapter 14.

Sec. 7. [10A.46] MULTICANDIDATE POLITICAL PARTY EXPENDI-TURES.

Multicandidate political party expenditures with respect to congressional candidates are governed by United States Code, title 2, section 431, paragraph (9).

Sec. 8. [10A.47] PENALTY FOR EXCEEDING LIMITS.

Subdivision 1. EXPENDITURE LIMITS. A congressional candidate subject to the expenditure limits in section 5 who permits the candidate's authorized committees to make aggregate expenditures on the candidate's behalf in excess of the limits imposed by section 5 is subject to a civil fine of up to four times the amount by which the expenditures exceed the limit.

- Subd. 2. CONTRIBUTION LIMITS. A congressional candidate who permits the candidate's authorized committees to accept contributions in excess of the limits imposed under United States Code, title 2, chapter 14, is subject to the penalties imposed by United States Code, title 2, section 437g.
- Subd. 3. CONCILIATION AGREEMENTS. If the board finds that there is reason to believe that excess expenditures have been made contrary to subdivision 1, the board shall make every effort for not less than 14 days after its finding to correct the matter by informal methods of conference and conciliation and to enter a conciliation agreement with the person involved. A conciliation agreement made under this subdivision is a matter of public record. Unless violated, a conciliation agreement bars any civil proceeding under subdivision 4.
- Subd. 4. CIVIL ACTION. If the board is unable after a reasonable time to correct by informal methods any matter that constitutes probable cause to believe that excess expenditures have been made contrary to subdivision 1, the board shall make a public finding of probable cause in the matter. After making a

public finding, the board shall bring an action or transmit the finding to a county attorney who shall bring an action to impose a civil fine as prescribed by the board under subdivision 1. An action filed against a congressional candidate for United States senator must be brought in the district court of Ramsey county. An action filed against a congressional candidate for representative in Congress may be brought in the district court of a county within the congressional candidate's congressional district or in the district court in Ramsey county. All money recovered under this section must be deposited in the state treasury and credited to the general fund.

Sec. 9. [10A,48] MATCHING REQUIREMENTS.

In order to be eligible to receive a financial incentive, a congressional candidate must provide evidence to the board of contributions equal to the financial incentive. Except as otherwise provided by section 10, when a candidate submits an affidavit to the board showing contributions equal to at least one-fourth of the incentive amount, that amount will be paid to the candidate. A candidate may receive the incentive at any time during the calendar year in which the election is held, after the certification of primary results, and may receive it in quarters, or in larger portions if the candidate submits an affidavit showing that a larger amount of contributions has been made.

Sec. 10. [10A.49] CERTIFICATION AND DISTRIBUTION.

Subdivision 1. CERTIFICATION OF ELIGIBLE CANDIDATES. Within one week after certification by the state canvassing board of the results of the primary, the ethical practices board shall certify to the state treasurer the name of each major political party or minor political party congressional candidate who is eligible to receive a financial incentive.

- Subd. 2. DISTRIBUTION OF MONEY AFTER PRIMARY. Within two weeks after certification by the state canvassing board of the results of the primary, the state treasurer shall pay an incentive to each major political party or minor political party congressional candidate who has signed an agreement as required under section 5 and is eligible to receive an incentive.
- Subd. 3. INDEPENDENT AND NEW PARTY CANDIDATES. Within two weeks after certification by the state canvassing board of the results of the state general election, the state treasurer shall pay an incentive to each independent or new political party congressional candidate who has signed an agreement as required under section 5 and is eligible to receive an incentive. To be eligible to receive an incentive, an independent or new party congressional candidate must receive at least three percent of the vote cast at the general election for the office sought.
- Subd. 4. APPROPRIATION. The amount necessary to pay the incentives under this section is appropriated from the general fund to the state treasurer.

Sec. 11. [10A.50] RETURN OF FINANCIAL INCENTIVE.

