

CONFERENCE COMMITTEE REPORT ON S.F. No. 661

A bill for an act

relating to campaign finance; providing for additional disclosure; making various changes to campaign finance and public disclosure law; expanding jurisdiction of Campaign Finance and Public Disclosure Board; expanding definition of public official; amending Minnesota Statutes 2012, sections 10A.01, subdivisions 10, 11, 16, 27, 28, 35, by adding subdivisions; 10A.02, subdivisions 9, 10, 11, 12, 15; 10A.025, subdivisions 2, 3, 4; 10A.04, subdivision 5; 10A.071, subdivision 3; 10A.105, subdivision 1; 10A.12, subdivisions 1, 1a, 2; 10A.121; 10A.14, subdivision 1, by adding a subdivision; 10A.15, subdivisions 1, 3; 10A.16; 10A.20, subdivisions 1, 2, 3, 4, 5, 6, 7, 12, by adding a subdivision; 10A.241; 10A.242, subdivision 1; 10A.25, subdivisions 2, 2a, 3, 3a; 10A.257, subdivision 1; 10A.27, subdivisions 1, 2, 9, 10, 11, 13, 14, 15; 10A.273, subdivisions 1, 4; 10A.30; 10A.31, subdivisions 1, 4, 7; 10A.315; 10A.321, subdivision 1; 10A.322, subdivision 4; 10A.323; 10A.324, subdivision 1; 211B.32, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 2012, sections 10A.24; 10A.242; 10A.25, subdivision 6.

May 18, 2013

The Honorable Sandra L. Pappas
President of the Senate

The Honorable Paul Thissen
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 661 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 661 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

POLICY CHANGES

Section 1. Minnesota Statutes 2012, section 10A.01, is amended by adding a subdivision to read:

2.1 Subd. 7c. **Ballot question political committee.** "Ballot question political
2.2 committee" means a political committee that makes only expenditures to promote or defeat
2.3 a ballot question and disbursements permitted under section 10A.121, subdivision 1.

2.4 Sec. 2. Minnesota Statutes 2012, section 10A.01, is amended by adding a subdivision
2.5 to read:

2.6 Subd. 7d. **Ballot question political fund.** "Ballot question political fund" means
2.7 a political fund that makes only expenditures to promote or defeat a ballot question and
2.8 disbursements permitted under section 10A.121, subdivision 1.

2.9 Sec. 3. Minnesota Statutes 2012, section 10A.01, subdivision 10, is amended to read:

2.10 **Subd. 10. Candidate.** "Candidate" means an individual who seeks nomination or
2.11 election as a state constitutional officer, legislator, or judge. An individual is deemed to seek
2.12 nomination or election if the individual has taken the action necessary under the law of this
2.13 state to qualify for nomination or election, has received contributions or made expenditures
2.14 in excess of \$100, or has given implicit or explicit consent for any other person to receive
2.15 contributions or make expenditures in excess of \$100, for the purpose of bringing about the
2.16 individual's nomination or election. A candidate remains a candidate until the candidate's
2.17 principal campaign committee is dissolved as provided in section ~~10A.24~~ 10A.243.

2.18 Sec. 4. Minnesota Statutes 2012, section 10A.01, subdivision 11, is amended to read:

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

2.25 (b) "Contribution" includes a loan or advance of credit to a political committee,
2.26 political fund, principal campaign committee, or party unit, if the loan or advance of credit
2.27 is: (1) forgiven; or (2) repaid by an individual or an association other than the political
2.28 committee, political fund, principal campaign committee, or party unit to which the loan
2.29 or advance of credit was made. If an advance of credit or a loan is forgiven or repaid as
2.30 provided in this paragraph, it is a contribution in the year in which the loan or advance
2.31 of credit was made.

2.32 (c) "Contribution" does not include services provided without compensation by an
2.33 individual volunteering personal time on behalf of a candidate, ballot question, political

3.1 committee, political fund, principal campaign committee, or party unit; the publishing or
3.2 broadcasting of news items or editorial comments by the news media; or an individual's
3.3 unreimbursed personal use of an automobile owned by the individual while volunteering
3.4 personal time.

3.5 Sec. 5. Minnesota Statutes 2012, section 10A.01, subdivision 16, is amended to read:

3.6 Subd. 16. **Election cycle.** "Election cycle" means the period from January 1
3.7 following a general election for an office to December 31 following the next general
3.8 election for that office, except that "election cycle" for a special election means the period
3.9 from the date the special election writ is issued to 60 days after the special election is held.
3.10 For a regular election, the period from January 1 of the year prior to an election year through
3.11 December 31 of the election year is the "election segment" of the election cycle. Each
3.12 other two-year segment of an election cycle is a "non-election segment" of the election
3.13 cycle. An election cycle that consists of two calendar years has only an election segment.
3.14 The election segment of a special election cycle includes the entire special election cycle.

3.15 Sec. 6. Minnesota Statutes 2012, section 10A.01, is amended by adding a subdivision
3.16 to read:

3.17 Subd. 16a. **Expressly advocating.** "Expressly advocating" means that a
3.18 communication clearly identifies a candidate and uses words or phrases of express
3.19 advocacy.

3.20 Sec. 7. Minnesota Statutes 2012, section 10A.01, is amended by adding a subdivision
3.21 to read:

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

3.28 Sec. 8. Minnesota Statutes 2012, section 10A.01, is amended by adding a subdivision
3.29 to read:

3.30 Subd. 26a. **Person.** "Person" means an individual, an association, a political
3.31 subdivision, or a public higher education system.

4.1 Sec. 9. Minnesota Statutes 2012, section 10A.01, subdivision 27, is amended to read:

4.2 Subd. 27. **Political committee.** "Political committee" means an association whose
4.3 major purpose is to influence the nomination or election of ~~a candidate~~ one or more
4.4 candidates or to promote or defeat a ballot question, other than a principal campaign
4.5 committee or a political party unit.

