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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 1961

02/25/2014 Authored by Halverson, Laine, Winkler, Simon and Wagenius
The bill was read for the first time and referred to the Committee on Elections

1.1 A bill for an act
1.2 relating to ethics in government; expanding requirements relating to economic
1.3 disclosure and conflicts of interest; amending Minnesota Statutes 2012, section
1.4 10A.09, subdivision 5; Minnesota Statutes 2013 Supplement, sections 10A.02,
1.5 subdivision 10; 10A.07, subdivision 1.

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

1.7 Section 1. Minnesota Statutes 2013 Supplement, section 10A.02, subdivision 10,
1.8 is amended to read:

1.9 Subd. 10. **Audits and investigations.** Within limits of available resources, the board
1.10 ~~may must~~ make audits and investigations; with respect to the requirements of this chapter.
1.11 The board may impose statutory civil penalties, and issue orders for compliance with
1.12 respect to the requirements of this chapter and provisions under the board's jurisdiction
1.13 pursuant to subdivision 11. In all matters relating to its official duties, the board has the
1.14 power to issue subpoenas and cause them to be served. If a person does not comply with a
1.15 subpoena, the board may apply to the District Court of Ramsey County for issuance of
1.16 an order compelling obedience to the subpoena. A person failing to obey the order is
1.17 punishable by the court as for contempt.

1.18 Sec. 2. Minnesota Statutes 2013 Supplement, section 10A.07, subdivision 1, is
1.19 amended to read:

1.20 Subdivision 1. **Disclosure of potential conflicts.** A public official or a local official
1.21 elected to or appointed by a metropolitan governmental unit who in the discharge of official
1.22 duties would be required to take an action or make a decision that would substantially
1.23 affect the official's financial interests, the financial interests of the official's spouse, or ~~those~~
1.24 the financial interests of an associated business of the official or the official's spouse, unless

2.1 the effect on the official or spouse is no greater than on other members of the official's or
 2.2 spouse's business classification, profession, or occupation, must take the following actions:

2.3 (1) prepare a written statement describing the matter requiring action or decision and
 2.4 the nature of the potential conflict of interest;

2.5 (2) deliver copies of the statement to the official's immediate superior, if any; and

2.6 (3) if a member of the legislature or of the governing body of a metropolitan
 2.7 governmental unit, deliver a copy of the statement to the presiding officer of the body
 2.8 of service.

2.9 If a potential conflict of interest presents itself and there is insufficient time to
 2.10 comply with clauses (1) to (3), the public or local official must orally inform the superior
 2.11 or the official body of service or committee of the body of the potential conflict.

2.12 Sec. 3. Minnesota Statutes 2012, section 10A.09, subdivision 5, is amended to read:

2.13 Subd. 5. **Form.** A statement of economic interest required by this section must be
 2.14 on a form prescribed by the board. The individual filing must provide the following
 2.15 information regarding the individual and the individual's spouse:

2.16 (1) name, address, occupation, and principal place of business;

2.17 (2) the name of each associated business and the nature of that association;

2.18 (3) a listing of all real property within the state, excluding homestead property, in
 2.19 which the individual or spouse holds: (i) a fee simple interest, a mortgage, a contract for
 2.20 deed as buyer or seller, or an option to buy, whether direct or indirect, if the interest is
 2.21 valued in excess of \$2,500; or (ii) an option to buy, if the property has a fair market
 2.22 value of \$50,000 or more;

2.23 (4) a listing of all real property within the state in which a partnership of which the
 2.24 individual or spouse is a member holds: (i) a fee simple interest, a mortgage, a contract for
 2.25 deed as buyer or seller, or an option to buy, whether direct or indirect, if the individual's
 2.26 share of the partnership interest is valued in excess of \$2,500; or (ii) an option to buy,
 2.27 if the property has a fair market value of \$50,000 or more. A listing under clause (3)
 2.28 or (4) must indicate the street address and the municipality or the section, township,
 2.29 range and approximate acreage, whichever applies, and the county in which the property
 2.30 is located; ~~and~~

2.31 (5) a listing of any investments, ownership, or interests in property connected with
 2.32 pari-mutuel horse racing in the United States and Canada, including a racehorse, in
 2.33 which the individual or spouse directly or indirectly holds a partial or full interest or an
 2.34 immediate family member holds a partial or full interest; and

3.1 (6) a listing of the business or professional activity codes from which the individual
3.2 or spouse receives compensation of more than \$50 in any month as a consultant or
3.3 independent contractor. The business or professional codes reported under this clause
3.4 must be those used by the federal Internal Revenue Service for purposes of reporting
3.5 self-employment income on Schedule C.

3.6 The statement of economic interest must distinguish matters specified in clauses (1) to (6)
3.7 that are reported on behalf of the individual from matters reported on behalf of the spouse.

3.8 **EFFECTIVE DATE.** This section is effective for statements of economic interest
3.9 required to be filed on or after January 1, 2015.