

SENATE

STATE OF MINNESOTA

NINETY-SECOND SESSION

S.F. No. 1714

(SENATE AUTHORS: KIFFMEYER and Rest)		
DATE	D-PG	OFFICIAL STATUS
03/04/2021	684	Introduction and first reading Referred to State Government Finance and Policy and Elections
03/10/2021	812	Author added Rest
03/11/2021	819a	Comm report: To pass as amended and re-refer to Civil Law and Data Practices Policy
03/15/2021	899	Comm report: To pass
	902	Second reading
	4795	Rule 47, returned to Civil Law and Data Practices Policy See HF1952, Art. 4, Sec. 10, 13-18, 23, 28-31, 33 (Sub. 1)

1.1

A bill for an act

1.2

relating to ethics in government; making technical changes to provisions

1.3

administered by the Campaign Finance and Public Disclosure Board, including

1.4

provisions related to certain public officials, statements of economic interest,

1.5

contributions, and disclosures; providing exceptions; modifying definition of

1.6

noncampaign disbursement; providing alternate contact information forms;

1.7

amending Minnesota Statutes 2020, sections 10A.01, subdivisions 26, 35; 10A.09,

1.8

subdivisions 1, 2, 5, 6, by adding a subdivision; 10A.14, by adding a subdivision;

1.9

10A.20, subdivision 13; 10A.27, subdivision 13; 10A.275, subdivision 1; 10A.323;

1.10

repealing Minnesota Statutes 2020, sections 116O.03, subdivision 9; 116O.04,

1.11

subdivision 3.

1.12

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

1.13

Section 1. Minnesota Statutes 2020, section 10A.01, subdivision 26, is amended to read:

1.14

Subd. 26. **Noncampaign disbursement.** (a) "Noncampaign disbursement" means a

1.15

purchase or payment of money or anything of value made, or an advance of credit incurred,

1.16

or a donation in kind received, by a principal campaign committee for any of the following

1.17

purposes:

1.18

(1) payment for accounting and legal services;

1.19

(2) return of a contribution to the source;

1.20

(3) repayment of a loan made to the principal campaign committee by that committee;

1.21

(4) return of a public subsidy;

1.22

(5) payment for food, beverages, and necessary utensils and supplies, entertainment,

1.23

and facility rental for a fund-raising event;

2.1 (6) services for a constituent by a member of the legislature or a constitutional officer
2.2 in the executive branch as provided in section 10A.173, subdivision 1;

2.3 (7) payment for food and beverages consumed by a candidate or volunteers while they
2.4 are engaged in campaign activities;

2.5 (8) payment for food or a beverage consumed while attending a reception or meeting
2.6 directly related to legislative duties;

2.7 (9) payment of expenses incurred by elected or appointed leaders of a legislative caucus
2.8 in carrying out their leadership responsibilities;

2.9 (10) payment by a principal campaign committee of the candidate's expenses for serving
2.10 in public office, other than for personal uses;

2.11 (11) costs of child care for the candidate's children when campaigning;

2.12 (12) fees paid to attend a campaign school;

2.13 (13) costs of a postelection party during the election year when a candidate's name will
2.14 no longer appear on a ballot or the general election is concluded, whichever occurs first;

2.15 (14) interest on loans paid by a principal campaign committee on outstanding loans;

2.16 (15) filing fees;

2.17 (16) post-general election holiday or seasonal cards, thank-you notes, or advertisements
2.18 in the news media mailed or published prior to the end of the election cycle;

2.19 (17) the cost of campaign material purchased to replace defective campaign material, if
2.20 the defective material is destroyed without being used;

2.21 (18) contributions to a party unit;

2.22 (19) payments for funeral gifts or memorials;

2.23 (20) the cost of a magnet less than six inches in diameter containing legislator contact
2.24 information and distributed to constituents;

2.25 (21) costs associated with a candidate attending a political party state or national
2.26 convention in this state;

2.27 (22) other purchases or payments specified in board rules or advisory opinions as being
2.28 for any purpose other than to influence the nomination or election of a candidate or to
2.29 promote or defeat a ballot question;

(23) costs paid to a third party for processing contributions made by a credit card, debit card, or electronic check;

(24) a contribution to a fund established to support a candidate's participation in a recount of ballots affecting that candidate's election;

(25) costs paid by a candidate's principal campaign committee for a single reception given in honor of the candidate's retirement from public office after the filing period for affidavits of candidacy for that office has closed;

(26) a donation from a terminating principal campaign committee to the state general fund; ~~and~~

(27) a donation from a terminating principal campaign committee to a county obligated to incur special election expenses due to that candidate's resignation from state office; and

(28) during a period starting January 1 in the year following a general election and ending on December 31 of the year of general election, total payments of up to \$2,000 for security expenses for a candidate, including home security hardware, maintenance of home security hardware, identity theft monitoring services, and credit monitoring services.

(b) The board must determine whether an activity involves a noncampaign disbursement within the meaning of this subdivision.

(c) A noncampaign disbursement is considered to be made in the year in which the candidate made the purchase of goods or services or incurred an obligation to pay for goods or services.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to payments made on or after January 1, 2021.

Sec. 2. Minnesota Statutes 2020, section 10A.01, subdivision 35, is amended to read:

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

(1) member of the legislature;

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

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

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

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

4.7 (6) member, chief administrative officer, or deputy chief administrative officer of a state
4.8 board or commission that has either the power to adopt, amend, or repeal rules under chapter
4.9 14, or the power to adjudicate contested cases or appeals under chapter 14;

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

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

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

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

4.15 (11) administrative law judge or compensation judge in the State Office of Administrative
4.16 Hearings or unemployment law judge in the Department of Employment and Economic
4.17 Development;

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

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

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

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

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

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

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

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

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

- 5.1 (21) supervisor of a soil and water conservation district;
- 5.2 (22) director of Explore Minnesota Tourism;
- 5.3 (23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section
- 5.4 97A.056;
- 5.5 (24) citizen member of the Clean Water Council established in section 114D.30;
- 5.6 (25) member or chief executive of the Minnesota Sports Facilities Authority established
- 5.7 in section 473J.07;
- 5.8 (26) district court judge, appeals court judge, or supreme court justice;
- 5.9 (27) county commissioner;
- 5.10 (28) member of the Greater Minnesota Regional Parks and Trails Commission; ~~or~~
- 5.11 (29) member of the Destination Medical Center Corporation established in section 469.41
- 5.12 ~~;~~ or
- 5.13 (30) chancellor or member of the Board of Trustees of the Minnesota State Colleges
- 5.14 and Universities.

5.15 Sec. 3. Minnesota Statutes 2020, section 10A.09, subdivision 1, is amended to read:

5.16 Subdivision 1. **Time for filing.** An individual must file a statement of economic interest

5.17 ~~with the board:~~

5.18 (1) within 60 days of accepting employment as a public official or a local official in a

5.19 metropolitan governmental unit;

5.20 (2) within 60 days of assuming office as a district court judge, appeals court judge,

5.21 supreme court justice, or county commissioner;

5.22 (3) within 14 days after filing an affidavit of candidacy or petition to appear on the ballot

5.23 for an elective state constitutional or legislative office or an elective local office in a

5.24 metropolitan governmental unit other than county commissioner;

5.25 (4) in the case of a public official requiring the advice and consent of the senate, within

5.26 14 days after undertaking the duties of office; or

5.27 (5) in the case of members of the Minnesota Racing Commission, the director of the

5.28 Minnesota Racing Commission, chief of security, medical officer, inspector of pari-mutuels,

5.29 and stewards employed or approved by the commission or persons who fulfill those duties

5.30 under contract, within 60 days of accepting or assuming duties.

Sec. 4. Minnesota Statutes 2020, section 10A.09, subdivision 2, is amended to read:

Subd. 2. **Notice to board.** The secretary of state or the appropriate county auditor, upon receiving an affidavit of candidacy or petition to appear on the ballot from an individual required by this section to file a statement of economic interest, and any official who nominates or employs a public ~~or local~~ official required by this section to file a statement of economic interest, must notify the board of the name of the individual required to file a statement and the date of the affidavit, petition, or nomination.

Sec. 5. Minnesota Statutes 2020, section 10A.09, subdivision 5, is amended to read:

Subd. 5. **Form; general requirements.** (a) A statement of economic interest required by this section must be on a form prescribed by the board. The individual filing must provide the following information:

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

(2) the name of each associated business 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, if the interest is valued in excess of \$2,500; or (ii) an option to buy, if the property has a fair market value of more than \$50,000;

(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 is valued in excess of \$2,500; or (ii) an option to buy, if the property has a fair market value of more than \$50,000. A listing under this clause or clause (3) must indicate the street address and the municipality or the section, township, range and approximate acreage, whichever applies, and the county in which the property is located;

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

(6) a listing of the principal business or professional activity category of each business from which the individual receives more than \$250 in any month during the reporting period as an employee, if the individual has an ownership interest of 25 percent or more in the business;

(7) a listing of each principal business or professional activity category from which the individual received compensation of more than \$2,500 in the past 12 months as an independent contractor; and

(8) a listing of the full name of each security with a value of more than \$10,000 owned in part or in full by the individual, at any time during the reporting period.

(b) The business or professional categories for purposes of paragraph (a), clauses (6) and (7), must be the general topic headings used by the federal Internal Revenue Service for purposes of reporting self-employment income on Schedule C. This paragraph does not require an individual to report any specific code number from that schedule. Any additional principal business or professional activity category may only be adopted if the category is enacted by law.

~~(e) For the purpose of an original statement of economic interest, "compensation in any month" includes only compensation received in the calendar month immediately preceding the date of appointment as a public official or filing as a candidate.~~

~~(d)~~ (c) For the purpose of calculating the amount of compensation received from any single source in a single month, the amount shall include the total amount received from the source during the month, whether or not the amount covers compensation for more than one month.

~~(e)~~ (d) For the purpose of determining the value of an individual's interest in real property, the value of the property is the market value shown on the property tax statement.

~~(f) For the purpose of an original statement of economic interest, the individual shall disclose only those real properties owned on the date of appointment as a public official or filing as a candidate.~~

~~(g)~~ (e) For the purpose of this section, "date of appointment" means the effective date of appointment to a position.

~~(h)~~ (f) For the purpose of this section, "accepting employment as a public official" means the effective date of the appointment to the position, as stated in the appointing authority's notice to the board.

Sec. 6. Minnesota Statutes 2020, section 10A.09, is amended by adding a subdivision to read:

Subd. 5a. **Original statement; reporting period.** (a) An original statement of economic interest required under subdivision 1, clause (1), must cover the calendar month before the

8.1 month in which the individual accepted employment as a public official or a local official
8.2 in a metropolitan governmental unit.

8.3 (b) An original statement of economic interest required under subdivision 1, clauses (2),
8.4 (4), and (5), must cover the calendar month before the month in which the individual assumed
8.5 or undertook the duties of office.

8.6 (c) An original statement of economic interest required under subdivision 1, clause (3),
8.7 must cover the calendar month before the month in which the candidate filed the affidavit
8.8 of candidacy.

8.9 Sec. 7. Minnesota Statutes 2020, section 10A.09, subdivision 6, is amended to read:

8.10 Subd. 6. **Annual statement.** (a) Each individual who is required to file a statement of
8.11 economic interest must also file an annual statement by the last Monday in January of each
8.12 year that the individual remains in office. The annual statement must cover the period
8.13 through December 31 of the year prior to the year when the statement is due. The annual
8.14 statement must include the amount of each honorarium in excess of \$50 \$250 received since
8.15 the previous statement and the name and address of the source of the honorarium. The board
8.16 must maintain each annual statement of economic interest submitted by an officeholder in
8.17 the same file with the statement submitted as a candidate.

8.18 ~~(b) For the purpose of annual statements of economic interest to be filed, "compensation~~
8.19 ~~in any month" includes compensation and honoraria received in any month between the~~
8.20 ~~end of the period covered in the preceding statement of economic interest and the end of~~
8.21 ~~the current period.~~

8.22 ~~(c)~~ (b) An individual must file the annual statement of economic interest required by
8.23 this subdivision to cover the period for which the individual served as a public official even
8.24 though at the time the statement was filed, the individual is no longer holding that office as
8.25 a public official.

8.26 ~~(d) For the purpose of an annual statement of economic interest, the individual shall~~
8.27 ~~disclose any real property owned at any time between the end of the period covered by the~~
8.28 ~~preceding statement of economic interest and through the last day of the month preceding~~
8.29 ~~the current filing or the last day of employment, if the individual is no longer a public~~
8.30 ~~official.~~

Sec. 8. Minnesota Statutes 2020, section 10A.14, is amended by adding a subdivision to read:

Subd. 2a. Alternate contact information; form. (a) A candidate; treasurer of a political committee, political fund, principal campaign committee, or party unit; or chair of a political committee, principal campaign committee, or party unit may file a form with the board that includes alternate contact information. If a form is filed, the form must include the following information for the filer:

(1) name;

(2) political committee, political fund, principal campaign committee, or party unit; and

(3) alternate contact information.

(b) The board must only use the alternate contact information to contact the filer for the purposes of administering chapter 10A. Information collected pursuant to this subdivision is private data on individuals.

(c) For purposes of this subdivision, "alternate contact information" means an address, phone number, or e-mail address that is different from the information provided on the form required by subdivision 2.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 9. Minnesota Statutes 2020, section 10A.20, subdivision 13, is amended to read:

Subd. 13. Third-party reimbursement. An individual or association filing a report disclosing an expenditure or noncampaign disbursement that must be reported and itemized under subdivision 3, paragraph ~~(g)~~ (h) or ~~(h)~~ (m), that is a reimbursement to a third party must report the purpose of each expenditure or disbursement for which the third party is being reimbursed. In the alternative, the reporting individual or association may report individually each of the underlying expenditures being reimbursed. An expenditure or disbursement is a reimbursement to a third party if it is for goods or services that were not directly provided by the individual or association to whom the expenditure or disbursement is made. Third-party reimbursements include payments to credit card companies and reimbursement of individuals for expenses they have incurred.

Sec. 10. Minnesota Statutes 2020, section 10A.27, subdivision 13, is amended to read:

Subd. 13. Unregistered association limit; statement; penalty. (a) The treasurer of a political committee, political fund, principal campaign committee, or party unit must not

10.1 accept a contribution of more than \$200 from an association not registered under this chapter
10.2 unless the contribution is accompanied by a ~~written~~ statement that meets the disclosure and
10.3 reporting period requirements imposed by section 10A.20. The statement may be a written
10.4 statement or a government website where the disclosure report for the unregistered association
10.5 may be viewed. This statement must be certified as true and correct by an officer of the
10.6 contributing association. The committee, fund, or party unit that accepts the contribution
10.7 must include a copy of the written statement or website with the report that discloses the
10.8 contribution to the board.

10.9 (b) An unregistered association may provide the ~~written~~ statement required by this
10.10 subdivision to no more than three committees, funds, or party units in a calendar year. Each
10.11 statement must cover at least the 30 days immediately preceding and including the date on
10.12 which the contribution was made. An unregistered association or an officer of it is subject
10.13 to a civil penalty imposed by the board of up to \$1,000, if the association or its officer:

10.14 (1) fails to provide a ~~written~~ statement as required by this subdivision; or

10.15 (2) fails to register after giving the ~~written~~ statement required by this subdivision to more
10.16 than three committees, funds, or party units in a calendar year.

10.17 (c) The treasurer of a political committee, political fund, principal campaign committee,
10.18 or party unit who accepts a contribution in excess of \$200 from an unregistered association
10.19 without the required ~~written~~ disclosure statement is subject to a civil penalty up to four
10.20 times the amount in excess of \$200.

10.21 (d) This subdivision does not apply:

10.22 (1) when a national political party contributes money to its state committee; ~~or~~

10.23 (2) when a federal committee of a major or minor political party registered with the
10.24 board gives an in-kind contribution to the federal committee's state central committee or a
10.25 party organization within a house of the state legislature; or

10.26 ~~(2)~~ (3) to purchases by candidates for federal office of tickets to events or space rental
10.27 at events held by party units in this state (i) if the geographical area represented by the party
10.28 unit includes any part of the geographical area of the office that the federal candidate is
10.29 seeking and (ii) the purchase price is not more than that paid by other attendees or renters
10.30 of similar spaces.

11.1 Sec. 11. Minnesota Statutes 2020, section 10A.275, subdivision 1, is amended to read:

11.2 Subdivision 1. **Exceptions.** Notwithstanding other provisions of this chapter, the
11.3 following expenditures by a party unit, or two or more party units acting together, with at
11.4 least one party unit being either: the state committee or the party organization within a
11.5 congressional district, county, or legislative district, are not considered contributions to or
11.6 expenditures on behalf of a candidate for the purposes of section 10A.25 or 10A.27 and
11.7 must not be allocated to candidates under section 10A.20, subdivision 3, paragraph ~~(g)~~ (h):

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

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

11.13 (3) expenditures for a telephone ~~conversation including call, voice mail, text message,~~
11.14 multimedia message, internet chat message, or e-mail when the communication includes
11.15 the names of three or more individuals whose names are to appear on the ballot;

11.16 (4) expenditures for a political party fund-raising effort on behalf of three or more
11.17 candidates; or

11.18 (5) expenditures for party committee staff services that benefit three or more candidates.

11.19 Sec. 12. Minnesota Statutes 2020, section 10A.323, is amended to read:

11.20 **10A.323 AFFIDAVIT OF CONTRIBUTIONS.**

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

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

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

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

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

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

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

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

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

12.6 (ii) any in-kind contribution; and

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

12.9 (3) submit the affidavit required by this section to the board in writing by the deadline
12.10 for reporting of receipts and expenditures before a primary under section 10A.20, subdivision
12.11 4 2.

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

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

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

12.25 Sec. 13. **REPEALER.**

12.26 Minnesota Statutes 2020, sections 116O.03, subdivision 9; and 116O.04, subdivision 3,
12.27 are repealed.

APPENDIX
Repealed Minnesota Statutes: S1714-1

116O.03 CORPORATION; BOARD OF DIRECTORS; POWERS.

No active language found for: 116O.03.9

116O.04 CORPORATE PERSONNEL.

No active language found for: 116O.04.3