

**SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION**

S.F. No. 3459

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DATE
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D-PG
4114 Introduction and first reading
Referred to Elections

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to campaign finance; repealing the public subsidy program; making
1.3 conforming changes; transferring money; amending Minnesota Statutes 2024,
1.4 sections 10A.022, subdivision 3; 10A.15, subdivision 2a; 10A.20, subdivision 15;
1.5 10A.275, subdivision 1; 10A.28, subdivisions 3, 4; 10A.322, subdivision 4; 290.06,
1.6 subdivision 23; repealing Minnesota Statutes 2024, sections 10A.25, subdivisions
1.7 1, 2, 2a, 3, 3a, 5, 10; 10A.255, subdivisions 1, 3; 10A.257; 10A.27, subdivision
1.8 10; 10A.28, subdivision 1; 10A.30; 10A.31, subdivisions 1, 3, 3a, 4, 5, 5a, 6, 6a,
1.9 7, 7a, 7b, 10, 10a, 10b, 11; 10A.315; 10A.321; 10A.322, subdivisions 1, 2; 10A.323;
1.10 10A.324, subdivisions 1, 3; 10A.38.

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

1.12 Section 1. Minnesota Statutes 2024, section 10A.022, subdivision 3, is amended to read:

1.13 Subd. 3. **Investigation authority; complaint process.** (a) The board may investigate
1.14 any alleged or potential violation of this chapter. The board may also investigate an alleged
1.15 or potential violation of section 211B.04, 211B.12, or 211B.15 by or related to a candidate,
1.16 treasurer, principal campaign committee, political committee, political fund, or party unit,
1.17 as those terms are defined in this chapter. The board may only investigate an alleged violation
1.18 if the board:

1.19 (1) receives a written complaint alleging a violation;

1.20 (2) discovers a potential violation as a result of an audit conducted by the board; or

1.21 (3) discovers a potential violation as a result of a staff review.

1.22 (b) When the board investigates the allegations made in a written complaint and the
1.23 investigation reveals other potential violations that were not included in the complaint, the
1.24 board may investigate the potential violations not alleged in the complaint only after making

2.1 a determination under paragraph (d) that probable cause exists to believe a violation that
2.2 warrants a formal investigation has occurred.

2.3 (c) Upon receipt of a written complaint filed with the board, the board chair or another
2.4 board member designated by the chair shall promptly make a determination as to whether
2.5 the complaint alleges a prima facie violation. If a determination is made that the complaint
2.6 does not allege a prima facie violation, the complaint shall be dismissed without prejudice
2.7 and the complainant and the subject of the complaint must be promptly notified of the
2.8 reasons the complaint did not allege a prima facie violation. The notice to the subject of the
2.9 complaint must include a copy of the complaint. If the complainant files a revised complaint
2.10 regarding the same facts and the same subject, the prima facie determination must be
2.11 completed by a board member other than the member who made the initial determination
2.12 and who does not support the same political party as the member who made the initial
2.13 determination. The chair may order that the prima facie determination for any complaint
2.14 be made by the full board and must order that the prima facie determination for a complaint
2.15 being submitted for the third time be made by the full board.

2.16 (d) If a determination is made that the complaint alleges a prima facie violation, the
2.17 board shall, within 60 days of the prima facie determination, make findings and conclusions
2.18 as to whether probable cause exists to believe the alleged violation that warrants a formal
2.19 investigation has occurred. Any party filing a complaint and any party against whom a
2.20 complaint is filed must be given an opportunity to be heard by the board prior to the board's
2.21 determination as to whether probable cause exists to believe a violation that warrants a
2.22 formal investigation has occurred.

2.23 (e) Upon a determination by the board that probable cause exists to believe a violation
2.24 that warrants a formal investigation has occurred, the board must undertake an investigation
2.25 under subdivision 2 and must issue an order at the conclusion of the investigation, except
2.26 that if the complaint alleges a violation of section ~~10A.25~~ or 10A.27, the board must either
2.27 enter a conciliation agreement or make public findings and conclusions as to whether a
2.28 violation has occurred and must issue an order within 60 days after the probable cause
2.29 determination has been made. Prior to making findings and conclusions in an investigation,
2.30 the board must offer the subject of the complaint an opportunity to answer the allegations
2.31 of the complaint in writing and to appear before the board to address the matter. The deadline
2.32 for action on a written complaint, including but not limited to issuance of a probable cause
2.33 determination in accordance with paragraph (d), entering into a conciliation agreement, or
2.34 issuance of public findings may be extended by majority vote of the board.

3.1 Sec. 2. Minnesota Statutes 2024, section 10A.15, subdivision 2a, is amended to read:

3.2 Subd. 2a. **Time of receipt.** (a) A monetary contribution not made through electronic
3.3 means is received for reporting and contribution limit purposes when the contribution is
3.4 physically received by the treasurer, the candidate, or a committee, fund, or party unit
3.5 worker.

