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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 1994

03/04/2019 Authored by Freiberg, Bahner, Robbins and Hertaus
The bill was read for the first time and referred to the Committee on Government Operations

1.1 A bill for an act
1.2 relating to campaign finance; modifying provisions for certain campaign disclosures
1.3 in Hennepin County; amending Minnesota Statutes 2018, sections 10A.01,
1.4 subdivisions 4, 7, 9, 11, 16a, 17c, 18, 20, 24, 27, 28, by adding a subdivision;
1.5 10A.12, subdivisions 1, 2; 10A.121, subdivision 2; 10A.13, subdivision 1; 10A.17,
1.6 subdivision 4; 10A.20, subdivisions 3, 6a, by adding a subdivision; 383B.041;
1.7 repealing Minnesota Statutes 2018, sections 10A.15, subdivision 6; 383B.042;
1.8 383B.043; 383B.044; 383B.045; 383B.046; 383B.047; 383B.048; 383B.049;
1.9 383B.05; 383B.051; 383B.052; 383B.053; 383B.054; 383B.055; 383B.056;
1.10 383B.057.

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

1.12 Section 1. Minnesota Statutes 2018, section 10A.01, subdivision 4, is amended to read:

1.13 Subd. 4. **Approved expenditure.** "Approved expenditure" means an expenditure made
1.14 on behalf of a candidate or a local candidate by an entity other than the candidate's or local
1.15 candidate's principal campaign committee ~~of the candidate~~, if the expenditure is made with
1.16 the authorization or expressed or implied consent of, or in cooperation or in concert with,
1.17 or at the request or suggestion of the candidate or local candidate, the candidate's principal
1.18 campaign committee, or the candidate's or local candidate's agent. An approved expenditure
1.19 is a contribution to that candidate or local candidate.

1.20 Sec. 2. Minnesota Statutes 2018, section 10A.01, subdivision 7, is amended to read:

1.21 Subd. 7. **Ballot question.** "Ballot question" means a question or proposition that is placed
1.22 on the ballot and that may be voted on by:

- 1.23 (1) all voters of the state;
1.24 (2) all voters of Hennepin County;

2.1 (3) all voters of any home rule charter city or statutory city located wholly within
2.2 Hennepin County and having a population of 75,000 or more; or

2.3 (4) all voters of Special School District No. 1.

2.4 "Promoting or defeating a ballot question" includes activities, other than lobbying
2.5 activities, related to qualifying the question for placement on the ballot.

2.6 Sec. 3. Minnesota Statutes 2018, section 10A.01, subdivision 9, is amended to read:

2.7 Subd. 9. **Campaign expenditure.** "Campaign expenditure" or "expenditure" means a
2.8 purchase or payment of money or anything of value, or an advance of credit, made or
2.9 incurred for the purpose of influencing the nomination or election of a candidate or a local
2.10 candidate or for the purpose of promoting or defeating a ballot question.

2.11 An expenditure is considered to be made in the year in which the candidate or local
2.12 candidate made the purchase of goods or services or incurred an obligation to pay for goods
2.13 or services.

2.14 An expenditure made for the purpose of defeating a candidate or a local candidate is
2.15 considered made for the purpose of influencing the nomination or election of that candidate
2.16 or local candidate or any opponent of that candidate or local candidate.

2.17 Except as provided in clause (1), "expenditure" includes the dollar value of a donation
2.18 in kind.

2.19 "Expenditure" does not include:

2.20 (1) noncampaign disbursements as defined in subdivision 26;

2.21 (2) services provided without compensation by an individual volunteering personal time
2.22 on behalf of a candidate or a local candidate, ballot question, political committee, political
2.23 fund, principal campaign committee, or party unit;

2.24 (3) the publishing or broadcasting of news items or editorial comments by the news
2.25 media; or

2.26 (4) an individual's unreimbursed personal use of an automobile owned by the individual
2.27 and used by the individual while volunteering personal time.

3.1 Sec. 4. Minnesota Statutes 2018, section 10A.01, is amended by adding a subdivision to
3.2 read:

3.3 Subd. 10d. **Local candidate.** "Local candidate" means an individual who seeks
3.4 nomination or election to:

3.5 (1) any county office in Hennepin County;

3.6 (2) any city office in any home rule charter city or statutory city located wholly within
3.7 Hennepin County and having a population of 75,000 or more; or

3.8 (3) the school board in Special School District No. 1.

3.9 Sec. 5. Minnesota Statutes 2018, section 10A.01, subdivision 11, is amended to read:

3.10 Subd. 11. **Contribution.** (a) "Contribution" means money, a negotiable instrument, or
3.11 a donation in kind that is given to a political committee, political fund, principal campaign
3.12 committee, local candidate, or party unit. An allocation by an association of general treasury
3.13 money to be used for activities that must be or are reported through the association's political
3.14 fund is considered to be a contribution for the purposes of disclosure required by this chapter.

3.15 (b) "Contribution" includes a loan or advance of credit to a political committee, political
3.16 fund, principal campaign committee, local candidate, or party unit, if the loan or advance
3.17 of credit is: (1) forgiven; or (2) repaid by an individual or an association other than the
3.18 political committee, political fund, principal campaign committee, local candidate, or party
3.19 unit to which the loan or advance of credit was made. If an advance of credit or a loan is
3.20 forgiven or repaid as provided in this paragraph, it is a contribution in the year in which the
3.21 loan or advance of credit was made.

3.22 (c) "Contribution" does not include services provided without compensation by an
3.23 individual volunteering personal time on behalf of a candidate, local candidate, ballot
3.24 question, political committee, political fund, principal campaign committee, or party unit;
3.25 the publishing or broadcasting of news items or editorial comments by the news media; or
3.26 an individual's unreimbursed personal use of an automobile owned by the individual while
3.27 volunteering personal time.