Subdivision 1. WHEN REQUIRED. A congressional candidate shall return all or a portion of the financial incentive received under the circumstances in this subdivision. To the extent that the incentive received exceeds the aggregate of actual expenditures made by the authorized committees of the congressional candidate, the treasurer of the congressional candidate's principal campaign committee shall return an amount equal to the difference to the board.

Subd. 2. HOW RETURN DETERMINED. Whether a congressional candidate is required under subdivision 1 to return all or a portion of the incentive received must be determined from the report required to be filed with the secretary of state by that congressional candidate by January 31 of the year following an election. Any amount required to be returned must be submitted in the form of a check or money order and must accompany the report filed under section 12. The secretary of state shall forward the check or money order to the state treasurer for deposit in the general fund. The amount returned must not exceed the amount of incentive received by the congressional candidate.

Sec. 12. [10A.51] CAMPAIGN REPORTS.

A congressional candidate who agrees to be bound by the expenditure limits in section 5, as a condition of receiving an incentive for the candidate's campaign, shall file with the secretary of state all reports that the candidate or the candidate's principal campaign committee treasurer acting for the candidate is required to file under United States Code, title 2, chapter 14. The secretary of state shall forward copies of the reports, within 30 days after they are received, to the board.

Sec. 13. SEVERABILITY.

If a provision of this article is found to be unconstitutional and void, the remaining provisions of this article remain valid.

Sec. 14. EFFECTIVE DATE.

This article is effective January 1, 1991.

ARTICLE 5

CONGRESSIONAL ACTION ENCOURAGED

Section 1. NO MORE THAN 40 PERCENT FROM PACS.

The Congress of the United States, acting under article I, section 4, of the Constitution, having chosen to regulate contributions to candidates for Congress, so that questions exist regarding the authority of state legislatures to

regulate those contributions, is urged to enact additional regulations of contributions to congressional candidates so that a congressional candidate may receive no more than 40 percent of campaign contributions in any calendar year from political committees as defined in United States Code, title 2, section 431, paragraph (4)(A) or (B).

ARTICLE 6

OPEN MEETINGS OF THE LEGISLATURE

Section 1. [3.055] OPEN MEETINGS.

Subdivision 1. MEETINGS TO BE OPEN. Meetings of the legislature shall be open to the public, including sessions of the senate, sessions of the house of representatives, joint sessions of the senate and the house of representatives, and meetings of a standing committee, committee division, subcommittee, conference committee, or legislative commission, but not including a caucus of the members of any of those bodies from the same house and political party nor a delegation of legislators representing a geographic area or political subdivision. For purposes of this section, a meeting occurs when a quorum is present and action is taken regarding a matter within the jurisdiction of the body.

Subd. 2. ENFORCEMENT. The house of representatives and the senate shall adopt rules to implement this section. Remedies provided by rules of the house and senate are exclusive. No court or administrative agency has jurisdiction to enforce, enjoin, penalize, award damages, or otherwise act upon a violation or alleged violation of this section, to invalidate any provision of law because of a violation of this section, or to otherwise interpret this section.

Sec. 2. SEVERABILITY.

If a provision of this article is found to be unconstitutional and void, the remaining provisions of this article remain valid.

ARTICLE 7

MISCELLANÉOUS PROVISIONS

Section 1. Minnesota Statutes 1988, section 97A.485, is amended by adding a subdivision to read:

Subd. 1a. DEER LICENSE; ABSENTEE BALLOT APPLICATION. The commissioner shall include with every license to take deer with firearms or by archery, sold or issued during a general election year, an application for absentee ballots and a voter registration card. The commissioner shall obtain absentee ballot application forms from the secretary of state.