3.6 (b) A contribution delivered through the United States mail is received on the date the
3.7 mail is collected from the delivery point by the treasurer or candidate, or by a committee,
3.8 fund, or party unit worker.

3.9 (c) A monetary contribution made through electronic means is received on the date that
3.10 the contributor makes the contribution to the contribution processor for the following
3.11 purposes:

3.12 (1) the registration requirements in section 10A.14;

3.13 (2) the reporting requirements in section 10A.20; and

3.14 (3) the requirements related to contributions during the legislative session in section
3.15 10A.273; ~~and.~~

3.16 ~~(4) the affidavit of contributions requirement in section 10A.323.~~

3.17 (d) A monetary contribution made through electronic means is received for purposes of
3.18 the deposit requirements in subdivision 3 on the date that the treasurer or candidate, or the
3.19 committee, fund, or party unit worker has access to the funds under the terms of the
3.20 agreement with the contribution processor.

3.21 Sec. 3. Minnesota Statutes 2024, section 10A.20, subdivision 15, is amended to read:

3.22 Subd. 15. **Equitable relief.** A candidate whose opponent does not timely file the report
3.23 due 15 days before the primary; or the report due ten days before the general election; ~~or~~
3.24 ~~the notice required under section 10A.25, subdivision 10,~~ may petition the district court for
3.25 immediate equitable relief to enforce the filing requirement. A prevailing party under this
3.26 subdivision may be awarded attorney fees and costs by the court.

3.27 Sec. 4. Minnesota Statutes 2024, section 10A.275, subdivision 1, is amended to read:

3.28 Subdivision 1. **Exceptions.** Notwithstanding other provisions of this chapter, the
3.29 following expenditures by a party unit, or two or more party units acting together are not
3.30 considered contributions to or expenditures on behalf of a candidate for the purposes of

4.1 section ~~10A.25~~ or 10A.27 and must not be allocated to candidates under section 10A.20,
 4.2 subdivision 3, paragraph (h):

4.3 (1) expenditures on behalf of candidates of that party generally without referring to any
 4.4 of them specifically in a published, posted, or broadcast advertisement;

4.5 (2) expenditures for the preparation, display, mailing, or other distribution of an official
 4.6 party sample ballot listing the names of three or more individuals whose names are to appear
 4.7 on the ballot;

4.8 (3) expenditures for a telephone call, voice mail, text message, multimedia message,
 4.9 Internet chat message, or email when the communication includes the names of three or
 4.10 more individuals whose names are to appear on the ballot;

4.11 (4) expenditures for a booth at a community event, county fair, or state fair that benefits
 4.12 three or more individuals whose names are to appear on the ballot;

4.13 (5) expenditures for a political party fundraising effort on behalf of three or more
 4.14 candidates; or

4.15 (6) expenditures for party committee staff services that benefit three or more candidates.

4.16 Sec. 5. Minnesota Statutes 2024, section 10A.28, subdivision 3, is amended to read:

4.17 Subd. 3. **Conciliation agreement.** If the board finds that there is reason to believe that
 4.18 ~~excess expenditures have been made~~ or excess contributions accepted contrary to subdivision
 4.19 ~~1~~ or 2, the board must make every effort for a period of at least 14 days after its finding to
 4.20 correct the matter by informal methods of conference and conciliation and to enter a
 4.21 conciliation agreement with the person involved. A conciliation agreement under this
 4.22 subdivision is a matter of public record. Unless violated, a conciliation agreement is a bar
 4.23 to any civil proceeding under subdivision 4.

4.24 Sec. 6. Minnesota Statutes 2024, section 10A.28, subdivision 4, is amended to read:

4.25 Subd. 4. **Civil action.** If the board is unable after a reasonable time to correct by informal
 4.26 methods a matter where there is reason to believe that ~~excess expenditures have been made~~
 4.27 ~~or~~ excess contributions accepted contrary to subdivision ~~1~~ or 2, the board must make a
 4.28 public finding in the matter. The board may use section 10A.34 to recover fees and penalties
 4.29 or to seek an injunction.

5.1 Sec. 7. Minnesota Statutes 2024, section 10A.322, subdivision 4, is amended to read:

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

5.5 ~~(1)~~ a contributor who is given a receipt form is eligible to claim a refund as provided in
5.6 section 290.06, subdivision 23; ~~and~~.