3.28 Sec. 6. Minnesota Statutes 2018, section 10A.01, subdivision 16a, is amended to read:

3.29 Subd. 16a. **Expressly advocating.** "Expressly advocating" means that a communication
3.30 clearly identifies a candidate or a local candidate and uses words or phrases of express
3.31 advocacy.

4.1 Sec. 7. Minnesota Statutes 2018, section 10A.01, subdivision 17c, is amended to read:

4.2 Subd. 17c. **General treasury money.** "General treasury money" means money that an
4.3 association other than a principal campaign committee, party unit, or political committee
4.4 accumulates through membership dues and fees, donations to the association for its general
4.5 purposes, and income from the operation of a business. General treasury money does not
4.6 include money collected to influence the nomination or election of candidates or local
4.7 candidates or to promote or defeat a ballot question.

4.8 Sec. 8. Minnesota Statutes 2018, section 10A.01, subdivision 18, is amended to read:

4.9 Subd. 18. **Independent expenditure.** "Independent expenditure" means an expenditure
4.10 expressly advocating the election or defeat of a clearly identified candidate or local candidate,
4.11 if the expenditure is made without the express or implied consent, authorization, or
4.12 cooperation of, and not in concert with or at the request or suggestion of, any candidate or
4.13 any candidate's principal campaign committee or agent or any local candidate or local
4.14 candidate's agent. An independent expenditure is not a contribution to that candidate or
4.15 local candidate. An independent expenditure does not include the act of announcing a formal
4.16 public endorsement of a candidate or local candidate for public office, unless the act is
4.17 simultaneously accompanied by an expenditure that would otherwise qualify as an
4.18 independent expenditure under this subdivision.

4.19 Sec. 9. Minnesota Statutes 2018, section 10A.01, subdivision 20, is amended to read:

4.20 Subd. 20. **Loan.** "Loan" means an advance of money or anything of value made to a
4.21 political committee, political fund, principal campaign committee, local candidate, or party
4.22 unit.

4.23 Sec. 10. Minnesota Statutes 2018, section 10A.01, subdivision 24, is amended to read:

4.24 Subd. 24. **Metropolitan governmental unit.** "Metropolitan governmental unit" means
4.25 any of the seven counties in the metropolitan area as defined in section 473.121, subdivision
4.26 2, a regional railroad authority established by one or more of those counties under section
4.27 398A.03, a city with a population of over 50,000 located in the seven-county metropolitan
4.28 area, the Metropolitan Council, ~~or~~ a metropolitan agency as defined in section 473.121,
4.29 subdivision 5a, or Special School District No. 1, Minneapolis.

5.1 Sec. 11. Minnesota Statutes 2018, section 10A.01, subdivision 27, is amended to read:

5.2 Subd. 27. **Political committee.** "Political committee" means an association whose major
5.3 purpose is to influence the nomination or election of one or more candidates or local
5.4 candidates or to promote or defeat a ballot question, other than a principal campaign
5.5 committee, local candidate, or a political party unit.

5.6 Sec. 12. Minnesota Statutes 2018, section 10A.01, subdivision 28, is amended to read:

5.7 Subd. 28. **Political fund.** "Political fund" means an accumulation of dues or voluntary
5.8 contributions by an association other than a political committee, principal campaign
5.9 committee, or party unit, if the accumulation is collected or expended to influence the
5.10 nomination or election of one or more candidates or local candidates or to promote or defeat
5.11 a ballot question. The term political fund as used in this chapter may also refer to the
5.12 association acting through its political fund.

5.13 Sec. 13. Minnesota Statutes 2018, section 10A.12, subdivision 1, is amended to read:

5.14 Subdivision 1. **When required for contributions and approved expenditures.** An
5.15 association other than a political committee or party unit may not contribute more than \$750
5.16 in aggregate in any calendar year to candidates, local candidates, political committees, or
5.17 party units or make approved expenditures of more than \$750 in aggregate in any calendar
5.18 year unless the contribution or expenditure is made through a political fund.

5.19 Sec. 14. Minnesota Statutes 2018, section 10A.12, subdivision 2, is amended to read:

5.20 Subd. 2. **Commingling prohibited.** The contents of an association's political fund may
5.21 not be commingled with other funds or with the personal funds of an officer or member of
5.22 the association or the fund. It is not commingling for an association that uses only its own
5.23 general treasury money to make expenditures and disbursements permitted under section
5.24 10A.121, subdivision 1, directly from the depository used for its general treasury money.
5.25 An association that accepts more than \$1,500 in aggregate in contributions to influence the
5.26 nomination or election of candidates or local candidates or more than \$5,000 in contributions
5.27 to promote or defeat a ballot question must establish a separate depository for those
5.28 contributions.

6.1 Sec. 15. Minnesota Statutes 2018, section 10A.121, subdivision 2, is amended to read:

6.2 Subd. 2. **Penalty.** (a) An independent expenditure political committee or independent
6.3 expenditure political fund is subject to a civil penalty of up to four times the amount of the
6.4 contribution or approved expenditure if it does the following:

6.5 (1) makes a contribution to a candidate, local candidate, party unit, political committee,
6.6 or political fund other than an independent expenditure political committee or an independent
6.7 expenditure political fund; or

6.8 (2) makes an approved expenditure.

6.9 (b) No other penalty provided in law may be imposed for conduct that is subject to a
6.10 civil penalty under this section.

6.11 Sec. 16. Minnesota Statutes 2018, section 10A.13, subdivision 1, is amended to read:

6.12 Subdivision 1. **Accounts; penalty.** The treasurer of a political committee, political fund,
6.13 principal campaign committee, or party unit must keep an account of:

6.14 (1) the sum of all contributions, except any donation in kind valued at \$20 or less, made
6.15 to the committee, fund, or party unit;

6.16 (2) the name and address of each source of a contribution made to the committee, fund,
6.17 or party unit in excess of \$20, together with the date and amount of each;

6.18 (3) each expenditure made by the committee, fund, or party unit, together with the date
6.19 and amount;

6.20 (4) each approved expenditure made on behalf of the committee, fund, or party unit,
6.21 together with the date and amount; and

6.22 (5) the name and address of each political committee, political fund, principal campaign
6.23 committee, local candidate, or party unit to which contributions in excess of \$20 have been
6.24 made, together with the date and amount.

6.25 Any individual who knowingly violates this subdivision is subject to a civil penalty
6.26 imposed by the board of up to \$1,000.

6.27 Sec. 17. Minnesota Statutes 2018, section 10A.17, subdivision 4, is amended to read:

6.28 Subd. 4. **Independent expenditures.** An individual, political committee, political fund,
6.29 principal campaign committee, or party unit that independently solicits or accepts
6.30 contributions or makes independent expenditures on behalf of a candidate or local candidate

7.1 must publicly disclose that the expenditure is an independent expenditure. All written and
 7.2 broadcast communications with those from whom contributions are independently solicited
 7.3 or accepted or to whom independent expenditures are made on behalf of a candidate or local
 7.4 candidate must contain a statement in substantially the form provided in section 211B.04,
 7.5 subdivision 2. The statement must be on the front page of all written communications and
 7.6 at the end of all broadcast communications made by that individual, political committee,
 7.7 political fund, principal campaign committee, or party unit on the candidate's or local
 7.8 candidate's behalf.

7.9 Sec. 18. Minnesota Statutes 2018, section 10A.20, is amended by adding a subdivision to
 7.10 read:

7.11 Subd. 2a. **Local election reports.** (a) This subdivision applies to a political committee,
 7.12 political fund, or political party unit that during a non-general election year:

7.13 (1) spends in aggregate more than \$200 to influence the nomination or election of local
 7.14 candidates;

7.15 (2) spends in aggregate more than \$200 to make independent expenditures on behalf of
 7.16 local candidates; or

7.17 (3) spends in aggregate more than \$200 to promote or defeat ballot questions defined
 7.18 in section 10A.01, subdivision 7, clause (2), (3), or (4).

7.19 (b) In addition to the reports required by subdivision 2, the entities listed in paragraph
 7.20 (a) must file the following reports in each non-general election year:

7.21 (1) a first-quarter report covering the calendar year through March 31, which is due
 7.22 April 14;

7.23 (2) a report covering the calendar year through May 31, which is due June 14;

7.24 (3) a pre-primary-election report due 15 days before the local primary election date
 7.25 specified in section 205.065;

7.26 (4) a pre-general-election report due 42 days before the local general election; and

7.27 (5) a pre-general-election report due ten days before a local general election.

7.28 The reporting obligations in this paragraph begin with the first report due after the
 7.29 reporting period in which the entity reaches the spending threshold specified in paragraph

7.30 (a).

8.1 Sec. 19. Minnesota Statutes 2018, section 10A.20, subdivision 3, is amended to read:

8.2 Subd. 3. **Contents of report.** (a) The report required by this section must include each
8.3 of the items listed in paragraphs (b) to (q) that are applicable to the filer. The board shall
8.4 prescribe forms based on filer type indicating which of those items must be included on the
8.5 filer's report.

8.6 (b) The report must disclose the amount of liquid assets on hand at the beginning of the
8.7 reporting period.

8.8 (c) The report must disclose the name, address, employer, or occupation if self-employed,
8.9 and registration number if registered with the board, of each individual or association that
8.10 has made one or more contributions to the reporting entity, including the purchase of tickets
8.11 for a fund-raising effort, that in aggregate within the year exceed \$200 for legislative or
8.12 statewide candidates or more than \$500 for ballot questions, together with the amount and
8.13 date of each contribution, and the aggregate amount of contributions within the year from
8.14 each source so disclosed. A donation in kind must be disclosed at its fair market value. An
8.15 approved expenditure must be listed as a donation in kind. A donation in kind is considered
8.16 consumed in the reporting period in which it is received. The names of contributors must
8.17 be listed in alphabetical order. Contributions from the same contributor must be listed under
8.18 the same name. When a contribution received from a contributor in a reporting period is
8.19 added to previously reported unitemized contributions from the same contributor and the
8.20 aggregate exceeds the disclosure threshold of this paragraph, the name, address, and
8.21 employer, or occupation if self-employed, of the contributor must then be listed on the
8.22 report.

8.23 (d) The report must disclose the sum of contributions to the reporting entity during the
8.24 reporting period.

8.25 (e) The report must disclose each loan made or received by the reporting entity within
8.26 the year in aggregate in excess of \$200, continuously reported until repaid or forgiven,
8.27 together with the name, address, occupation, principal place of business, if any, and
8.28 registration number if registered with the board of the lender and any endorser and the date
8.29 and amount of the loan. If a loan made to the principal campaign committee of a candidate
8.30 is forgiven or is repaid by an entity other than that principal campaign committee, it must
8.31 be reported as a contribution for the year in which the loan was made.

8.32 (f) The report must disclose each receipt over \$200 during the reporting period not
8.33 otherwise listed under paragraphs (c) to (e).

9.1 (g) The report must disclose the sum of all receipts of the reporting entity during the
9.2 reporting period.

9.3 (h) The report must disclose the name, address, and registration number if registered
9.4 with the board of each individual or association to whom aggregate expenditures, approved
9.5 expenditures, independent expenditures, and ballot question expenditures have been made
9.6 by or on behalf of the reporting entity within the year in excess of \$200, together with the
9.7 amount, date, and purpose of each expenditure, including an explanation of how the
9.8 expenditure was used, and the name and address of, and office sought by, each candidate
9.9 or local candidate on whose behalf the expenditure was made, identification of the ballot
9.10 question that the expenditure was intended to promote or defeat and an indication of whether
9.11 the expenditure was to promote or to defeat the ballot question, and in the case of independent
9.12 expenditures made in opposition to a candidate or local candidate, the candidate's or local
9.13 candidate's name, address, and office sought. A reporting entity making an expenditure on
9.14 behalf of more than one candidate ~~for state or legislative office~~ or local candidate must
9.15 allocate the expenditure among the candidates and local candidates on a reasonable cost
9.16 basis and report the allocation for each candidate or local candidate. The report must list
9.17 on separate schedules any independent expenditures made on behalf of local candidates and
9.18 any expenditures made for ballot questions as defined in section 10A.01, subdivision 7,
9.19 clause (2), (3), or (4).

9.20 (i) The report must disclose the sum of all expenditures made by or on behalf of the
9.21 reporting entity during the reporting period.

9.22 (j) The report must disclose the amount and nature of an advance of credit incurred by
9.23 the reporting entity, continuously reported until paid or forgiven. If an advance of credit
9.24 incurred by the principal campaign committee of a candidate is forgiven by the creditor or
9.25 paid by an entity other than that principal campaign committee, it must be reported as a
9.26 donation in kind for the year in which the advance of credit was made.

9.27 (k) The report must disclose the name, address, and registration number if registered
9.28 with the board of each political committee, political fund, principal campaign committee,
9.29 local candidate, or party unit to which contributions have been made that aggregate in excess
9.30 of \$200 within the year and the amount and date of each contribution. The report must list
9.31 on separate schedules any contributions made to state candidates' principal campaign
9.32 committees and any contributions made to local candidates.

10.1 (l) The report must disclose the sum of all contributions made by the reporting entity
10.2 during the reporting period and must separately disclose the sum of all contributions made
10.3 to local candidates by the reporting entity during the reporting period.

10.4 (m) The report must disclose the name, address, and registration number if registered
10.5 with the board of each individual or association to whom noncampaign disbursements have
10.6 been made that aggregate in excess of \$200 within the year by or on behalf of the reporting
10.7 entity and the amount, date, and purpose of each noncampaign disbursement, including an
10.8 explanation of how the expenditure was used.

10.9 (n) The report must disclose the sum of all noncampaign disbursements made within
10.10 the year by or on behalf of the reporting entity.

10.11 (o) The report must disclose the name and address of a nonprofit corporation that provides
10.12 administrative assistance to a political committee or political fund as authorized by section
10.13 211B.15, subdivision 17, the type of administrative assistance provided, and the aggregate
10.14 fair market value of each type of assistance provided to the political committee or political
10.15 fund during the reporting period.

10.16 (p) Legislative, statewide, and judicial candidates, party units, and political committees
10.17 and funds must itemize contributions that in aggregate within the year exceed \$200 for
10.18 legislative or statewide candidates or more than \$500 for ballot questions on reports submitted
10.19 to the board. The itemization must include the date on which the contribution was received,
10.20 the individual or association that provided the contribution, and the address of the contributor.
10.21 Additionally, the itemization for a donation in kind must provide a description of the item
10.22 or service received. Contributions that are less than the itemization amount must be reported
10.23 as an aggregate total.

10.24 (q) Legislative, statewide, and judicial candidates, party units, political committees and
10.25 funds, and committees to promote or defeat a ballot question must itemize expenditures and
10.26 noncampaign disbursements that in aggregate exceed \$200 in a calendar year on reports
10.27 submitted to the board. The itemization must include the date on which the committee made
10.28 or became obligated to make the expenditure or disbursement, the name and address of the
10.29 vendor that provided the service or item purchased, and a description of the service or item
10.30 purchased, including an explanation of how the expenditure was used. Expenditures and
10.31 noncampaign disbursements must be listed on the report alphabetically by vendor.

11.1 Sec. 20. Minnesota Statutes 2018, section 10A.20, subdivision 6a, is amended to read:

11.2 Subd. 6a. **Statement of independence.** An individual, political committee, political
 11.3 fund, or party unit filing a report or statement disclosing an independent expenditure under
 11.4 subdivision 3 or 6 must file with the report a sworn statement that the disclosed expenditures
 11.5 were not made with the authorization or expressed or implied consent of, or in cooperation
 11.6 or in concert with, or at the request or suggestion of any candidate; ~~or~~ any candidate's
 11.7 principal campaign committee or agent; any local candidate, or any local candidate's agent.

11.8 Sec. 21. Minnesota Statutes 2018, section 383B.041, is amended to read:

11.9 **383B.041 CAMPAIGN FINANCING, DISCLOSURE OF ECONOMIC**
 11.10 **INTERESTS.**

11.11 Subdivision 1. Hennepin County candidates. Sections 383B.041 to 383B.058 apply
 11.12 ~~to the financing of campaigns for county elections in Hennepin County and for city elections~~
 11.13 ~~in home rule charter cities and statutory cities located wholly within Hennepin County,~~
 11.14 ~~having a population of 75,000 or more, and for school board elections in the Special School~~
 11.15 ~~District No. 1, Minneapolis, and to disclosure of economic interests by candidates and~~
 11.16 ~~elected public officials of those jurisdictions. The provisions of sections 211A.02 to 211A.07~~
 11.17 ~~do not apply to the financing of campaigns for elections subject to the provisions of sections~~
 11.18 ~~383B.041 to 383B.058.~~ Candidates for county commissioner, county attorney, and sheriff
 11.19 of Hennepin County must file campaign disclosure forms with the filing officer for Hennepin
 11.20 County. These candidates are subject to the provisions of chapter 211A.

11.21 Subd. 2. Political subdivision candidates. Candidates for elected city, school board,
 11.22 park commissioner, and other political subdivision offices within Hennepin County shall
 11.23 file campaign disclosure forms with the filing officer for the political subdivision for which
 11.24 the candidate is seeking office. These candidates are subject to the provisions of chapter
 11.25 211A.

11.26 Subd. 3. Political committees, political funds, and independent expenditures. (a)
 11.27 The provisions of chapter 10A apply to political committees as defined in section 10A.01,
 11.28 subdivision 27; political funds as defined in section 10A.01, subdivision 28; and independent
 11.29 expenditures as defined in section 10A.01, subdivision 18, related to:

11.30 (1) a campaign for the nomination or election of a candidate for:

11.31 (i) a county office in Hennepin County;

11.32 (ii) a city office in a home rule charter or statutory city located wholly within Hennepin
 11.33 County with a population of 75,000 or more; or

- 12.1 (iii) the school board in Special School District No. 1; and
- 12.2 (2) a ballot question or proposition that may be voted on by:
- 12.3 (i) voters in Hennepin County;
- 12.4 (ii) voters of a home rule charter or statutory city located wholly within Hennepin County
- 12.5 with a population of 75,000 or more; or
- 12.6 (iii) voters in Special School District No. 1.
- 12.7 (b) The provisions of chapter 211A apply to a campaign for a nomination or election in
- 12.8 the following political subdivisions:
- 12.9 (1) a home rule or statutory city located wholly within Hennepin County and having a
- 12.10 population of less than 75,000; and
- 12.11 (2) a school district located wholly within Hennepin County other than Special School
- 12.12 District No. 1.
- 12.13 Subd. 4. **Local ordinances and charters superseded.** This section supersedes the
- 12.14 provisions of any ordinance or resolution of a political subdivision within Hennepin County,
- 12.15 or any existing special law or home rule charter provision of a political subdivision within
- 12.16 Hennepin County requiring disclosure of information related to the financing of election
- 12.17 campaigns.
- 12.18 **Sec. 22. REPEALER.**
- 12.19 Minnesota Statutes 2018, sections 10A.15, subdivision 6; 383B.042; 383B.043; 383B.044;
- 12.20 383B.045; 383B.046; 383B.047; 383B.048; 383B.049; 383B.05; 383B.051; 383B.052;
- 12.21 383B.053; 383B.054; 383B.055; 383B.056; and 383B.057, are repealed.

10A.15 CONTRIBUTIONS.

Subd. 6. **Contributions from Hennepin County registered associations.** In lieu of registration with the board, an association registered with the Hennepin County filing officer under sections 383B.041 to 383B.058 that makes contributions of more than \$200 to a committee or fund in a calendar year may notify the recipient committee of its registration with Hennepin County, including its registration number, and instruct the recipient committee to include the notice when the recipient committee discloses receipt of the contribution.

383B.042 DEFINITIONS.

Subdivision 1. **For county campaign finance provisions.** For the purposes of sections 383B.041 to 383B.058, the terms defined in this section have the meanings given them. The terms defined in chapter 200 also apply to sections 383B.041 to 383B.058, unless a different meaning is specified in this section.

Subd. 2. **Advance of credit.** "Advance of credit" means any money owed for goods provided or services rendered. An advance of credit is an expenditure in the year in which the goods or services are used or consumed. "Advance of credit" does not mean "loan" as defined in subdivision 12.

Subd. 3. **Association.** "Association" means a business, corporation, firm, partnership, committee, labor organization, club, or any other group of two or more persons, which includes more than an immediate family, acting in concert.

Subd. 4. **Business with which the individual is associated.** "Business with which the individual is associated" means any association in connection with which the individual is compensated in excess of \$50 except for actual and reasonable expenses in any month as a director, officer, owner, member, partner, employer or employee, or is a holder of securities worth \$2,500 or more at fair market value.

Subd. 5. **Candidate.** "Candidate" means an individual, not within the definition of candidate of section 10A.01, subdivision 10, who seeks nomination or election to any county office in Hennepin County, to any city office in any home rule charter city or statutory city located wholly within Hennepin County and having a population of 75,000 or more or to the school board of Special School District No. 1, Minneapolis.

Subd. 6. **City.** "City" means any statutory or home rule charter city wholly within Hennepin County and having a population of 75,000 or more.

Subd. 7. **Contribution.** "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, if that loan or advance of credit is (a) forgiven, or (b) paid by an entity other than the political committee, political fund, or principal campaign committee to which the loan or advance of credit is made.

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

Subd. 8. **Donation in kind.** "Donation in kind" means anything of value other than money or negotiable instruments given by an individual or association to a political committee, political fund, or principal campaign committee for the purpose of influencing the outcome of an election.

Subd. 9. **Election.** "Election" means any election held to nominate or elect any candidate or to decide any question on a county ballot in Hennepin County or on the ballot of any home rule charter city or statutory city located wholly within Hennepin County and having a population of 75,000 or more, or on the ballot of Special School District No. 1, Minneapolis.

Subd. 10. **Expenditure.** "Expenditure" means a purchase or payment of money or anything of value, or an advance of credit, made or incurred for the purpose of influencing the outcome of any election. "Expenditure" does not include services provided without compensation by an individual volunteering personal time on behalf of a candidate, political committee or political fund, or the publishing or broadcasting of news items or editorial comments by the news media.

Subd. 11. **Filing officer.** "Filing officer" means the official responsible under law for administration of the election laws for Hennepin county.

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Subd. 12. **Loan.** "Loan" means an advance of money or anything of value made to a political committee, political fund, or principal campaign committee.

Subd. 13. **Political committee.** "Political committee" means any political party, association or person other than an individual that seeks as its major purpose to influence the outcome of any election for a city ballot issue or for any city office in the city of Bloomington; for a city or school district ballot issue and for any city or school district office in the city of Minneapolis, and in Special School District No. 1, Minneapolis; or for any countywide ballot issue or county office in Hennepin County; and not to influence the outcome of any other election.

Subd. 14. **Political fund.** "Political fund" means any accumulation of dues or voluntary contributions by an association other than a political committee, which accumulation is collected or expended for the purpose of influencing the outcome of any election for a city ballot issue or for any city office in the city of Bloomington; for a city or school district ballot issue and for any city or school district office in the city of Minneapolis, and in Special School District No. 1, Minneapolis; or for any countywide ballot issue or county office in Hennepin County; and not for the purpose of influencing the outcome of any other election.

Subd. 15. **Population.** "Population" means population as determined by the most recent federal census.

Subd. 16. **Principal campaign committee.** "Principal campaign committee" means the single political committee designated by a candidate for election for any city office in the city of Bloomington; for any city office in the city of Minneapolis; for any school district office in Special School District No. 1, Minneapolis; or for any county office in Hennepin County.

Subd. 17. **Transfer of funds.** "Transfer of funds" or "transfer" means money or negotiable instruments given by an individual or association to a political committee, political fund, or principal campaign committee for the purpose of influencing the outcome of any election.

383B.043 POLITICAL COMMITTEES; COUNTY AND CERTAIN OTHER ELECTIONS.

Subdivision 1. **Officers.** Every political committee shall have a chair and a treasurer, who may be the same individual. The treasurer may designate deputy treasurers and shall be responsible for their accounts. The treasurer shall designate a single depository and account for all contributions received by the political committee.

Subd. 2. **Prohibitions; acceptance of certain contributions; commingling of funds.** No contribution shall be accepted and no expenditure shall be made by or on behalf of a political committee while the office of treasurer is vacant. No anonymous contribution in excess of \$20 shall be retained by the political committee but shall be forwarded to the state campaign finance and public disclosure board and deposited in the general fund. No funds of the political committee shall be commingled with the personal funds of any officer, member or associate of the committee. Any individual who violates a provision of this subdivision is guilty of a misdemeanor.

383B.044 POLITICAL FUNDS.

Subdivision 1. **When required.** No association other than a political committee shall transfer more than \$100 in aggregate in any one year to candidates or political committees or make any expenditure unless the transfer or expenditure is made from a political fund.

Subd. 2. **Treasurer; commingling of funds; anonymous contributions.** Each association which has a political fund shall elect or appoint a treasurer of the political fund. No contributions to the political fund shall be accepted and no expenditures from the fund shall be made while the office of treasurer is vacant. The contents of the political fund shall not be commingled with any other funds or with the personal funds of any officer or member of the fund. No anonymous contribution in excess of \$20 shall be retained by the political fund but shall be forwarded to the state campaign finance and public disclosure board and deposited in the general fund.

Subd. 3. **Use of dues and membership fees.** Notwithstanding subdivision 1, the association may, if not prohibited by other law, deposit in its political fund money derived from dues or membership fees. The treasurer of the fund, in any report required by section 383B.049, shall disclose the name of any member whose dues, membership fees and contributions deposited in the political fund in any one year exceed \$50 in the aggregate.

Subd. 4. **Penalty.** Any person who knowingly violates the provisions of this section is guilty of a misdemeanor.

383B.045 PRINCIPAL CAMPAIGN COMMITTEE.

Every candidate who receives contributions or makes expenditures in excess of \$100 shall designate and cause to be formed a single political committee which shall be known as the candidate's principal campaign committee. The candidate shall make expenditures only through the candidate's principal campaign committee. The candidate may be the chair and treasurer of the principal campaign committee.

383B.046 REGISTRATION OF POLITICAL COMMITTEES, POLITICAL FUNDS, AND PRINCIPAL CAMPAIGN COMMITTEES.

Subdivision 1. **Filing office; deadline.** Every political committee, political fund and principal campaign committee as defined in section 383B.042, subdivisions 13, 14, and 16, shall register with the filing officer within 14 days after the date by which the committee or fund has received contributions or made expenditures in excess of \$100. A political committee, political fund, or principal campaign committee that is registered with the Campaign Finance and Public Disclosure Board under section 10A.14 need not register under this section.

Subd. 2. **Statement required.** A political committee, political fund, or principal campaign committee registers by filing a statement of organization that includes:

- (a) the name and address of the political committee, political fund, or principal campaign committee;
- (b) the name and address of the chair, the treasurer, and any deputy treasurers;
- (c) the name and address of the depository used by the committee or fund;
- (d) the name and address of any supporting association of a political fund; and
- (e) a statement as to whether the committee is a principal campaign committee.

The statement of organization shall be filed by the treasurer of the political committee, political fund or principal campaign committee.

383B.047 ACCOUNTS WHICH MUST BE KEPT.

Subdivision 1. **Contributions; expenditures; transfers.** The treasurer of any political committee, political fund or principal campaign committee shall keep an account of:

- (1) the sum of all contributions made to the political committee, political fund, or principal campaign committee;
- (2) the name and address of each source of a transfer or donation in kind, together with the date and amount;
- (3) each expenditure made by or on behalf of the committee or fund together with the date and amount; and
- (4) the name and address of each political committee, political fund, or principal campaign committee to which transfers have been made, together with the date and amount.

Subd. 2. **Authorization of expenditures; receipts.** Each expenditure by a political committee, political fund or principal campaign committee shall be authorized by the treasurer. The treasurer may authorize not more than \$20 per week as petty cash for miscellaneous expenditures. The treasurer shall obtain a receipted bill stating the particulars for every expenditure made by or on behalf of the political committee, political fund, or principal campaign committee.

383B.048 CAMPAIGN REPORTS.

Subdivision 1. **Committees required to report; deadlines.** (a) The treasurer of any political committee, political fund, or principal campaign committee required to register pursuant to section 383B.046 shall file campaign reports with the filing officer. In each year in which the name of the candidate is on the ballot, the report of the principal campaign committee shall be filed one week before a regular primary and a regular election. Political committees and political funds shall file campaign reports one week before a regular primary or regular election.

(b) The treasurer of a principal campaign committee shall file reports one week before a special primary or other special election and 30 days after a special election.

(c) The reports shall cover the period from the day after the end of the previous reporting period to one week before the filing date.

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(d) A campaign report shall be filed by all treasurers on January 31 of each year covering the period from the day after the end of the previous reporting period to December 31 of the preceding calendar year.

Subd. 2. **Content of reports.** Each campaign report required under this section shall disclose:

(1) the amount of liquid assets on hand at the beginning of the reporting period;

(2) the name, address and employer, or occupation if self-employed, of each individual, committee or political fund that made transfers or donations in kind to the political committee, political fund, or principal campaign committee in an aggregate amount or value in excess of \$100, together with the amount and date;

(3) the sum of all contributions made to the political committee, political fund, or principal campaign committee;

(4) each loan made or received by the political committee, political fund, or principal campaign committee within the year in aggregate in excess of \$100, 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. A loan made to a political committee, political fund, or principal campaign committee which is forgiven or is repaid by an entity other than that political committee or fund shall be reported as a contribution;

(5) the sum of all receipts, including all contributions and loans, during the reporting period;

(6) the name and address of each person to whom aggregate expenditures have been made by or on behalf of the political committee, political fund, or principal campaign committee within the year in excess of \$100, the amount, date and purpose of each expenditure and the ballot question or the name and address of the candidate supported or opposed by the expenditure;

(7) the sum of all expenditures made by the political committee, political fund, or principal campaign committee;

(8) the amount and nature of any advance of credit incurred by the political committee, political fund, or principal campaign committee continuously reported until paid or forgiven. An advance of credit incurred by a political committee, political fund, or principal campaign committee which is forgiven or is paid by an entity other than that political committee, political fund, or principal campaign committee shall be reported as a donation in kind;

(9) 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;

(10) the sum of all transfers made to political committees, political funds, or principal campaign committees; and

(11) the sum of all disbursements not made to influence the outcome of an election.

Subd. 3. **Party sample ballots.** Expenditures by a political party as defined in section 200.02, subdivision 7, or a substate unit of such a party, for the preparation, display and distribution of an official party sample ballot containing the names of three or more individuals whose names are to appear on the ballot shall not be considered contributions or expenditures on behalf of any candidate.

Subd. 4. **Termination reports.** (a) A political committee, political fund, or principal campaign committee created pursuant to section 383B.046 may dissolve upon filing of a termination report indicating that the committee or fund has settled all of its debts and disposed of all assets in excess of \$100. The termination report shall include all information required in a periodic campaign report.

(b) Political committees and political funds that were created for purposes of supporting or opposing candidates or ballot issues beyond the scope of those identified in section 383B.042, subdivision 5, 13, or 14, may terminate their registration with Hennepin County. Termination of a registration under this provision does not require termination of the political committee or political fund and does not require settlement of all debts and disposition of all assets in excess of \$100.

383B.049 EXPENDITURES BY INDIVIDUALS.

Subdivision 1. **Reports.** Except as provided in subdivision 2, any individual who makes expenditures in an aggregate amount of \$100 or more in any year, which expenditures are not required to be reported by any political committee, political fund, or principal campaign committee

as contributions to that political committee, political fund, or principal campaign committee, shall file campaign reports in the form required by section 383B.048 with respect to those expenditures.

Subd. 2. **Exception; independent expenditures.** An individual shall not be required to report any expenditure which is made without the cooperation or express or implied consent of any candidate, political committee, political fund, or agent of a candidate, political committee, or political fund, unless the expenditure expressly advocates the election or defeat of a clearly identified candidate or the approval or rejection of a clearly identified county or city ballot question at any election.

383B.05 ADDITIONAL INFORMATION TO BE DISCLOSED.

Subdivision 1. **Earmarked contributions.** Any individual, political committee, political fund, or principal campaign committee that receives a contribution from any person or association in an aggregate in excess of \$50 with the express or implied condition that the contribution or any part of it be directed to a particular candidate shall disclose to the ultimate recipient and in any report required by section 383B.048, the original source of the contribution, the fact that it was earmarked and the candidate to whom it is directed. The ultimate recipient of any earmarked contribution shall also disclose the original source and the individual, political committee, political fund, or principal campaign committee through which it was directed. Any individual, political committee, political fund, or principal campaign committee that knowingly accepts earmarked funds and fails to make the disclosure required by this subdivision is guilty of a misdemeanor.

Subd. 2. **Bills when rendered and paid.** Every person who has a bill, charge or claim against any political committee, political fund, or principal campaign committee for any expenditure shall render in writing to the treasurer of the committee or fund the bill, charge or claim within 60 days after the material or service is provided. Failure to present the bill, charge or claim as required by this subdivision is a petty misdemeanor.

383B.051 CIRCUMVENTION PROHIBITED.

Any person who attempts to circumvent disclosure of the source or amount of contributions or expenditures by redirecting funds through or contributing funds on behalf of another person is guilty of a misdemeanor.

383B.052 ECONOMIC REPRISALS PROHIBITED.

No individual or association shall engage in economic reprisals or threaten loss of employment or physical coercion against any individual or association because of the political contributions or political activity of that individual or association. This subdivision does not apply to compensation for employment or loss of employment when the political affiliation or viewpoint of the employee is a bona fide occupational qualification of the employment. Any individual or association that violates this subdivision is guilty of a misdemeanor.

383B.053 ECONOMIC INTEREST DISCLOSURE.

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. 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.