Sec. 2. Minnesota Statutes 1988, section 204B.09, subdivision 1, is amended to read:

Subdivision 1. CANDIDATES IN STATE AND COUNTY GENERAL ELECTIONS. Except as otherwise provided by this subdivision, affidavits of candidacy and nominating petitions for county, state and federal offices filled at the state general election shall be filed not more than 70 days nor less than 56 days before the state primary. The affidavit may be prepared and signed at any time between 60 days before the filing period opens and the last day of the filing period. Candidates for presidential electors may file petitions on or before the state primary day. Nominating petitions to fill vacancies in nominations shall be filed as provided in section 204B.13. No affidavit or petition shall be accepted later than 5:00 p.m. on the last day for filing. Affidavits and petitions for offices to be voted on in only one county shall be filed with the county auditor of that county. Affidavits and petitions for offices to be voted on in more than one county shall be filed with the secretary of state.

Sec. 3. [204D.165] SAMPLE BALLOTS TO SCHOOLS.

Notwithstanding any contrary provisions in section 204D.09 or 204D.16, the county auditor, two weeks before the applicable primary or general election, shall provide one copy of the sample partisan primary, nonpartisan primary, canary, white, or pink ballot to a school district upon request. The school district may have the sample ballots reproduced at its expense for classroom educational purposes.

- Sec. 4. Minnesota Statutes 1988, section 383B.055, subdivision 1, is amended to read:
 - Subdivision 1. The state ethical practices board shall:
- (a) Develop forms for all statements and reports required to be filed under sections 383B.041 to 383B.054 and furnish the forms to the county filing officer in Hennepin county;
- (b) (1) issue and publish advisory opinions concerning the requirements of sections 383B.041 to 383B.057 upon application in writing by the county filing officer of Hennepin county or any individual or association who wishes to use the opinion to guide the applicant's own conduct; and
- (e) (2) exempt any individual or association required to disclose information under sections 383B.046 to 383B.05 from any requirement of those sections in the same manner as it exempts any individual or association from disclosure requirements under chapter 10A. An individual or association exempted from the disclosure provisions of chapter 10A, shall also be exempt from the disclosure provisions of sections 383B.046 to 383B.05.
- Sec. 5. Minnesota Statutes 1988, section 383B.055, subdivision 2, is amended to read:

Subd. 2. The county filing officer of Hennepin county shall develop forms for all statements and reports required to be filed under sections 383B.041 to 383B.054. The filing officer shall furnish sufficient copies of the forms provided by the ethical practices board to all officers with whom candidates file affidavits or applications of candidacy and nominating petitions.

ARTICLE 8

JUDICIAL MERIT SELECTION

Section 1. [480B.01] COMMISSION ON JUDICIAL SELECTION.

Subdivision 1. JUDICIAL VACANCIES. If a judge of the district court dies, resigns, retires, or is removed during the judge's term of office, or if a new district judgeship is created, the resulting vacancy must be filled by the governor as provided in this section.

- Subd. 2. COMMISSION ESTABLISHED; MEMBERS. A commission on judicial selection is established. It is composed of permanent members chosen as described in paragraphs (a) to (e).
- (a) The governor shall appoint seven at-large members to the commission who serve at the pleasure of the governor. The governor shall appoint one of these members as chair of the commission. The chair may but does not have to be an attorney. The governor may appoint attorneys to fill no more than four of the remaining six positions.
- (b) The justices of the supreme court shall appoint two at-large members to the commission to serve four-year terms, ending on the same day the governor's term of office ends. The justices may appoint an attorney to fill no more than one of the two positions.
- (c) The governor shall appoint two district members to the commission in each judicial district who serve at the pleasure of the governor. The governor may appoint an attorney to fill no more than one of the two positions.
- (d) The justices of the supreme court shall appoint two district members to the commission from each judicial district to serve four-year terms, ending on the same day the governor's term of office ends. The justices may appoint an attorney to fill no more than one of the two positions.
- (e) The appointing authorities shall ensure that the permanent members of the commission include women and minorities.
- Subd. 3. PARTICIPATION IN MEETINGS. Individuals appointed as district members under subdivision 2, paragraphs (c) and (d), may participate in