4.6 Sec. 10. Minnesota Statutes 2012, section 10A.01, subdivision 28, is amended to read:

4.7 Subd. 28. **Political fund.** "Political fund" means an accumulation of dues or
4.8 voluntary contributions by an association other than a political committee, principal
4.9 campaign committee, or party unit, if the accumulation is collected or expended to
4.10 influence the nomination or election of ~~a candidate~~ one or more candidates or to promote
4.11 or defeat a ballot question. The term "political fund" as used in this chapter may also refer
4.12 to the association acting through its political fund.

4.13 Sec. 11. Minnesota Statutes 2012, section 10A.02, subdivision 9, is amended to read:

4.14 Subd. 9. **Documents; information.** The executive director must inspect all material
4.15 filed with the board as promptly as necessary to comply with this chapter ~~and~~, with other
4.16 provisions of law requiring the filing of a document with the board, and with other
4.17 provisions of law under the board's jurisdiction pursuant to subdivision 11. The executive
4.18 director must immediately notify ~~the~~ an individual ~~required to file a document with the~~
4.19 ~~board~~ if a written complaint is filed with the board alleging, or it otherwise appears, that a
4.20 document filed with the board is inaccurate or does not comply with this chapter, or that
4.21 the individual has failed to file a document required by this chapter or has failed to comply
4.22 with this chapter or other provisions under the board's jurisdiction pursuant to subdivision
4.23 11. ~~The executive director may provide an individual required to file a document under~~
4.24 ~~this chapter with factual information concerning the limitations on corporate campaign~~
4.25 ~~contributions imposed by section 211B.15.~~

4.26 Sec. 12. Minnesota Statutes 2012, section 10A.02, subdivision 10, is amended to read:

4.27 Subd. 10. **Audits and investigations.** The board may make audits and investigations,
4.28 impose statutory civil penalties, and issue orders for compliance with respect to statements
4.29 ~~and reports that are filed or that should have been filed under~~ the requirements of this
4.30 chapter and provisions under the board's jurisdiction pursuant to subdivision 11. In all
4.31 matters relating to its official duties, the board has the power to issue subpoenas and cause
4.32 them to be served. If a person does not comply with a subpoena, the board may apply to

5.1 the District Court of Ramsey County for issuance of an order compelling obedience to the
5.2 subpoena. A person failing to obey the order is punishable by the court as for contempt.

5.3 Sec. 13. Minnesota Statutes 2012, section 10A.02, subdivision 11, is amended to read:

5.4 Subd. 11. **Violations; enforcement.** (a) The board may investigate any alleged
5.5 violation of this chapter. The board may also investigate an alleged violation of section
5.6 211B.04, 211B.12, or 211B.15 by or related to a candidate, treasurer, principal campaign
5.7 committee, political committee, political fund, or party unit, as those terms are defined in
5.8 this chapter. The board must investigate any violation that is alleged in a written complaint
5.9 filed with the board and must within 30 days after the filing of the complaint make a ~~public~~
5.10 ~~finding of whether there is probable cause to believe a violation has occurred~~ findings and
5.11 conclusions as to whether a violation has occurred and must issue an order, except that
5.12 if the complaint alleges a violation of section 10A.25 or 10A.27, the board must either
5.13 enter a conciliation agreement or make a public ~~finding of whether there is probable cause,~~
5.14 findings and conclusions as to whether a violation has occurred and must issue an order
5.15 within 60 days after the filing of the complaint. The deadline for action on a written
5.16 complaint may be extended by majority vote of the board.

5.17 (b) The board may bring legal actions or negotiate settlements in its own name to
5.18 recover money raised from contributions subject to the conditions in this paragraph.

5.19 (1) No action may be commenced unless the board has made a formal determination,
5.20 after an investigation, that the money was raised for political purposes as defined in
5.21 section 211B.01, subdivision 6, and that the money was used for purposes not permitted
5.22 under this chapter or under section 211B.12.

5.23 (2) Prior to commencing an action, the board must give the association whose money
5.24 was misused written notice by certified mail of its intent to take action under this subdivision
5.25 and must give the association a reasonable opportunity, for a period of not less than 90
5.26 days, to recover the money without board intervention. This period must be extended
5.27 for at least an additional 90 days for good cause if the association is actively pursuing
5.28 recovery of the money. The board may not commence a legal action under this subdivision
5.29 if the association has commenced a legal action for the recovery of the same money.

5.30 (3) Any funds recovered under this subdivision must be deposited in a campaign
5.31 finance recovery account in the special revenue fund and are appropriated as follows:

5.32 (i) an amount equal to the board's actual costs and disbursements in the action,
5.33 including court reporter fees for depositions taken in the course of an investigation, is
5.34 appropriated to the board for its operations;

6.1 (ii) an amount equal to the reasonable value of legal services provided by the Office
6.2 of the Attorney General in the recovery matter, calculated on the same basis as is used
6.3 for charging legal fees to state agencies, is appropriated to the attorney general for the
6.4 attorney general's operations; and

6.5 (iii) any remaining balance is appropriated to the board for distribution to the
6.6 association to which the money was originally contributed.

6.7 (4) Notwithstanding clause (3), item (iii), if the candidate of a principal campaign
6.8 committee is the person who used the association's money for illegal purposes, or if the
6.9 association or political fund whose money was misused is no longer registered with the
6.10 board, any money remaining after the payments specified in clause (3), items (i) and (ii),
6.11 must be transferred to the general account of the state elections campaign account.

6.12 (5) Any action by the board under this paragraph must be commenced not later than
6.13 four years after the improper use of money is shown on a report filed with the board or the
6.14 board has actual knowledge of improper use. No action may be commenced under this
6.15 paragraph for improper uses disclosed on reports for calendar years prior to 2011.

6.16 (6) If the board prevails in an action brought under this subdivision and the court
6.17 makes a finding that the misuse of funds was willful, the court may enter judgment in favor
6.18 of the board and against the person misusing the funds in the amount of the misused funds.

6.19 ~~(b)~~ (c) Within a reasonable time after beginning an investigation of an individual
6.20 or association, the board must notify the individual or association of the fact of the
6.21 investigation. The board must not make a finding of whether there is probable cause to
6.22 believe a violation has occurred without notifying the individual or association of the
6.23 nature of the allegations and affording an opportunity to answer those allegations.

6.24 ~~(e)~~ (d) A hearing or action of the board concerning a complaint or investigation
6.25 other than a finding concerning probable cause or a conciliation agreement is confidential.
6.26 Until the board makes a public finding concerning probable cause or enters a conciliation
6.27 agreement:

6.28 (1) a member, employee, or agent of the board must not disclose to an individual
6.29 information obtained by that member, employee, or agent concerning a complaint or
6.30 investigation except as required to carry out the investigation or take action in the matter
6.31 as authorized by this chapter; and

6.32 (2) an individual who discloses information contrary to this subdivision is subject
6.33 to a civil penalty imposed by the board of up to \$1,000.

6.34 (e) A matter that is under the board's jurisdiction pursuant to this section and that
6.35 may result in a criminal offense must be finally disposed of by the board before the alleged
6.36 violation may be prosecuted by a city or county attorney.

7.1 Sec. 14. Minnesota Statutes 2012, section 10A.02, subdivision 12, is amended to read:

7.2 Subd. 12. **Advisory opinions.** (a) The board may issue and publish advisory
7.3 opinions on the requirements of this chapter and of those sections listed in subdivision 11
7.4 based upon real or hypothetical situations. An application for an advisory opinion may
7.5 be made only by ~~an individual or association~~ a person who is subject to chapter 10A and
7.6 who wishes to use the opinion to guide the individual's or the association's person's own
7.7 conduct. The board must issue written opinions on all such questions submitted to it
7.8 within 30 days after receipt of written application, unless a majority of the board agrees
7.9 to extend the time limit.

7.10 (b) A written advisory opinion issued by the board is binding on the board in a
7.11 subsequent board proceeding concerning the person making or covered by the request and
7.12 is a defense in a judicial proceeding that involves the subject matter of the opinion and is
7.13 brought against the person making or covered by the request unless:

7.14 (1) the board has amended or revoked the opinion before the initiation of the board
7.15 or judicial proceeding, has notified the person making or covered by the request of its
7.16 action, and has allowed at least 30 days for the person to do anything that might be
7.17 necessary to comply with the amended or revoked opinion;

7.18 (2) the request has omitted or misstated material facts; or

7.19 (3) the person making or covered by the request has not acted in good faith in
7.20 reliance on the opinion.

7.21 (c) A request for an opinion and the opinion itself are nonpublic data. The board,
7.22 however, may publish an opinion or a summary of an opinion, but may not include in the
7.23 publication the name of the requester, the name of a person covered by a request from an
7.24 agency or political subdivision, or any other information that might identify the requester,
7.25 unless the person consents to the inclusion.

7.26 Sec. 15. Minnesota Statutes 2012, section 10A.02, subdivision 15, is amended to read:

7.27 Subd. 15. **Disposition of fees.** The board must deposit all fees and civil penalties
7.28 collected under this chapter into the general fund in the state treasury.

7.29 Sec. 16. Minnesota Statutes 2012, section 10A.025, subdivision 2, is amended to read:

7.30 Subd. 2. **Penalty for false statements.** (a) A report or statement required to be filed
7.31 under this chapter must be signed and certified as true by the individual required to file the
7.32 report. The signature may be an electronic signature consisting of a password assigned
7.33 by the board.

8.1 (b) An individual who signs and certifies shall not sign and certify to be true a
8.2 report or statement knowing it contains false information or who knowingly knowing it
8.3 omits required information is guilty of a gross misdemeanor and subject to a civil penalty
8.4 imposed by the board of up to \$3,000.

8.5 (c) An individual shall not knowingly provide false or incomplete information to
8.6 a treasurer with the intent that the treasurer will rely on that information in signing and
8.7 certifying to be true a report or statement.

8.8 (d) A person who violates paragraph (b) or (c) is subject to a civil penalty imposed
8.9 by the board of up to \$3,000. A violation of paragraph (b) or (c) is a gross misdemeanor.

8.10 (e) The board may impose an additional civil penalty of up to \$3,000 on the principal
8.11 campaign committee or candidate, party unit, political committee, or association that has a
8.12 political fund that is affiliated with an individual who violated paragraph (b) or (c).

8.13 Sec. 17. Minnesota Statutes 2012, section 10A.025, subdivision 3, is amended to read:

8.14 Subd. 3. **Record keeping; penalty.** (a) A person required to file a report or statement
8.15 or who has accepted record-keeping responsibility for the filer must maintain records on
8.16 the matters required to be reported, including vouchers, canceled checks, bills, invoices,
8.17 worksheets, and receipts, that will provide in sufficient detail the necessary information
8.18 from which the filed reports and statements may be verified, explained, clarified, and
8.19 checked for accuracy and completeness. The person must keep the records available for
8.20 audit, inspection, or examination by the board or its authorized representatives for four
8.21 years from the date of filing of the reports or statements or of changes or corrections to
8.22 them. A person who knowingly violates this subdivision is guilty of a misdemeanor.

8.23 (b) The board may impose a civil penalty of up to \$3,000 on a person who knowingly
8.24 violates this subdivision. The board may impose a separate civil penalty of up to \$3,000
8.25 on the principal campaign committee or candidate, party unit, political committee, or
8.26 association that has a political fund that is affiliated with an individual who violated
8.27 this subdivision.

8.28 (c) A knowing violation of this subdivision is a misdemeanor.

8.29 Sec. 18. Minnesota Statutes 2012, section 10A.071, subdivision 3, is amended to read:

8.30 Subd. 3. **Exceptions.** (a) The prohibitions in this section do not apply if the gift is:

8.31 (1) a contribution as defined in section 10A.01, subdivision 11;

8.32 (2) services to assist an official in the performance of official duties, including
8.33 but not limited to providing advice, consultation, information, and communication in
8.34 connection with legislation, and services to constituents;

- 9.1 (3) services of insignificant monetary value;
- 9.2 (4) a plaque with a resale value of \$5 or less;
- 9.3 (5) a trinket or memento costing \$5 or less;
- 9.4 (6) informational material with a resale value of \$5 or less; or
- 9.5 (7) food or a beverage given at a reception, meal, or meeting if:
- 9.6 (i) the reception, meal, or meeting is held away from the recipient's place of work by
- 9.7 an organization before whom the recipient appears to make a speech or answer questions
- 9.8 as part of a program; or
- 9.9 (ii) the recipient is a member or employee of the legislature and an invitation to
- 9.10 attend the reception, meal, or meeting was provided to all members of the legislature at
- 9.11 least five days prior to the date of the event.
- 9.12 (b) The prohibitions in this section do not apply if the gift is given:
- 9.13 (1) because of the recipient's membership in a group, a majority of whose members
- 9.14 are not officials, and an equivalent gift is given to the other members of the group; or
- 9.15 (2) by a lobbyist or principal who is a member of the family of the recipient, unless
- 9.16 the gift is given on behalf of someone who is not a member of that family.

9.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

9.18 Sec. 19. Minnesota Statutes 2012, section 10A.105, subdivision 1, is amended to read:

9.19 Subdivision 1. **Single committee.** A candidate must not accept contributions from a

9.20 source, other than self, in aggregate in excess of ~~\$100~~ \$750 or accept a public subsidy

9.21 unless the candidate designates and causes to be formed a single principal campaign

9.22 committee for each office sought. A candidate may not authorize, designate, or cause to be

9.23 formed any other political committee bearing the candidate's name or title or otherwise

9.24 operating under the direct or indirect control of the candidate. However, a candidate may

9.25 be involved in the direct or indirect control of a party unit.

9.26 Sec. 20. Minnesota Statutes 2012, section 10A.12, subdivision 1, is amended to read:

9.27 Subdivision 1. **When required for contributions and approved expenditures.** An

9.28 association other than a political committee or party unit may not contribute more than

9.29 ~~\$100~~ \$750 in aggregate in any ~~one~~ calendar year to candidates, political committees, or

9.30 party units or make ~~any approved or independent expenditure or expenditure to promote~~

9.31 ~~or defeat a ballot question~~ expenditures of more than \$750 in aggregate in any calendar

9.32 year unless the contribution or expenditure is made ~~from~~ through a political fund.

9.33 Sec. 21. Minnesota Statutes 2012, section 10A.12, subdivision 1a, is amended to read:

10.1 Subd. 1a. **When required for independent expenditures or ballot questions.** An
10.2 association other than a political committee that makes only independent expenditures
10.3 ~~and disbursements permitted under section 10A.121, subdivision 1, or expenditures to~~
10.4 promote or defeat a ballot question must do so ~~by forming and registering through an~~
10.5 independent expenditure or ballot question political fund if the ~~expenditure is in excess of~~
10.6 \$100 independent expenditures aggregate more than \$1,500 in a calendar year or if the
10.7 expenditures to promote or defeat a ballot question aggregate more than \$5,000 in a
10.8 calendar year, or by contributing to an existing independent expenditure or ballot question
10.9 political committee or political fund.

10.10 Sec. 22. Minnesota Statutes 2012, section 10A.12, subdivision 2, is amended to read:

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

10.19 Sec. 23. Minnesota Statutes 2012, section 10A.121, is amended to read:

10.20 **10A.121 INDEPENDENT EXPENDITURE AND BALLOT QUESTION**
10.21 **POLITICAL COMMITTEES AND ~~INDEPENDENT EXPENDITURE POLITICAL~~**
10.22 **FUNDS.**

10.23 Subdivision 1. **Permitted disbursements.** An independent expenditure political
10.24 committee or ~~an independent expenditure political fund, or a ballot question political~~
10.25 committee or fund, in addition to making independent expenditures, may:

10.26 (1) pay costs associated with its fund-raising and general operations;

10.27 (2) pay for communications that do not constitute contributions or approved
10.28 expenditures; ~~and~~

10.29 (3) make contributions to ~~other independent expenditure or ballot question~~ political
10.30 committees or ~~independent expenditure political funds;~~

10.31 (4) make independent expenditures;

10.32 (5) make expenditures to promote or defeat ballot questions;

10.33 (6) return a contribution to its source;

11.1 (7) for a political fund, record bookkeeping entries transferring the association's
11.2 general treasury money allocated for political purposes back to the general treasury of
11.3 the association; and

11.4 (8) for a political fund, return general treasury money transferred to a separate
11.5 depository to the general depository of the association.

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

11.9 (1) makes a contribution to a candidate, party unit, political committee, or political
11.10 fund other than an independent expenditure political committee or an independent
11.11 expenditure political fund; or

11.12 (2) makes an approved expenditure.

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

11.15 Sec. 24. Minnesota Statutes 2012, section 10A.14, subdivision 1, is amended to read:

11.16 Subdivision 1. **First registration.** The treasurer of a political committee, political
11.17 fund, principal campaign committee, or party unit must register with the board by filing
11.18 a registration statement of organization no later than 14 days after the committee, fund,
11.19 or party unit has made a contribution, received contributions, or made expenditures in
11.20 excess of ~~\$100~~ \$750, or by the end of the next business day after it has received a loan
11.21 or contribution that must be reported under section 10A.20, subdivision 5, whichever is
11.22 earlier. This subdivision does not apply to ballot question or independent expenditure
11.23 political committees or funds, which are subject to subdivision 1a.

11.24 Sec. 25. Minnesota Statutes 2012, section 10A.14, is amended by adding a subdivision
11.25 to read:

11.26 Subd. 1a. **Independent expenditure or ballot question political committees**
11.27 **and funds; first registration; reporting.** The treasurer of an independent expenditure
11.28 or ballot question political committee or fund must register with the board by filing
11.29 a registration statement:

11.30 (1) no later than 14 calendar days after the committee or the association registering
11.31 the political fund has:

11.32 (i) received aggregate contributions for independent expenditures of more than
11.33 \$1,500 in a calendar year;

- 12.1 (ii) received aggregate contributions for expenditures to promote or defeat a ballot
12.2 question of more than \$5,000 in a calendar year;
12.3 (iii) made aggregate independent expenditures of more than \$1,500 in a calendar
12.4 year; or
12.5 (iv) made aggregate expenditures to promote or defeat a ballot question of more
12.6 than \$5,000 in a calendar year; or
12.7 (2) by the end of the next business day after it has received a loan or contribution
12.8 that must be reported under section 10A.20, subdivision 5, and it has met one of the
12.9 requirements of clause (1).

12.10 Sec. 26. Minnesota Statutes 2012, section 10A.15, subdivision 1, is amended to read:

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

12.15 Sec. 27. Minnesota Statutes 2012, section 10A.15, subdivision 3, is amended to read:

12.16 Subd. 3. **Deposit.** All contributions received by or on behalf of a candidate,
12.17 principal campaign committee, political committee, political fund, or party unit must
12.18 be deposited in an account designated "Campaign Fund of (name of candidate,
12.19 committee, fund, or party unit)." All contributions must be deposited promptly upon
12.20 receipt and, except for contributions received during the last three days of a reporting
12.21 period as described in section 10A.20, must be deposited during the reporting period
12.22 in which they were received. A contribution received during the last three days of a
12.23 reporting period must be deposited within 72 hours after receipt and must be reported
12.24 as received during the reporting period whether or not deposited within that period. A
12.25 candidate, principal campaign committee, political committee, political fund, or party unit
12.26 may refuse to accept a contribution. A deposited contribution may be returned to the
12.27 contributor within ~~60~~ 90 days after deposit. A contribution deposited and not returned
12.28 within ~~60~~ 90 days after that deposit must be reported as accepted.

12.29 Sec. 28. Minnesota Statutes 2012, section 10A.20, subdivision 1, is amended to read:

12.30 Subdivision 1. **First filing; duration.** The treasurer of a political committee, political
12.31 fund, principal campaign committee, or party unit must begin to file the reports required
12.32 by this section ~~in~~ for the first year it receives contributions or makes expenditures ~~in excess~~
12.33 ~~of \$100~~ that require it to register under section 10A.14 and must continue to file until the

13.1 committee, fund, or party unit is terminated. The reports must be filed electronically in a
13.2 standards-based open format specified by the board. For good cause shown, the board
13.3 must grant exemptions to the requirement that reports be filed electronically.

13.4 Sec. 29. Minnesota Statutes 2012, section 10A.20, subdivision 2, is amended to read:

13.5 Subd. 2. **Time for filing.** (a) The reports must be filed with the board on or before
13.6 January 31 of each year and additional reports must be filed as required and in accordance
13.7 with paragraphs (b) to (d).

13.8 (b) In each year in which the name of the a candidate for legislative or district court
13.9 judicial office is on the ballot, the report of the principal campaign committee must be
13.10 filed 15 days before a primary and ten days before a general election, seven days before a
13.11 special primary and a special election, and ten days after a special election cycle.

13.12 (c) In each general election year, a political committee ~~or~~, a political fund must file
13.13 reports 28 and 15 days before a primary and 42 and ten days before a general election.
13.14 Beginning in 2012, reports required under this paragraph must also be filed 56 days before
13.15 a primary, a state party committee, a party unit established by all or a part of the party
13.16 organization within a house of the legislature, and the principal campaign committee
13.17 of a candidate for constitutional or appellate court judicial office must file reports on
13.18 the following schedule:

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

13.21 (2) in a year in which a primary election is held in August, a report covering the
13.22 calendar year through May 31, which is due June 14;

13.23 (3) in a year in which a primary election is held before August, a pre-general-election
13.24 report covering the calendar year through July 15, which is due July 29;

13.25 (4) a pre-primary-election report due 15 days before a primary election;

13.26 (5) a pre-general-election report due 42 days before the general election;

13.27 (6) a pre-general-election report due ten days before a general election; and

13.28 (7) for a special election, a constitutional office candidate whose name is on the
13.29 ballot must file reports seven days before a special primary and a special election, and ten
13.30 days after a special election cycle.

13.31 (d) In each general election year, a party unit not included in paragraph (c) must file
13.32 reports 15 days before a primary election and ten days before a general election.

13.33 (e) Notwithstanding paragraphs (a) to (d), the principal campaign committee of a
13.34 candidate whose name will not be on the general election ballot is not required to file the
13.35 report due ten days before a general election or seven days before a special election.

14.1 Sec. 30. Minnesota Statutes 2012, section 10A.20, subdivision 3, is amended to read:

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

14.6 ~~(a)~~ (b) The report must disclose the amount of liquid assets on hand at the beginning
14.7 of the reporting period.

14.8 ~~(b)~~ (c) The report must disclose the name, address, and employer, or occupation if
14.9 self-employed, of each individual or association that has made one or more contributions
14.10 to the reporting entity, including the purchase of tickets for a fund-raising effort, that in
14.11 aggregate within the year exceed ~~\$100~~ \$200 for legislative or statewide candidates or more
14.12 than \$500 for ballot questions, together with the amount and date of each contribution, and
14.13 the aggregate amount of contributions within the year from each source so disclosed. A
14.14 donation in kind must be disclosed at its fair market value. An approved expenditure must
14.15 be listed as a donation in kind. A donation in kind is considered consumed in the reporting
14.16 period in which it is received. The names of contributors must be listed in alphabetical
14.17 order. Contributions from the same contributor must be listed under the same name. When
14.18 a contribution received from a contributor in a reporting period is added to previously
14.19 reported unitemized contributions from the same contributor and the aggregate exceeds
14.20 the disclosure threshold of this paragraph, the name, address, and employer, or occupation
14.21 if self-employed, of the contributor must then be listed on the report.

14.22 ~~(e)~~ (d) The report must disclose the sum of contributions to the reporting entity
14.23 during the reporting period.

14.24 ~~(d)~~ (e) The report must disclose each loan made or received by the reporting entity
14.25 within the year in aggregate in excess of ~~\$100~~ \$200, continuously reported until repaid or
14.26 forgiven, together with the name, address, occupation, and principal place of business,
14.27 if any, of the lender and any endorser and the date and amount of the loan. If a loan
14.28 made to the principal campaign committee of a candidate is forgiven or is repaid by an
14.29 entity other than that principal campaign committee, it must be reported as a contribution
14.30 for the year in which the loan was made.

14.31 ~~(e)~~ (f) The report must disclose each receipt over ~~\$100~~ \$200 during the reporting
14.32 period not otherwise listed under paragraphs ~~(b)~~ (c) to ~~(d)~~ (e).

14.33 ~~(f)~~ (g) The report must disclose the sum of all receipts of the reporting entity during
14.34 the reporting period.

14.35 ~~(g)~~ (h) The report must disclose the name and address of each individual or
14.36 association to whom aggregate expenditures, ~~including~~ approved expenditures,

15.1 independent expenditures and ballot question expenditures have been made by or on
15.2 behalf of the reporting entity within the year in excess of ~~\$100~~ \$200, together with the
15.3 amount, date, and purpose of each expenditure and the name and address of, and office
15.4 sought by, each candidate on whose behalf the expenditure was made, identification of the
15.5 ballot question that the expenditure was intended to promote or defeat and an indication of
15.6 whether the expenditure was to promote or to defeat the ballot question, and in the case
15.7 of independent expenditures made in opposition to a candidate, the candidate's name,
15.8 address, and office sought. A reporting entity making an expenditure on behalf of more
15.9 than one candidate for state or legislative office must allocate the expenditure among the
15.10 candidates on a reasonable cost basis and report the allocation for each candidate.

15.11 ~~(h)~~ (i) The report must disclose the sum of all expenditures made by or on behalf of
15.12 the reporting entity during the reporting period.

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

15.18 ~~(j)~~ (k) The report must disclose the name and address of each political committee,
15.19 political fund, principal campaign committee, or party unit to which contributions have
15.20 been made that aggregate in excess of ~~\$100~~ \$200 within the year and the amount and
15.21 date of each contribution.

15.22 ~~(k)~~ (l) The report must disclose the sum of all contributions made by the reporting
15.23 entity during the reporting period.

15.24 ~~(l)~~ (m) The report must disclose the name and address of each individual or
15.25 association to whom noncampaign disbursements have been made that aggregate in excess
15.26 of ~~\$100~~ \$200 within the year by or on behalf of the reporting entity and the amount, date,
15.27 and purpose of each noncampaign disbursement.

15.28 ~~(m)~~ (n) The report must disclose the sum of all noncampaign disbursements made
15.29 within the year by or on behalf of the reporting entity.

15.30 ~~(n)~~ (o) The report must disclose the name and address of a nonprofit corporation that
15.31 provides administrative assistance to a political committee or political fund as authorized
15.32 by section 211B.15, subdivision 17, the type of administrative assistance provided, and the
15.33 aggregate fair market value of each type of assistance provided to the political committee
15.34 or political fund during the reporting period.

15.35 Sec. 31. Minnesota Statutes 2012, section 10A.20, subdivision 5, is amended to read:

16.1 Subd. 5. **Preelection Pre-election reports.** (a) Any loan, contribution, or
16.2 contributions:

16.3 (1) to a political committee or political fund from any one source totaling more than
16.4 \$1,000 or more, or in a statewide election for;

16.5 (2) to the principal campaign committee of a candidate for an appellate court judicial
16.6 office, ~~any loan, contribution, or contributions from any one source~~ totaling more than
16.7 \$2,000 or more, or in any judicial;

16.8 (3) to the principal campaign committee of a candidate for district court judge
16.9 totaling more than \$400 or more, and any loan, contribution, or contributions; or

16.10 (4) to the principal campaign committee of a candidate for constitutional office or
16.11 for the legislature ~~from any one source~~ totaling 80 more than 50 percent ~~or more~~ of the
16.12 election cycle contribution limit for the office, received between the last day covered in
16.13 the last report before an election and the election must be reported to the board ~~in one of~~
16.14 ~~the following ways:~~ in the manner provided in paragraph (b).

16.15 (b) A loan, contribution, or contributions required to be reported to the board under
16.16 paragraph (a) must be reported to the board either:

16.17 (1) in person by the end of the next business day after its receipt; or

16.18 (2) by electronic means sent within 24 hours after its receipt.

16.19 (c) These loans and contributions must also be reported in the next required report.

16.20 (d) This notice requirement does not apply ~~with respect to~~ in a primary in which
16.21 the statewide or legislative election to a candidate who is unopposed in the primary, in a
16.22 primary election to a ballot question political committee or fund, or in a general election to
16.23 a candidate whose name is not on the general election ballot. The board must post the
16.24 report on its Web site by the end of the next business day after it is received.

16.25 (e) This subdivision does not apply to a ballot question or independent expenditure
16.26 political committee or fund that has not met the registration threshold of section 10A.14,
16.27 subdivision 1a. However, if a contribution that would be subject to this section triggers the
16.28 registration requirement in section 10A.14, subdivision 1a, then both registration under
16.29 that section and reporting under this section are required.

16.30 Sec. 32. Minnesota Statutes 2012, section 10A.20, subdivision 6, is amended to read:

16.31 Subd. 6. **Report when no committee.** (a) A candidate who does not designate
16.32 and cause to be formed a principal campaign committee and ~~an individual~~ who makes
16.33 ~~independent expenditures or~~ campaign expenditures ~~expressly advocating the approval or~~
16.34 ~~defeat of a ballot question~~ in aggregate in excess of ~~\$100~~ \$750 in a year must file with
16.35 the board a report containing the information required by subdivision 3. Reports required

17.1 by this subdivision must be filed ~~on~~ by the dates on which reports by principal campaign
17.2 committees, funds, and party units are must be filed.

17.3 (b) An individual who makes independent expenditures that aggregate more than
17.4 \$1,500 in a calendar year or expenditures to promote or defeat a ballot question that
17.5 aggregate more than \$5,000 in a calendar year must file with the board a report containing
17.6 the information required by subdivision 3. A report required by this subdivision must be
17.7 filed by the date on which the next report by political committees and political funds
17.8 must be filed.

17.9 Sec. 33. Minnesota Statutes 2012, section 10A.20, subdivision 7, is amended to read:

17.10 Subd. 7. **Statement of inactivity.** If a reporting entity principal campaign
17.11 committee, party unit, or political committee, has no receipts or expenditures during a
17.12 reporting period, the treasurer must file with the board at the time required by this section
17.13 a statement to that effect.

17.14 Sec. 34. Minnesota Statutes 2012, section 10A.20, is amended by adding a subdivision
17.15 to read:

17.16 Subd. 7a. **Activity of political fund.** An association is not required to file any
17.17 statement or report for a reporting period when the association accepted no contributions
17.18 into the association's political fund and made no expenditures from its political fund since
17.19 the last date included in its most recent filed report. If the association maintains a separate
17.20 checking account for its political fund, the receipt of interest on the proceeds of that
17.21 account and the payment of fees to maintain that account do not constitute activity that
17.22 requires the filing of a report for an otherwise inactive political fund.

17.23 Sec. 35. Minnesota Statutes 2012, section 10A.241, is amended to read:

17.24 **10A.241 TRANSFER OF DEBTS.**

17.25 ~~Notwithstanding section 10A.24,~~ A candidate may terminate the candidate's
17.26 principal campaign committee for one state office by transferring any debts of that
17.27 committee to the candidate's principal campaign committee for another state office if
17.28 all outstanding unpaid bills or loans from the committee being terminated are assumed
17.29 and continuously reported by the committee to which the transfer is being made until
17.30 paid or forgiven. A loan that is forgiven is covered by section 10A.20 and, ~~for purposes~~
17.31 ~~of section 10A.324,~~ is a contribution to the principal campaign committee from which
17.32 the debt was transferred under this section.

18.1 Sec. 36. **[10A.243] TERMINATION OF REGISTRATION.**

18.2 Subdivision 1. **Termination report.** A political committee, political fund, principal
18.3 campaign committee, or party unit may terminate its registration with the board after it
18.4 has disposed of all its assets in excess of \$100 by filing a final report of receipts and
18.5 expenditures. The final report must be identified as a termination report and must include
18.6 all financial transactions that occurred after the last date included on the most recent
18.7 report filed with the board. The termination report may be filed at any time after the
18.8 asset threshold in this section is reached.

18.9 Subd. 2. **Asset disposition.** "Assets" include credit balances at vendors, prepaid
18.10 postage and postage stamps, as well as physical assets. Assets must be disposed of at their
18.11 fair market value. Assets of a political fund that consist of, or were acquired using, only
18.12 the general treasury money of the fund's supporting association remain the property of the
18.13 association upon termination of the association's political fund registration and are not
18.14 subject to the disposal requirements of this section.

18.15 Sec. 37. **[10A.244] VOLUNTARY INACTIVE STATUS; POLITICAL FUNDS.**

18.16 Subdivision 1. **Election of voluntary inactive status.** An association that has a
18.17 political fund registered under this chapter may elect to have the fund placed on voluntary
18.18 inactive status if the following conditions are met:

18.19 (1) the association makes a written request for inactive status;

18.20 (2) the association has filed all periodic reports required by this chapter and
18.21 has received no contributions into its political fund and made no expenditures or
18.22 disbursements through its political fund since the last date included on the association's
18.23 most recent report; and

18.24 (3) the association has satisfied all obligations to the state for late filing fees and civil
18.25 penalties imposed by the board or the board has waived this requirement.

18.26 Subd. 2. **Effect of voluntary inactive status.** After an association has complied
18.27 with the requirements of subdivision 1:

18.28 (1) the board must notify the association that its political fund has been placed in
18.29 voluntary inactive status and of the terms of this section;

18.30 (2) the board must stop sending the association reports, forms, and notices of report
18.31 due dates that are periodically sent to entities registered with the board;

18.32 (3) the association is not required to file periodic disclosure reports for its political
18.33 fund as otherwise required under this chapter;

18.34 (4) the association may not accept contributions into its political fund and may not
18.35 make expenditures, contributions, or disbursements through its political fund; and

19.1 (5) if the association maintains a separate depository account for its political fund,
19.2 it may continue to pay bank service charges and receive interest paid on that account
19.3 while its political fund is in inactive status.

19.4 Subd. 3. **Resumption of active status or termination.** (a) An association that
19.5 has placed its political fund in voluntary inactive status may resume active status upon
19.6 written notice to the board.

19.7 (b) A political fund placed in voluntary inactive status must resume active status
19.8 within 14 days of the date that it has accepted contributions or made expenditures,
19.9 contributions, or disbursements that aggregate more than \$750 since the political fund was
19.10 placed on inactive status. If, after meeting this threshold, the association does not notify
19.11 the board that its fund has resumed active status, the board may place the association's
19.12 political fund in active status and notify the association of the change in status.

19.13 (c) An association that has placed its political fund in voluntary inactive status may
19.14 terminate the registration of the fund without returning it to active status.

19.15 Subd. 4. **Penalty for financial activity while in voluntary inactive status.** If an
19.16 association fails to notify the board of its political fund's resumption of active status under
19.17 subdivision 3, the board may impose a civil penalty of \$50 per day, not to exceed \$1,000
19.18 commencing on the 15th calendar day after the fund resumed active status.

19.19 Sec. 38. **[10A.245] ADMINISTRATIVE TERMINATION OF INACTIVE**
19.20 **COMMITTEES AND FUNDS.**

19.21 Subdivision 1. **Inactivity defined.** (a) A principal campaign committee becomes
19.22 inactive on the later of the following dates:

19.23 (1) six years after the last election in which the individual for whom the committee
19.24 exists was a candidate for the office sought or held at the time the principal campaign
19.25 committee registered with the board; or

19.26 (2) six years after the last day on which the individual for whom the committee
19.27 exists served in an elective office subject to this chapter.

19.28 (b) A political committee, political fund, or party unit becomes inactive when
19.29 four years have elapsed since the end of a reporting period during which the political
19.30 committee, political fund, or party unit made an expenditure or disbursement requiring
19.31 itemized disclosure under this chapter.

19.32 (c) A political fund that has elected voluntary inactive status under section 10A.244
19.33 becomes inactive within the meaning of this section when four years have elapsed during
19.34 which the political fund was continuously in voluntary inactive status.