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

5.9 The forms must provide duplicate copies of the receipt to be attached to the contributor's
5.10 claim.

5.11 ~~(b) The willful issuance of an official refund receipt form or a facsimile of one to any~~
5.12 ~~of the candidate's contributors by a candidate or treasurer of a candidate who did not sign~~
5.13 ~~an agreement under this section is subject to a civil penalty of up to \$3,000 imposed by the~~
5.14 ~~board.~~

5.15 ~~(e)~~ (b) The willful issuance of an official refund receipt form or a facsimile to an
5.16 individual not eligible to claim a refund under section 290.06, subdivision 23, is subject to
5.17 a civil penalty of up to \$3,000 imposed by the board.

5.18 ~~(d)~~ (c) A violation of paragraph (b) ~~or (e)~~ is a misdemeanor.

5.19 Sec. 8. Minnesota Statutes 2024, section 290.06, subdivision 23, is amended to read:

5.20 Subd. 23. **Refund of contributions to political parties and candidates.** (a) A taxpayer
5.21 may claim a refund equal to the amount of the taxpayer's contributions made in the calendar
5.22 year to candidates and to a political party. The maximum refund for an individual must not
5.23 exceed \$75 and for a married couple, filing jointly, must not exceed \$150. A refund of a
5.24 contribution is allowed only if the taxpayer files a form required by the commissioner and
5.25 attaches to the form a copy of an official refund receipt form issued by the candidate or
5.26 party and signed by the candidate, the treasurer of the candidate's principal campaign
5.27 committee, or the chair or treasurer of the party unit, after the contribution was received.
5.28 The receipt forms must be numbered, and the data on the receipt that are not public must
5.29 be made available to the campaign finance and public disclosure board upon its request. A
5.30 claim must be filed with the commissioner no sooner than January 1 of the calendar year
5.31 in which the contribution was made and no later than April 15 of the calendar year following
5.32 the calendar year in which the contribution was made. A taxpayer may file only one claim
5.33 per calendar year. Amounts paid by the commissioner after June 15 of the calendar year

6.1 following the calendar year in which the contribution was made must include interest at the
6.2 rate specified in section 270C.405.

6.3 (b) No refund is allowed under this subdivision for a contribution to a candidate unless
6.4 the candidate:

6.5 ~~(1) has signed an agreement to limit campaign expenditures as provided in section~~
6.6 ~~10A.322;~~

6.7 ~~(2) is seeking an office for which voluntary spending limits are specified in section~~
6.8 ~~10A.25; and~~

6.9 ~~(3) has designated a principal campaign committee.~~

6.10 ~~This subdivision does not limit the campaign expenditures of a candidate who does not~~
6.11 ~~sign an agreement but accepts a contribution for which the contributor improperly claims~~
6.12 ~~a refund.~~

6.13 (c) For purposes of this subdivision, "political party" means a political party that, by
6.14 July 1 of the taxable year, qualifies as either a major political party as defined in section
6.15 200.02, subdivision 7, or a minor political party qualifying for inclusion on the income tax
6.16 or property tax refund form under section 10A.31, subdivision 3a as defined in section
6.17 200.02, subdivision 23.

6.18 A "major party" or "minor party" includes the aggregate of that party's organization
6.19 within each house of the legislature, the state party organization, and the party organization
6.20 within congressional districts, counties, legislative districts, municipalities, and precincts.

6.21 "Candidate" means a candidate as defined in section 10A.01, subdivision 10, except a
6.22 candidate for judicial office.

6.23 "Contribution" means a gift of money.

6.24 (d) The commissioner shall make copies of the form available to the public and candidates
6.25 upon request.

6.26 (e) The following data collected or maintained by the commissioner under this subdivision
6.27 are private: the identities of individuals claiming a refund, the identities of candidates to
6.28 whom those individuals have made contributions, and the amount of each contribution.

6.29 (f) The commissioner shall report to the campaign finance and public disclosure board
6.30 by each August 1 a summary showing the total number and aggregate amount of political
6.31 contribution refunds made on behalf of each candidate and each political party. These data
6.32 are public.

7.1 (g) The amount necessary to pay claims for the refund provided in this section is
7.2 appropriated from the general fund to the commissioner of revenue.

7.3 (h) For a taxpayer who files a claim for refund via the Internet or other electronic means,
7.4 the commissioner may accept the number on the official receipt as documentation that a
7.5 contribution was made rather than the actual receipt as required by paragraph (a).

7.6 **Sec. 9. TRANSFERS; STATE ELECTIONS CAMPAIGN ACCOUNT BALANCES.**

7.7 Any balances remaining in the state elections campaign account, including each political
7.8 party account and the general account, and in the state special elections campaign account
7.9 on the effective date of this act are transferred to the general fund.

7.10 **Sec. 10. REPEALER.**

7.11 Minnesota Statutes 2024, sections 10A.25, subdivisions 1, 2, 2a, 3, 3a, 5, and 10;
7.12 10A.255, subdivisions 1 and 3; 10A.257; 10A.27, subdivision 10; 10A.28, subdivision 1;
7.13 10A.30; 10A.31, subdivisions 1, 3, 3a, 4, 5, 5a, 6, 6a, 7, 7a, 7b, 10, 10a, 10b, and 11;
7.14 10A.315; 10A.321; 10A.322, subdivisions 1 and 2; 10A.323; 10A.324, subdivisions 1 and
7.15 3; and 10A.38, are repealed.

7.16 **Sec. 11. EFFECTIVE DATE.**

7.17 This act is effective July 1, 2025.

10A.25 SPENDING LIMITS.

Subdivision 1. **Limits are voluntary.** The expenditure limits imposed by this section apply only to a candidate who has signed an agreement under section 10A.322 to be bound by them as a condition of receiving a public subsidy for the candidate's campaign.

Subd. 2. **Amounts.** (a) In a segment of an election cycle, the principal campaign committee of the candidate must not make campaign expenditures nor permit approved expenditures to be made on behalf of the candidate that result in aggregate expenditures in excess of the following:

(1) for governor and lieutenant governor, running together, \$4,232,700 in the election segment and \$1,697,400 in the nonelection segment;

(2) for attorney general, \$725,800 in the election segment and \$226,400 in the nonelection segment;

(3) for secretary of state and state auditor, separately, \$483,900 in the election segment and \$113,300 in the nonelection segment;

(4) for state senator, \$109,100 in the election segment and \$32,800 in a nonelection segment;

(5) for state representative, \$80,300 in the election segment.

(b) In addition to the amount in paragraph (a), clause (1), a candidate for endorsement for the office of lieutenant governor at the convention of a political party may make campaign expenditures and approved expenditures of five percent of that amount to seek endorsement.

(c) If a special election cycle occurs during a general election cycle, expenditures by or on behalf of a candidate in the special election do not count as expenditures by or on behalf of the candidate in the general election.

(d) The expenditure limits in this subdivision for an office are increased by ten percent for a candidate who has not previously held the same office, whose name has not previously been on the primary or general election ballot for that office, and who has not in the past ten years raised or spent more than \$750 in a run for any other office whose territory now includes a population that is more than one-third of the population in the territory of the new office. Candidates who qualify for first-time candidate status receive a ten percent increase in the campaign expenditure limit in all segments of the applicable election cycle. In the case of a legislative candidate, the office is that of a member of the house of representatives or senate without regard to any specific district.

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 segment of an election cycle, the amount of expenditures from all of the candidate's principal campaign committees for statewide office for that segment of the election cycle must be aggregated for purposes of applying the limits on expenditures under subdivision 2.

Subd. 3. **Governor and lieutenant governor a single candidate.** For the purposes of this chapter, a candidate for governor and a candidate for lieutenant governor, running together, are considered a single candidate. Except as provided in subdivision 2, paragraph (b), all expenditures made by or all approved expenditures made on behalf of the candidate for lieutenant governor are considered to be expenditures by or approved expenditures on behalf of the candidate for governor.

Subd. 3a. **Independent expenditures and electioneering communications.** The principal campaign committee of a candidate must not make independent expenditures or disbursements for electioneering communications. If the principal campaign committee of a candidate makes a contribution to an independent expenditure committee or independent expenditure fund on or after January 1 of the year the candidate's office will appear on the ballot, the independent expenditure committee or independent expenditure fund must not make an independent expenditure for that candidate.

Subd. 5. **Contested primary races.** Notwithstanding the limits imposed by subdivision 2, the winning candidate in a contested race in a primary who received fewer than twice as many votes as any one of the candidate's opponents in that primary may make expenditures and permit approved expenditures to be made on behalf of the candidate equal to 120 percent of the applicable limit as set forth in subdivision 2, but no more than 100 percent of the limit until after the primary.

Subd. 10. **Effect of opponent's conduct.** (a) After the deadline for filing a spending limit agreement under section 10A.322, a candidate who has agreed to be bound by the expenditure limits imposed by this section as a condition of receiving a public subsidy for the candidate's campaign

may choose to be released from the expenditure limits but remain eligible to receive a public subsidy if the candidate has an opponent who has not agreed to be bound by the limits and has received contributions or made or become obligated to make expenditures during that election cycle in excess of the following limits:

(1) up to the close of the reporting period before the primary election, receipts or expenditures equal to 20 percent of the election segment expenditure limit for that office as set forth in subdivision 2; or

(2) after the close of the reporting period before the primary election, cumulative receipts or expenditures during that election cycle equal to 50 percent of the election cycle expenditure limit for that office as set forth in subdivision 2.

Before the primary election, a candidate's "opponents" are only those who will appear on the ballot of the same party in the primary election.

(b) A candidate who has not agreed to be bound by expenditure limits, or the candidate's principal campaign committee, must file written notice with the board and provide written notice to any opponent of the candidate for the same office within 24 hours of exceeding the limits in paragraph (a). The notice must state only that the candidate or candidate's principal campaign committee has received contributions or made or become obligated to make campaign expenditures in excess of the limits in paragraph (a).

(c) Upon receipt of the notice, a candidate who had agreed to be bound by the limits may file with the board a notice that the candidate chooses to be no longer bound by the expenditure limits. A notice of a candidate's choice not to be bound by the expenditure limits that is based on the conduct of an opponent in the state primary election may not be filed more than one day after the State Canvassing Board has declared the results of the state primary.

(d) A candidate who has agreed to be bound by the expenditure limits imposed by this section and whose opponent in the general election has chosen, as provided in paragraph (c), not to be bound by the expenditure limits because of the conduct of an opponent in the primary election is no longer bound by the limits but remains eligible to receive a public subsidy.

10A.255 ADJUSTMENT BY CONSUMER PRICE INDEX.

Subdivision 1. **Method of calculation.** The dollar amounts in section 10A.25, subdivision 2, must be adjusted for general election years as provided in this section. Each general election year, the executive director of the board must 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 preceding 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. The product must be rounded up to the next highest \$100 increment. 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.

Subd. 3. **Publication of expenditure limit.** By April 15 of each election year the board must publish on its website the expenditure limit for each office for that calendar year under section 10A.25 as adjusted by this section. The revisor of statutes must code the adjusted amounts in the next edition of Minnesota Statutes, section 10A.25, subdivision 2.

10A.257 CARRYFORWARD.

Subdivision 1. **Unused funds.** After all campaign expenditures and noncampaign disbursements for an election cycle have been made, an amount up to 25 percent of the election cycle expenditure limit for the office may be carried forward. Any remaining amount up to the total amount of the public subsidy from the state elections campaign fund must be returned to the state treasury for credit to the general fund under section 10A.324. Any remaining amount in excess of the total public subsidy must be contributed to the state elections campaign account or a political party for multicandidate expenditures as defined in section 10A.275.

Subd. 2. **Unused postage and credit balances carried forward.** Postage that is purchased but not used during an election cycle and credit balances at vendors that exceed a combined total of \$500 must be carried forward and counted as expenditures during the election cycle during which they are used.

10A.27 CONTRIBUTION LIMITS.

Subd. 10. **Limited personal contributions.** A candidate who signs an agreement under section 10A.322 may not contribute to the candidate's own campaign during a segment of an election cycle more than five times the candidate's contribution limit for that segment under subdivision 1.

10A.28 PENALTY FOR EXCEEDING LIMITS.

Subdivision 1. **Exceeding expenditure limits.** A candidate subject to the expenditure limits in 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, as adjusted by section 10A.255, is subject to a civil penalty up to four times the amount by which the expenditures exceeded the limit.

10A.30 STATE ELECTIONS CAMPAIGN ACCOUNT.

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

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

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

10A.31 DESIGNATION OF INCOME TAX PAYMENTS.

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

Subd. 3. **Form.** The commissioner of revenue must provide on the first page of the income tax form and the renter and homeowner property tax refund return a space for the individual to indicate a wish to pay \$5 (\$10 if filing a joint return) from the general fund of the state to finance election campaigns. The form must also contain language prepared by the commissioner that permits the individual to direct the state to pay the \$5 (or \$10 if filing a joint return) to: (1) one of the major political parties; (2) any minor political party that qualifies under subdivision 3a; or (3) all qualifying candidates as provided by subdivision 7. The renter and homeowner property tax refund return must include instructions that the individual filing the return may designate \$5 on the return only if the individual has not designated \$5 on the income tax return.

Subd. 3a. **Qualification of political parties.** (a) A major political party qualifies for inclusion on the income tax form and property tax refund return as provided in subdivision 3 if it qualifies as a major political party by July 1 of the taxable year.

(b) A minor political party qualifies for inclusion on the income tax form and property tax refund return as provided in subdivision 3 if it qualifies as a minor party statewide by July 1 of the taxable year.

(c) The secretary of state shall notify each major and minor political party by the first Monday in January of each odd-numbered year of the conditions necessary for the party to participate in income tax form and property tax refund return programs.

(d) The secretary of state shall notify each political party, the commissioner of revenue, and the Campaign Finance and Public Disclosure Board by July 1 of each year and following certification of the results of each general election of the political parties that qualify for inclusion on the income tax form and property tax refund return as provided in subdivision 3.