- commission meetings and deliberations only when the commission is considering applicants to fill a vacancy on the district court in the judicial district from which those individuals were appointed.
- Subd. 4. VACANCIES. If a vacancy occurs on the commission by reason of the death or resignation of a member or by the removal of a member appointed under subdivision 2, the appointing or electing authority shall appoint or elect an individual to fill the vacancy for the unexpired term.
 - Subd. 5. QUORUM. A quorum of the commission is seven members.
- Subd. 6. TEMPORARY INELIGIBILITY FOR VACANCY. Members of the commission who would otherwise be eligible to hold judicial office may not be considered or appointed to fill a district court judicial vacancy while they are members of the commission or for one year following the end of their membership on the commission.
- Subd. 7. RECRUITMENT PROCESS. The commission shall prepare and make available to the public and file with the clerk of the appellate courts and the secretary of state an outline of the process the commission will follow in recruiting and evaluating candidates to fill judicial vacancies. The commission shall actively seek out and encourage qualified individuals, including women and minorities, to apply for judicial offices.
- Subd. 8. CANDIDATE EVALUATION. The commission shall evaluate the extent to which candidates have the following qualifications for judicial office: integrity, maturity, health if job related, judicial temperament, diligence, legal knowledge, ability and experience, and community service. The commission shall give consideration to women and minorities. The commission shall solicit, in writing, recommendations from attorney associations in the judicial district and from organizations that represent minority or women attorneys in the judicial district who have requested solicitation.
- Subd. 9. COMMISSION MEETINGS; NOTICE; TIME. Within ten days after a judicial vacancy occurs or the governor has been notified that a vacancy will occur on a named date, the governor shall give notice of the vacancy to the chair of the commission on judicial selection. A meeting of the commission to consider the candidates for the vacancy must be held not less than 21 days nor more than 42 days after the governor provides notification of the vacancy.
- Subd. 10. NOTICE TO THE PUBLIC. Upon receiving notice from the governor that a judicial vacancy has occurred or will occur on a specified date, the chair shall provide notice of the following information:
 - (1) the office that is or will be vacant;
- (2) that applications from qualified persons or on behalf of qualified persons are being accepted by the commission;

- (3) that application forms may be obtained from the governor or the commission at a named address; and
- (4) that application forms must be returned to the commission by a named date.

The notice must be made available to attorney associations in the judicial district where the vacancy has occurred or will occur and to at least one newspaper of general circulation in each county in the district.

- Subd. 11. NOMINEES TO GOVERNOR. Within 60 days after the receipt of a notice of a judicial vacancy, the committee shall recommend to the governor no fewer than three and no more than five nominees for each judicial vacancy. The names of the nominees must be made public. The governor may fill the vacancy from the nominees recommended by the commission. If the governor declines to select a nominee to fill the vacancy from the list of nominees, or if no list is submitted to the governor under this subdivision, the governor may select a person to fill the vacancy without regard to the commission's recommendation. If fewer than 60 days remain in the term of office of a governor who will not succeed himself or herself in office, the governor may fill a vacancy without waiting for the commission to recommend a list of nominees.
- Subd. 12. COMMISSION MEETINGS AND DATA. Meetings of the commission may be closed to discuss the candidates. The commission shall file an annual tabulation with the governor of the number of applicants for judicial office and the age, sex, and race of applicants.

Sec. 2. EFFECTIVE DATE.

Section 1 is effective July 1, 1990, and applies to vacancies that occur after that date.

Presented to the governor April 28, 1990

Signed by the governor May 5, 1990, 12:12 a.m.

CHAPTER 609—S.F.No. 1777

An act relating to Ramsey county; setting the terms of charter commission members; specifying majority for adoption of county charter; amending Minnesota Statutes 1988, sections 383A.553, subdivision 1; and 383A.556.

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

Section 1. Minnesota Statutes 1988, section 383A.553, subdivision 1, is amended to read: