

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH LEGISLATURE

S.F. No. 496

(SENATE AUTHORS: EKEN, Sieben and Rest)

DATE	D-PG	OFFICIAL STATUS
02/14/2013	238	Introduction and first reading Referred to Rules and Administration
02/18/2013	286	Author added Rest
03/13/2013	873	Comm report: To pass
	962	Second reading
05/16/2013	3743	HF substituted on General Orders HF664 See SF661, Art. 2-3

A bill for an act

1.1 relating to campaign finance; making various changes to campaign finance
1.2 and public disclosure law; expanding definition of public official; amending
1.3 Minnesota Statutes 2012, sections 10A.01, subdivision 35; 10A.025, subdivision
1.4 4; 10A.04, subdivision 5; 10A.15, subdivision 1; 10A.16; 10A.20, subdivisions
1.5 4, 12; 10A.242, subdivision 1; 10A.27, subdivision 9; 10A.273, subdivisions
1.6 1, 4; 10A.30; 10A.31, subdivisions 1, 4, 7; 10A.315; 10A.321, subdivision 1;
1.7 10A.322, subdivision 4; 10A.324, subdivision 1; 211B.37.

1.8
1.9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1

TECHNICAL CHANGES

1.10
1.11
1.12 Section 1. Minnesota Statutes 2012, section 10A.01, subdivision 35, is amended to read:

1.13 Subd. 35. **Public official.** "Public official" means any:

1.14 (1) member of the legislature;

1.15 (2) individual employed by the legislature as secretary of the senate, legislative
1.16 auditor, chief clerk of the house of representatives, revisor of statutes, or researcher,
1.17 legislative analyst, fiscal analyst, or attorney in the Office of Senate Counsel ~~and~~ Research
1.18 ~~or, and Fiscal Analysis~~, House Research, or the House Fiscal Analysis Department;

1.19 (3) constitutional officer in the executive branch and the officer's chief administrative
1.20 deputy;

1.21 (4) solicitor general or deputy, assistant, or special assistant attorney general;

1.22 (5) commissioner, deputy commissioner, or assistant commissioner of any state
1.23 department or agency as listed in section 15.01 or 15.06, or the state chief information
1.24 officer;

2.1 (6) member, chief administrative officer, or deputy chief administrative officer of a
2.2 state board or commission that has either the power to adopt, amend, or repeal rules under
2.3 chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;

2.4 (7) individual employed in the executive branch who is authorized to adopt, amend,
2.5 or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

2.6 (8) executive director of the State Board of Investment;

2.7 (9) deputy of any official listed in clauses (7) and (8);

2.8 (10) judge of the Workers' Compensation Court of Appeals;

2.9 (11) administrative law judge or compensation judge in the State Office of
2.10 Administrative Hearings or unemployment law judge in the Department of Employment
2.11 and Economic Development;

2.12 (12) member, regional administrator, division director, general counsel, or operations
2.13 manager of the Metropolitan Council;

2.14 (13) member or chief administrator of a metropolitan agency;

2.15 (14) director of the Division of Alcohol and Gambling Enforcement in the
2.16 Department of Public Safety;

2.17 (15) member or executive director of the Higher Education Facilities Authority;

2.18 (16) member of the board of directors or president of Enterprise Minnesota, Inc.;

2.19 (17) member of the board of directors or executive director of the Minnesota State
2.20 High School League;

2.21 (18) member of the Minnesota Ballpark Authority established in section 473.755;

2.22 (19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;

2.23 (20) manager of a watershed district, or member of a watershed management
2.24 organization as defined under section 103B.205, subdivision 13;

2.25 (21) supervisor of a soil and water conservation district;

2.26 (22) director of Explore Minnesota Tourism;

2.27 (23) citizen member of the Lessard-Sams Outdoor Heritage Council established
2.28 in section 97A.056;

2.29 (24) citizen member of the Clean Water Council established in section 114D.30; or

2.30 (25) member or chief executive of the Minnesota Sports Facilities Authority
2.31 established in section 473J.07.

2.32 Sec. 2. Minnesota Statutes 2012, section 10A.025, subdivision 4, is amended to read:

2.33 Subd. 4. **Changes and corrections.** Material changes in information previously
2.34 submitted and corrections to a report or statement must be reported in writing to the board
2.35 within ten days following the date of the event prompting the change or the date upon

3.1 which the person filing became aware of the inaccuracy. The change or correction must
 3.2 identify the form and the paragraph containing the information to be changed or corrected.

3.3 A person who willfully fails to report a material change or correction is ~~guilty of a~~
 3.4 ~~gross misdemeanor and~~ is subject to a civil penalty imposed by the board of up to \$3,000.
 3.5 A willful violation of this subdivision is a gross misdemeanor.

3.6 The board must send a notice by certified mail to any individual who fails to file a
 3.7 report required by this subdivision. If the individual fails to file the required report within
 3.8 ten business days after the notice was sent, the board may impose a late filing fee of \$5 per
 3.9 day up to \$100 starting on the 11th day after the notice was sent. The board must send
 3.10 an additional notice by certified mail to an individual who fails to file a report within 14
 3.11 days after the first notice was sent by the board that the individual may be subject to a
 3.12 civil penalty for failure to file a report. An individual who fails to file a report required by
 3.13 this subdivision within seven days after the second notice was sent by the board is subject
 3.14 to a civil penalty imposed by the board of up to \$1,000.

3.15 Sec. 3. Minnesota Statutes 2012, section 10A.04, subdivision 5, is amended to read:

3.16 Subd. 5. **Late filing.** If a lobbyist or principal fails to file a report required by
 3.17 this section ~~within ten business days after~~ by the date the report was due, the board may
 3.18 impose a late filing fee of ~~\$5~~ \$25 per day, not to exceed ~~\$100~~ \$1,000, commencing ~~with~~
 3.19 ~~the 11th~~ day after the report was due. The board must send notice by certified mail to any
 3.20 lobbyist or principal who fails to file a report within ten business days after the report was
 3.21 due that the lobbyist or principal may be subject to a civil penalty for failure to file the
 3.22 report or pay the fee. A lobbyist or principal who fails to file a report or statement or pay a
 3.23 fee within seven days after the certified mail notice was sent by the board is subject to a
 3.24 civil penalty imposed by the board of up to \$1,000.

3.25 Sec. 4. Minnesota Statutes 2012, section 10A.16, is amended to read:

3.26 **10A.16 EARMARKING CONTRIBUTIONS PROHIBITED.**

3.27 An individual, political committee, political fund, principal campaign committee, or
 3.28 party unit may not solicit or accept a contribution from any source with the express or
 3.29 implied condition that the contribution or any part of it be directed to a particular candidate
 3.30 other than the initial recipient. An individual, political committee, political fund, principal
 3.31 campaign committee, or party unit that knowingly accepts any earmarked contribution is
 3.32 ~~guilty of a gross misdemeanor and~~ subject to a civil penalty imposed by the board of up to
 3.33 \$3,000. Knowingly accepting any earmarked contribution is a gross misdemeanor.

4.1 Sec. 5. Minnesota Statutes 2012, section 10A.20, subdivision 4, is amended to read:

4.2 Subd. 4. **Period of report.** A report must cover the period from January 1 of the
4.3 reporting year to seven days before the filing date, except that the report due on January
4.4 31 must cover the period from ~~the last day covered by the previous report~~ January 1 to
4.5 December 31 of the reporting year.

4.6 Sec. 6. Minnesota Statutes 2012, section 10A.20, subdivision 12, is amended to read:

4.7 Subd. 12. **Failure to file; penalty.** If an individual fails to file a report required by
4.8 this section that is due January 31 ~~within ten business days after the report was due~~, the
4.9 board may impose a late filing fee of \$25 per day, not to exceed \$1,000, commencing
4.10 the day after the report was due.

4.11 If an individual fails to file a report required by this section that is due before a
4.12 primary or general election ~~within three days after the date due, regardless of whether the~~
4.13 ~~individual has received any notice~~, the board may impose a late filing fee of \$50 per day,
4.14 not to exceed \$1,000, commencing on the day after the date the statement was due.

4.15 The board must send notice by certified mail to an individual who fails to file a
4.16 report within ten business days after the report was due that the individual may be subject
4.17 to a civil penalty for failure to file the report. An individual who fails to file the report
4.18 within seven days after the certified mail notice was sent by the board is subject to a civil
4.19 penalty imposed by the board of up to \$1,000.

4.20 Sec. 7. Minnesota Statutes 2012, section 10A.273, subdivision 1, is amended to read:

4.21 Subdivision 1. **Contributions during legislative session.** (a) A candidate for the
4.22 legislature or for constitutional office, the candidate's principal campaign committee, or
4.23 a political committee or party unit established by all or a part of the party organization
4.24 within a house of the legislature, must not solicit or accept a contribution from a registered
4.25 lobbyist, political committee, political fund, ~~or dissolving principal campaign committee~~
4.26 an association not registered with the board, or ~~from~~ a party unit established by the party
4.27 organization within a house of the legislature, during a regular session of the legislature.

4.28 (b) A registered lobbyist, political committee, political fund, ~~or dissolving principal~~
4.29 ~~campaign committee~~ an association not registered with the board, or a party unit established
4.30 by the party organization within a house of the legislature, must not make a contribution to a
4.31 candidate for the legislature or for constitutional office, the candidate's principal campaign
4.32 committee, or a political committee or party unit established by all or a part of the party
4.33 organization within a house of the legislature during a regular session of the legislature.

5.1 Sec. 8. Minnesota Statutes 2012, section 10A.273, subdivision 4, is amended to read:

5.2 Subd. 4. **Civil penalty.** A candidate, political committee, party unit, political fund,
 5.3 ~~principal campaign committee~~ an association not registered with the board, or a registered
 5.4 lobbyist that violates this section is subject to a civil penalty imposed by the board of up
 5.5 to \$1,000. If the board makes a public finding that there is probable cause to believe a
 5.6 violation of this section has occurred, the board ~~must~~ may bring an action, or transmit the
 5.7 finding to a county attorney who must bring an action, in the District Court of Ramsey
 5.8 County, to collect a civil penalty as imposed by the board. Penalties paid under this section
 5.9 must be deposited in the general fund in the state treasury.

5.10 Sec. 9. Minnesota Statutes 2012, section 10A.30, is amended to read:

5.11 **10A.30 STATE ELECTIONS CAMPAIGN FUND ACCOUNT.**

5.12 Subdivision 1. **Establishment.** An account is established in the special revenue fund
 5.13 of the state known as the "state elections campaign ~~fund~~ account."

5.14 Subd. 2. **Separate account.** Within the state elections campaign ~~fund~~ account there
 5.15 must be maintained a separate political party account for the state committee and the
 5.16 candidates of each political party and a general account.

5.17 Subd. 3. **Special elections account.** An account is established in the special revenue
 5.18 fund of the state known as the "state special elections campaign account."

5.19 Sec. 10. Minnesota Statutes 2012, section 10A.31, subdivision 7, is amended to read:

5.20 Subd. 7. **Distribution of general account.** (a) As soon as the board has obtained
 5.21 the results of the primary election from the secretary of state, but no later than one week
 5.22 after certification of the primary results by the State Canvassing Board, the board must
 5.23 distribute the available money in the general account, as certified by the commissioner of
 5.24 revenue ~~on September 1~~ one week before the state primary and according to allocations set
 5.25 forth in subdivision 5, in equal amounts to all candidates of a major political party whose
 5.26 names are to appear on the ballot in the general election and who:

- 5.27 (1) have signed a spending limit agreement under section 10A.322;
 5.28 (2) have filed the affidavit of contributions required by section 10A.323; and
 5.29 (3) were opposed in either the primary election or the general election.

5.30 (b) The public subsidy under this subdivision may not be paid in an amount that
 5.31 would cause the sum of the public subsidy paid from the party account plus the public
 5.32 subsidy paid from the general account to exceed 50 percent of the expenditure limit for the
 5.33 candidate or 50 percent of the expenditure limit that would have applied to the candidate if
 5.34 the candidate had not been freed from expenditure limits under section 10A.25, subdivision

6.1 10. Money from the general account not paid to a candidate because of the 50 percent limit
 6.2 must be distributed equally among all other qualifying candidates for the same office until
 6.3 all have reached the 50 percent limit or the balance in the general account is exhausted.

6.4 ~~(e) A candidate must expend or become obligated to expend at least an amount equal~~
 6.5 ~~to 50 percent of the money distributed by the board under this subdivision no later than the~~
 6.6 ~~end of the final reporting period preceding the general election. Otherwise, the candidate~~
 6.7 ~~must repay to the board the difference between the amount the candidate spent or became~~
 6.8 ~~obligated to spend by the deadline and the amount distributed to the candidate under this~~
 6.9 ~~subdivision. The candidate must make the repayment no later than six months following~~
 6.10 ~~the general election. The candidate must reimburse the board for all reasonable costs,~~
 6.11 ~~including litigation costs, incurred in collecting any amount due.~~

6.12 ~~If the board determines that a candidate has failed to repay money as required by this~~
 6.13 ~~paragraph, the board may not distribute any additional money to the candidate until the~~
 6.14 ~~entirety of the repayment has been made.~~

6.15 Sec. 11. Minnesota Statutes 2012, section 10A.315, is amended to read:

6.16 **10A.315 SPECIAL ELECTION SUBSIDY.**

6.17 (a) Each eligible candidate for a legislative office in a special election must be
 6.18 paid a public subsidy equal to the sum of:

6.19 (1) the party account money at the last general election for the candidate's party
 6.20 for the office the candidate is seeking; and

6.21 (2) the general account money paid to a candidate for the same office at the last
 6.22 general election.

6.23 (b) A candidate who wishes to receive this public subsidy must submit a signed
 6.24 agreement under section 10A.322 to the board and must meet the contribution
 6.25 requirements of section 10A.323. The special election subsidy must be distributed in the
 6.26 same manner as money in the party and general accounts is distributed to legislative
 6.27 candidates in a general election.

6.28 (c) The amount necessary to make the payments required by this section is
 6.29 appropriated from the general fund ~~to the board~~ for transfer to the state special elections
 6.30 campaign account for distribution by the board as set forth in this section.

6.31 Sec. 12. Minnesota Statutes 2012, section 10A.322, subdivision 4, is amended to read:

6.32 Subd. 4. **Refund receipt forms; penalty.** The board must make available to a
 6.33 political party on request and to any candidate for whom an agreement under this section
 6.34 is effective, a supply of official refund receipt forms that state in boldface type that:

7.1 (1) a contributor who is given a receipt form is eligible to claim a refund as provided
7.2 in section 290.06, subdivision 23^{5,2}; and

7.3 (2) if the contribution is to a candidate, that the candidate has signed an agreement to
7.4 limit campaign expenditures as provided in this section.

7.5 The forms must provide duplicate copies of the receipt to be attached to the contributor's
7.6 claim. ~~A candidate who does not sign an agreement under this section and who willfully~~
7.7 ~~issues~~ The willful issuance of an official refund receipt form or a facsimile of one to any
7.8 of the candidate's contributors by a candidate or treasurer of a candidate who did not sign
7.9 an agreement under this section is guilty of a misdemeanor.

7.10 ARTICLE 2

7.11 CONFORMING CHANGES

7.12 Section 1. Minnesota Statutes 2012, section 10A.15, subdivision 1, is amended to read:

7.13 Subdivision 1. **Anonymous contributions.** A political committee, political fund,
7.14 principal campaign committee, or party unit may not retain an anonymous contribution
7.15 in excess of \$20, but must forward it to the board for deposit in the general account of
7.16 the state elections campaign ~~fund~~ account.

7.17 Sec. 2. Minnesota Statutes 2012, section 10A.242, subdivision 1, is amended to read:

7.18 Subdivision 1. **Dissolution required.** A political committee, political fund, or
7.19 principal campaign committee must be dissolved within 60 days after receiving notice
7.20 from the board that the committee or fund has become inactive. The assets of the
7.21 committee or fund must be spent for the purposes authorized by section 211B.12 and other
7.22 applicable law or liquidated and deposited in the general account of the state elections
7.23 campaign ~~fund~~ account within 60 days after the board notifies the committee or fund
7.24 that it has become inactive.

7.25 Sec. 3. Minnesota Statutes 2012, section 10A.27, subdivision 9, is amended to read:

7.26 Subd. 9. **Contributions to and from other candidates.** (a) A candidate or the
7.27 treasurer of a candidate's principal campaign committee must not accept a contribution
7.28 from another candidate's principal campaign committee or from any other committee
7.29 bearing the contributing candidate's name or title or otherwise authorized by the
7.30 contributing candidate, unless the contributing candidate's principal campaign committee
7.31 is being dissolved. A candidate's principal campaign committee must not make a

8.1 contribution to another candidate's principal campaign committee, except when the
8.2 contributing committee is being dissolved.

8.3 (b) A principal campaign committee that makes a contribution to another principal
8.4 campaign committee must provide with the contribution a written statement of the
8.5 committee's intent to dissolve and terminate its registration within 12 months after the
8.6 contribution was made. If the committee fails to dissolve and terminate its registration by
8.7 that time, the board may levy a civil penalty up to four times the size of the contribution
8.8 against the contributing committee. A contribution from a terminating principal campaign
8.9 committee that is not accepted by another principal campaign committee must be forwarded
8.10 to the board for deposit in the general account of the state elections campaign ~~fund~~ account.

8.11 (c) A candidate's principal campaign committee must not accept a contribution from,
8.12 or make a contribution to, a committee associated with a person who seeks nomination
8.13 or election to the office of president, senator, or representative in Congress of the United
8.14 States.

8.15 (d) A candidate or the treasurer of a candidate's principal campaign committee must
8.16 not accept a contribution from a candidate for political subdivision office in any state,
8.17 unless the contribution is from the personal funds of the candidate for political subdivision
8.18 office. A candidate or the treasurer of a candidate's principal campaign committee must
8.19 not make a contribution from the principal campaign committee to a candidate for political
8.20 subdivision office in any state.

8.21 Sec. 4. Minnesota Statutes 2012, section 10A.31, subdivision 1, is amended to read:

8.22 Subdivision 1. **Designation.** An individual resident of this state who files an income
8.23 tax return or a renter and homeowner property tax refund return with the commissioner of
8.24 revenue may designate on their original return that \$5 be paid from the general fund of
8.25 the state into the state elections campaign ~~fund~~ account. If a husband and wife file a joint
8.26 return, each spouse may designate that \$5 be paid. No individual is allowed to designate
8.27 \$5 more than once in any year. The taxpayer may designate that the amount be paid into
8.28 the account of a political party or into the general account.

8.29 Sec. 5. Minnesota Statutes 2012, section 10A.31, subdivision 4, is amended to read:

8.30 Subd. 4. **Appropriation.** (a) The amounts designated by individuals for the state
8.31 elections campaign ~~fund~~ account, less three percent, are appropriated from the general
8.32 fund, must be transferred and credited to the appropriate account in the state elections
8.33 campaign ~~fund~~ account, and are annually appropriated for distribution as set forth in

9.1 subdivisions 5, 5a, 6, and 7. The remaining three percent must be kept in the general fund
9.2 for administrative costs.

9.3 (b) In addition to the amounts in paragraph (a), \$1,020,000 for each general election
9.4 is appropriated from the general fund for transfer to the general account of the state
9.5 elections campaign ~~fund~~ account.

9.6 Sec. 6. Minnesota Statutes 2012, section 10A.321, subdivision 1, is amended to read:

9.7 Subdivision 1. **Calculation and certification of estimates.** The commissioner of
9.8 revenue must calculate and certify to the board one week before the first day for filing for
9.9 office in each election year an estimate of the total amount in the state general account
9.10 of the state elections campaign ~~fund~~ account and the amount of money each candidate
9.11 who qualifies, as provided in section 10A.31, subdivisions 6 and 7, may receive from the
9.12 candidate's party account in the state elections campaign ~~fund~~ account. This estimate must
9.13 be based upon the allocations and formulas in section 10A.31, subdivisions 5 and 5a, any
9.14 necessary vote totals provided by the secretary of state to apply the formulas in section
9.15 10A.31, subdivisions 5 and 5a, and the amount of money expected to be available after
9.16 100 percent of the tax returns have been processed.

9.17 Sec. 7. Minnesota Statutes 2012, section 10A.324, subdivision 1, is amended to read:

9.18 Subdivision 1. **When return required.** A candidate must return all or a portion
9.19 of the public subsidy received from the state elections campaign ~~fund~~ account or the
9.20 public subsidy received under section 10A.315, under the circumstances in this section or
9.21 section 10A.257, subdivision 1.

9.22 To the extent that the amount of public subsidy received exceeds the aggregate of:
9.23 (1) actual expenditures made by the principal campaign committee of the candidate; and
9.24 (2) approved expenditures made on behalf of the candidate, the treasurer of the candidate's
9.25 principal campaign committee must return an amount equal to the difference to the board.
9.26 The cost of postage that was not used during an election cycle and payments that created
9.27 credit balances at vendors at the close of an election cycle are not considered expenditures
9.28 for purposes of determining the amount to be returned. Expenditures in excess of the
9.29 candidate's spending limit do not count in determining aggregate expenditures under
9.30 this paragraph.

9.31 Sec. 8. Minnesota Statutes 2012, section 211B.37, is amended to read:

9.32 **211B.37 COSTS ASSESSED.**

10.1 Except as otherwise provided in section 211B.36, subdivision 3, the chief
10.2 administrative law judge shall assess the cost of considering complaints filed under section
10.3 211B.32 as provided in this section. Costs of complaints relating to a statewide ballot
10.4 question or an election for a statewide or legislative office must be assessed against the
10.5 appropriation from the general fund to the general account of the state elections campaign
10.6 ~~fund~~ account in section 10A.31, subdivision 4. Costs of complaints relating to any other
10.7 ballot question or elective office must be assessed against the county or counties in
10.8 which the election is held. Where the election is held in more than one county, the chief
10.9 administrative law judge shall apportion the assessment among the counties in proportion
10.10 to their respective populations within the election district to which the complaint relates
10.11 according to the most recent decennial federal census.

APPENDIX
Article locations in 13-1465

ARTICLE 1 TECHNICAL CHANGES Page.Ln 1.10
ARTICLE 2 CONFORMING CHANGES Page.Ln 7.10