Subd. 4. **Appropriation.** (a) The amounts designated by individuals for the state elections campaign account, less three percent, are appropriated from the general fund, must be transferred and credited to the appropriate account in the state elections campaign account, and are annually appropriated for distribution as set forth in subdivisions 5, 5a, 6, and 7. The remaining three percent must be kept in the general fund for administrative costs.

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(b) In addition to the amounts in paragraph (a), \$2,432,000 for each general election is appropriated from the general fund for transfer to the general account of the state elections campaign account.

Subd. 5. **Allocation.** (a) **General account.** In each calendar year the money in the general account must be allocated to candidates as follows:

- (1) 21 percent for the offices of governor and lieutenant governor together;
- (2) 4.2 percent for the office of attorney general;
- (3) 2.4 percent each for the offices of secretary of state and state auditor;

(4) in each calendar year during the period in which state senators serve a four-year term, 23-1/3 percent for the office of state senator, and 46-2/3 percent for the office of state representative; and

(5) in each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative.

(b) **Party account.** In each calendar year the money in each party account must be allocated as follows:

- (1) 14 percent for the offices of governor and lieutenant governor together;
- (2) 2.8 percent for the office of attorney general;
- (3) 1.6 percent each for the offices of secretary of state and state auditor;

(4) in each calendar year during the period in which state senators serve a four-year term, 23-1/3 percent for the office of state senator, and 46-2/3 percent for the office of state representative;

(5) in each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative; and

(6) ten percent or \$50,000, whichever is less, for the state committee of a political party; one-third of any amount in excess of that allocated to the state committee of a political party under this clause must be allocated to the office of state senator and two-thirds must be allocated to the office of state representative under clause (4).

Money allocated to each state committee under clause (6) must be deposited in a separate account and must be spent for only those items enumerated in section 10A.275. Money allocated to a state committee under clause (6) must be paid to the committee by the board as it is received in the account on a monthly basis, with payment on the 15th day of the calendar month following the month in which the returns were processed by the Department of Revenue, provided that these distributions would be equal to 90 percent of the amount of money indicated in the Department of Revenue's weekly unedited reports of income tax returns and property tax refund returns processed in the month, as notified by the Department of Revenue to the board. The amounts paid to each state committee are subject to biennial adjustment and settlement at the time of each certification required of the commissioner of revenue under subdivisions 7 and 10. If the total amount of payments received by a state committee for the period reflected on a certification by the Department of Revenue is different from the amount that should have been received during the period according to the certification, each subsequent monthly payment must be increased or decreased to the fullest extent possible until the amount of the overpayment is recovered or the underpayment is distributed.

Subd. 5a. **Party account for legislative candidates.** To ensure that money will be returned to the counties from which it was collected and to ensure that the distribution of money rationally relates to the support for particular parties or for particular candidates within legislative districts, money from the party accounts for legislative candidates must be distributed as provided in this subdivision.

Each candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election must receive money from the candidate's party account allocated to candidates for the state senate or state house of representatives, whichever applies, according to the following formula:

For each county within the candidate's district, the candidate's share of the dollars designated by taxpayers who resided in that county and credited to the candidate's party account and allocated to that office must be:

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Repealed Minnesota Statutes: 25-05444

(1) the sum of the votes cast in the last general election in that part of the county in the candidate's district for all candidates of that candidate's party whose names appeared on the ballot statewide and for the state senate and state house of representatives, divided by

(2) the sum of the votes cast in the entire county in the last general election for all candidates of that candidate's party whose names appeared on the ballot statewide and for the state senate and state house of representatives, multiplied by

(3) the amount in the candidate's party account designated by taxpayers who resided in that county and allocated to that office.

The sum of all the county shares calculated in the formula above is the candidate's share of the candidate's party account.

In a year in which an election for the state senate occurs, with respect to votes for candidates for the state senate only, "last general election" means the last general election in which an election for the state senate occurred.

For a party under whose name no candidate's name appeared on the ballot statewide in the last general election, amounts in the party's account must be allocated based on (i) the number of people voting in the last general election in that part of the county in the candidate's district, divided by (ii) the number of the people voting in the entire county in the last general election, multiplied by (iii) the amount in the candidate's party account designated by taxpayers who resided in that county and allocated to that office.

In the first general election after the legislature is redistricted, "the candidate's district" means the newly drawn district and voting data from the last general election must be applied to the area encompassing the newly drawn district, notwithstanding that the area was in a different district in the last general election.

If in a district there was no candidate of a party for the state senate or state house of representatives in the last general election, or if a candidate for the state senate or state house of representatives was unopposed, the vote for that office for that party is the average vote of all the remaining candidates of that party in each county of that district whose votes are included in the sums in clauses (1) and (2). The average vote must be added to the sums in clauses (1) and (2) before the calculation is made for all districts in the county.

Subd. 6. Distribution of party accounts. As soon as the board has obtained from the secretary of state the results of the primary election, but no later than one week after certification by the State Canvassing Board of the results of the primary, the board must distribute the available money in each party account, as certified by the commissioner of revenue one week before the state primary, to the candidates of that party who have signed a spending limit agreement under section 10A.322 and filed the affidavit of contributions required by section 10A.323, who were opposed in either the primary election or the general election, and whose names are to appear on the ballot in the general election, according to the allocations set forth in subdivisions 5 and 5a. The public subsidy from the party account may not be paid in an amount greater than the expenditure limit of the candidate or the expenditure limit that would have applied to the candidate if the candidate had not been freed from expenditure limits under section 10A.25, subdivision 10.

Subd. 6a. Party account money not distributed. Money from a party account not distributed to candidates for state senator or representative in any election year must be returned to the general fund of the state, except that the subsidy from the party account an unopposed candidate would otherwise have been eligible to receive must be paid to the state committee of the candidate's political party to be deposited in a special account under subdivision 5, paragraph (b), clause (6), and used for only those items permitted under section 10A.275. Money from a party account not distributed to candidates for other offices in an election year must be returned to the party account for reallocation to candidates as provided in subdivision 5, paragraph (b), in the following year.

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

- (1) have signed a spending limit agreement under section 10A.322;
- (2) have filed the affidavit of contributions required by section 10A.323; and

(3) were opposed in either the primary election or the general election.

(b) The public subsidy under this subdivision may not be paid in an amount that would cause the sum of the public subsidy paid from the party account plus the public subsidy paid from the general account to exceed 50 percent of the expenditure limit for the candidate or 50 percent of the expenditure limit that would have applied to the candidate if the candidate had not been freed from expenditure limits under section 10A.25, subdivision 10. Money from the general account not paid to a candidate because of the 50 percent limit must be distributed equally among all other qualifying candidates for the same office until all have reached the 50 percent limit or the balance in the general account is exhausted.

Subd. 7a. **Withholding of public subsidy.** If a candidate who is eligible for payment of public subsidy under this section has not filed the report of receipts and expenditures required under section 10A.20 before a primary election, any public subsidy for which that candidate is eligible must be withheld by the board until the candidate complies with the filing requirements of section 10A.20 and the board has sufficient time to review or audit the report. If a candidate who is eligible for public subsidy does not file the report due before the primary election under section 10A.20 by the date that the report of receipts and expenditures filed before the general election is due, that candidate shall not be paid public subsidy for that election.

Subd. 7b. **Failure to repay.** A candidate who fails to repay money required by the agreement cannot be paid additional public subsidy funds during the current or future election cycles until the entirety of the unexpended funds and any associated collection fees are either repaid to the board or discharged by court action.

Subd. 10. **December distribution.** In the event that on the date of either certification by the commissioner of revenue as provided in subdivision 6 or 7, less than 98 percent of the tax returns have been processed, the commissioner of revenue must certify to the board by December 1 the amount accumulated in each account since the previous certification. By December 15, the board must distribute to each candidate according to the allocations in subdivisions 5 and 5a the amounts to which the candidates are entitled.

Subd. 10a. **Form of distribution.** A distribution to a candidate must be in the form of a check made "payable to the campaign fund of(name of candidate)....."

Subd. 10b. **Remainder.** Money accumulated after the final certification must be kept in the respective accounts for distribution in the next general election year.

Subd. 11. **Write-in candidate.** For the purposes of this section, a write-in candidate is a candidate only upon complying with sections 10A.322 and 10A.323.

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 a candidate for the same office at the last general election.

(b) A candidate who wishes to receive this public subsidy must submit a signed agreement under section 10A.322 to the board and must meet the contribution requirements of section 10A.323. 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 section is appropriated from the general fund for transfer to the state special elections campaign account for distribution by the board as set forth in this section.

10A.321 ESTIMATES OF MINIMUM AMOUNTS TO BE RECEIVED.

Subdivision 1. **Calculation and certification of estimates.** The commissioner of revenue must calculate and certify to the board one week before the first day for filing for office in each election year an estimate of the total amount in the state general account of the state elections campaign account 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 account. This estimate must be based upon the allocations and formulas in section 10A.31, subdivisions 5 and 5a, any necessary vote totals provided by the secretary of state to apply the

formulas in section 10A.31, subdivisions 5 and 5a, 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 procedures. Before the first day of filing for office, the board must 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 one week after the last day for filing for office, the secretary of state must 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 must 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 two weeks after the last day for filing for office, the board must notify all candidates of their estimated minimum amount. The board must include with the notice a form for the agreement provided in section 10A.322 along with a copy of section 10A.25, subdivision 10.

10A.322 SPENDING LIMIT AGREEMENTS.

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

(b) Before the first day of filing for office, the board must forward agreement forms to all filing officers. The board must also provide agreement forms to candidates on request at any time. The candidate must file the agreement with the board at least three weeks before the candidate's state primary. An agreement may not be filed after that date. An agreement once filed may not be rescinded.

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

(d) Notwithstanding paragraph (b), if a vacancy occurs that will be filled by means of a special election and the filing period does not coincide with the filing period for the general election, a candidate may sign and submit a spending limit agreement not later than the day after the close of the filing period for the special election for which the candidate filed.

(e) Notwithstanding paragraphs (b) and (d), if a vacancy occurs that will be filled by means of a special election called under section 204B.13, subdivision 2, paragraph (c), a candidate may sign and submit a spending limit agreement not later than eight calendar days after the general election.

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, and the contribution limit in section 10A.27, subdivision 10, remains effective for candidates until the dissolution of the principal campaign committee of the candidate or the end of the first election cycle completed after the agreement was filed, whichever occurs first.

10A.323 AFFIDAVIT OF CONTRIBUTIONS.

(a) In addition to the requirements of section 10A.322, to be eligible to receive a public subsidy under section 10A.31 a candidate or the candidate's treasurer must:

(1) between January 1 of the previous year and the cutoff date for transactions included in the report of receipts and expenditures due before the primary election, accumulate contributions from individuals eligible to vote in this state in at least the amount indicated for the office sought, counting only the first \$50 received from each contributor, excluding in-kind contributions:

(i) candidates for governor and lieutenant governor running together, \$35,000;

(ii) candidates for attorney general, \$15,000;

(iii) candidates for secretary of state and state auditor, separately, \$6,000;

(iv) candidates for the senate, \$3,000; and

(v) candidates for the house of representatives, \$1,500;

(2) file an affidavit with the board stating that the principal campaign committee has complied with this paragraph. The affidavit must state the total amount of contributions that have been received from individuals eligible to vote in this state, excluding:

(i) the portion of any contribution in excess of \$50;

(ii) any in-kind contribution; and

(iii) any contribution for which the name and address of the contributor is not known and recorded; and

(3) submit the affidavit required by this section to the board in writing by the deadline for reporting of receipts and expenditures before a primary under section 10A.20, subdivision 2.

(b) A candidate for a vacancy to be filled at a special election for which the filing period does not coincide with the filing period for the general election must accumulate the contributions specified in paragraph (a) and must submit the affidavit required by this section to the board within five days after the close of the filing period for the special election for which the candidate filed.

(c) Notwithstanding paragraphs (a) and (b), a candidate for a vacancy to be filled at a special election called under section 204B.13, subdivision 2, paragraph (c), must accumulate the contributions specified in paragraph (a) and must submit the affidavit required by this section to the board within 12 calendar days after the general election.

(d) A candidate or the candidate's treasurer must be able to electronically file the affidavit required under this section in the same manner as other reports required by this chapter. The board must not require the candidate or candidate's treasurer to notarize the affidavit of contribution.

10A.324 RETURN OF PUBLIC SUBSIDY.

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

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 must return an amount equal to the difference to the board. The cost of postage that was not used during an election cycle and payments that created credit balances at vendors at the close of an election cycle are not considered expenditures for purposes of determining the amount to be returned. Expenditures in excess of the candidate's spending limit do not count in determining aggregate expenditures under this paragraph.

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 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. An 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 must deposit the check or money order in the state treasury for credit to the general fund. The amount returned must not exceed the amount of public subsidy received by the candidate.

10A.38 CAPTIONING OF CAMPAIGN ADVERTISEMENTS.

(a) This section applies to a campaign advertisement by a candidate who is governed by an agreement under section 10A.322.

(b) "Campaign advertisement" means a professionally produced visual or audio recording of two minutes or less produced by the candidate for the purpose of influencing the nomination or election of a candidate.

(c) A campaign advertisement that is disseminated as an advertisement by broadcast or cable television must include closed captioning for deaf and hard-of-hearing viewers, unless the candidate has filed with the board before the advertisement is disseminated a statement setting forth the reasons for not doing so. A campaign advertisement that is disseminated as an advertisement to the public on the candidate's website must include closed captioning for deaf and hard-of-hearing viewers, unless the candidate has posted on the website a transcript of the spoken content of the advertisement or the candidate has filed with the board before the advertisement is disseminated a statement setting forth the reasons for not doing so. A campaign advertisement must not be disseminated as an advertisement by radio unless the candidate has posted on the candidate's website a transcript of the spoken content of the advertisement or the candidate has filed with the board before the advertisement is disseminated a statement setting forth the reasons for not doing so.

(d) A candidate who fails to comply with the requirements of paragraph (c) is subject to a civil penalty imposed by the board of up to \$1,000.