Subd. 2. **Content of statement.** An individual required to file a statement of economic interest shall disclose:

- (1) the individual's name, address, occupation and principal place of business;
- (2) the name of each business with which the individual is associated and the nature of that association;
- (3) a listing of all real property within the state, excluding homestead property, in which the individual holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, and which interest has a market value in excess of \$2,500

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as shown on the real estate tax statement for the property or (ii) an option to buy, which property has a fair market value of \$50,000 or more;

(4) a listing of all real property within the state in which a partnership of which the individual is a member holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the individual's share of the partnership interest has a market value in excess of \$2,500 as shown on the real estate tax statement for the property or (ii) an option to buy, which property has a fair market value of \$50,000 or more; and

(5) in supplementary statements only, the amount of each honorarium in excess of \$50 received since the last statement, together with the name and address of the source.

Any listing under clause (3) or (4) shall indicate the street address and the municipality or the section, township range and approximate acreage, whichever applies, and the county wherein the property is located.

383B.054 REPORTS AND STATEMENTS; REQUIREMENTS.

Subdivision 1. **Certification.** A report or statement required by sections 383B.046 to 383B.054 shall be signed and certified as true by the individual required to file the report. Any individual who signs and certifies to be true a report or statement which the individual knows contains false information or who knowingly omits required information is guilty of a gross misdemeanor.

Subd. 2. **Transmittal, retention, public inspection.** The filing officer shall promptly transmit to the appropriate city clerk a copy of each statement and report filed by a candidate for city office, a political committee or fund that discloses contributions or expenditures to influence a city or an elected city official. The filing officer and each city clerk shall retain the statements, reports and copies and make them available for public inspection for a period of five years after the date of receipt by the filing officer.

Subd. 3. **Changes and corrections.** Any material changes in information previously submitted and any corrections to a report or statement shall be reported in writing to the filing officer within ten days following the date of the event prompting the change or the date upon which the individual filing became aware of the inaccuracy. The change or correction shall identify the form and the paragraph containing the information to be changed or corrected. Any individual who willfully fails to report a material change or correction is guilty of a misdemeanor.

Subd. 4. **Record keeping.** Each individual required to file any report or statement or to keep any account pursuant to sections 383B.046 to 383B.054 shall maintain and preserve for four years the records, including any vouchers, canceled checks, bills, invoices, worksheets and receipts, that will provide in sufficient detail the necessary information from which the accounts and the filed reports and statements may be verified, explained, clarified and checked for accuracy and completeness.

Subd. 5. **Penalties.** The filing officer shall notify by certified mail or personal service any individual who fails to file a statement or report required by sections 383B.046 to 383B.054. Except for any campaign report of a principal campaign committee due before an election, if an individual fails to file any statement or report within seven days after receiving a notice, the filing officer may impose a late filing fee of \$5 per day, not to exceed \$100, commencing on the eighth day after receiving notice. If a treasurer of a principal campaign committee fails to file a campaign report due before an election within three days of the date due, regardless of whether the treasurer has received any notice, the filing officer may impose a late filing fee of \$50 per day, not to exceed \$500, commencing on the fourth day after the date the statement was due. The filing officer shall further notify by certified mail or personal service any individual who fails to file any statement or report within 21 days after receiving a first notice that the individual may be subject to a criminal penalty for failure to file the statement or report. An individual who knowingly fails to file the statement or report within seven days after receiving a second notice from the filing officer is guilty of a misdemeanor. A filing officer who violates any provision of this subdivision is guilty of a misdemeanor.

Subd. 6. **Recovery of late filing fees.** A filing officer may bring an action in the Fourth Judicial District Court to recover any late filing fee imposed pursuant to subdivision 5. All money recovered shall be deposited in the general fund of Hennepin County.

Subd. 7. **Reports of violations.** If any individual other than a county official or candidate for county office fails to file the required statement or report within seven days after a second notice as provided in subdivision 5, the filing officer shall inform the Hennepin County attorney that a second notice was sent and that the individual failed to file the required statement or report. If a

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county official or candidate fails to file a report or statement after a second notice as provided in subdivision 5, the filing officer shall notify the attorney general.

Subd. 8. **Report by subordinate.** (a) Any deputy, clerk, employee or other subordinate of a filing officer who has knowledge or reason to believe that a violation of sections 383B.041 to 383B.057 has occurred, shall immediately transmit a report of that knowledge or belief to that filing officer, together with any evidence of the violation coming into the subordinate's possession.

(b) Any filing officer who has knowledge or reason to believe that a violation of sections 383B.041 to 383B.058 has occurred shall immediately transmit a report of that knowledge or belief to the county attorney of the county in which the violation is thought to have occurred, together with any evidence of the violation coming into the filing officer's possession.

(c) The filing officer shall also immediately send a copy of the report to the Campaign Finance and Public Disclosure Board.

(d) A violation of this subdivision is a misdemeanor.

383B.055 DUTIES OF CAMPAIGN FINANCE BOARD; FILING OFFICERS.

Subdivision 1. **Board: advisory opinions, disclosure exemptions.** The state Campaign Finance and Public Disclosure Board shall:

(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

(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.

Subd. 2. **Filing officer: develop, distribute needed forms.** 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 to all officers with whom candidates file affidavits or applications of candidacy and nominating petitions.

Subd. 3. **Candidacy filing officer: forms to candidates; penalty.** An officer who receives affidavits or applications of candidacy or nominating petitions shall mail or deliver a copy of each form required to be filed by a candidate to each candidate who files an affidavit, application or petition with that officer or for whom a write-in vote is cast on the ballot of that jurisdiction. Any officer who fails to carry out the duties imposed by this subdivision is guilty of a misdemeanor.

383B.056 PENALTIES.

Except as expressly provided to the contrary in sections 383B.041 to 383B.055, a violation of sections 383B.041 to 383B.055 is not a crime.

383B.057 PROSECUTION OF VIOLATIONS.

Except as otherwise provided in this section, a violation of a criminal provision of sections 383B.041 to 383B.056 shall be prosecuted by the Hennepin County attorney in the Fourth Judicial District Court. A violation by a county official or candidate shall be prosecuted by the attorney general in the district court of Ramsey County.