20.1 Subd. 2. **Termination by board.** The board may terminate the registration of a
20.2 principal campaign committee, party unit, political committee, or political fund found to be
20.3 inactive under this section 60 days after sending written notice of inactivity by certified mail
20.4 to the affected association at the last address on record with the board for that association.
20.5 Within 60 days after the board sends notice under this section, the affected association must
20.6 dispose of its assets as provided in this subdivision. The assets of the principal campaign
20.7 committee, party unit, or political committee must be used for the purposes authorized by
20.8 this chapter or section 211B.12 or must be liquidated and deposited in the general account
20.9 of the state elections campaign account. The assets of an association's political fund that
20.10 were derived from the association's general treasury money revert to the association's
20.11 general treasury. Assets of a political fund that resulted from contributions to the political
20.12 fund must be used for the purposes authorized by this chapter or section 211B.12 or must
20.13 be liquidated and deposited in the general account of the state elections campaign account.

20.14 Sec. 39. [10A.246] UNPAID DEBT UPON TERMINATION.

20.15 Termination of a registration with the board does not affect the liability, if any, of the
20.16 association or its candidates, officers, or other individuals for obligations incurred in the
20.17 name of the association or its political fund.

20.18 Sec. 40. Minnesota Statutes 2012, section 10A.25, subdivision 2, is amended to read:

20.19 Subd. 2. **Amounts.** (a) ~~In a year in which an election is held for an office sought by a~~
20.20 ~~candidate~~ segment of an election cycle, the principal campaign committee of the candidate
20.21 must not make campaign expenditures nor permit approved expenditures to be made on
20.22 behalf of the candidate that result in aggregate expenditures in excess of the following:

20.23 (1) for governor and lieutenant governor, running together, ~~\$2,577,200~~ \$3,500,000
20.24 in the election segment and \$1,500,000 in the nonelection segment;

20.25 (2) for attorney general, ~~\$429,600~~ \$600,000 in the election segment and \$200,000 in
20.26 the nonelection segment;

20.27 (3) for secretary of state and state auditor, separately, ~~\$214,800~~ \$400,000 in the
20.28 election segment and \$100,000 in the nonelection segment;

20.29 (4) for state senator, ~~\$68,100~~ \$90,000 in the election segment and \$30,000 in
20.30 a non-election segment;

20.31 (5) for state representative, ~~\$34,300~~ \$60,000 in the election segment.

20.32 (b) In addition to the amount in paragraph (a), clause (1), a candidate for
20.33 endorsement for the office of lieutenant governor at the convention of a political party

21.1 may make campaign expenditures and approved expenditures of five percent of that
21.2 amount to seek endorsement.

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

21.6 (d) The expenditure limits in this subdivision for an office are increased by ten
21.7 percent for a candidate who ~~is running for that~~ has not previously held the same office
21.8 ~~for the first time~~, whose name has not previously been on the primary or general election
21.9 ballot for that office, and who has not in the past ten years raised or spent more than \$750
21.10 in a run previously for any other office whose territory now includes a population that
21.11 is more than one-third of the population in the territory of the new office. In the case of
21.12 a legislative candidate, the office is that of a member of the house of representatives or
21.13 senate without regard to any specific district.

21.14 Sec. 41. Minnesota Statutes 2012, section 10A.25, subdivision 2a, is amended to read:

21.15 Subd. 2a. **Aggregated expenditures.** If a candidate makes expenditures from more
21.16 than one principal campaign committee for nomination or election to statewide office in
21.17 the same segment of an election year cycle, the amount of expenditures from all of the
21.18 candidate's principal campaign committees for statewide office for that segment of the
21.19 election year cycle must be aggregated for purposes of applying the limits on expenditures
21.20 under subdivision 2.

21.21 Sec. 42. Minnesota Statutes 2012, section 10A.25, subdivision 3, is amended to read:

21.22 Subd. 3. **Governor and lieutenant governor a single candidate.** For the purposes
21.23 of ~~sections 10A.11 to 10A.34~~ this chapter, a candidate for governor and a candidate
21.24 for lieutenant governor, running together, are considered a single candidate. Except
21.25 as provided in subdivision 2, paragraph (b), all expenditures made by or all approved
21.26 expenditures made on behalf of the candidate for lieutenant governor are considered to be
21.27 expenditures by or approved expenditures on behalf of the candidate for governor.

21.28 Sec. 43. Minnesota Statutes 2012, section 10A.257, subdivision 1, is amended to read:

21.29 Subdivision 1. **Unused funds.** After all campaign expenditures and noncampaign
21.30 disbursements for an election cycle have been made, an amount up to ~~50~~ 25 percent of the
21.31 election year cycle expenditure limit for the office may be carried forward. Any remaining
21.32 amount up to the total amount of the public subsidy from the state elections campaign fund
21.33 must be returned to the state treasury for credit to the general fund under section 10A.324.

22.1 Any remaining amount in excess of the total public subsidy must be contributed to the
22.2 state elections campaign ~~fund~~ account or a political party for multicandidate expenditures
22.3 as defined in section 10A.275.

22.4 Sec. 44. Minnesota Statutes 2012, section 10A.27, subdivision 1, is amended to read:

22.5 Subdivision 1. **Contribution limits.** (a) Except as provided in subdivision 2,
22.6 a candidate must not permit the candidate's principal campaign committee to accept
22.7 aggregate contributions made or delivered by any individual, political committee, ~~or~~
22.8 political fund, or association not registered with the board in excess of the following:

22.9 (1) to candidates for governor and lieutenant governor running together, ~~\$2,000~~
22.10 \$4,000 in the election segment of an election year cycle for the office sought and ~~\$500~~
22.11 \$2,000 in other years the nonelection segment of the election cycle;

22.12 (2) to a candidate for attorney general, ~~secretary of state, or state auditor, \$1,000~~
22.13 \$2,500 in the election segment of an election year cycle for the office sought and ~~\$200~~
22.14 \$1,500 in other years the nonelection segment of the election cycle;

22.15 (3) to a candidate for secretary of state or state auditor, \$2,000 in the election
22.16 segment of an election cycle and \$1,000 in the nonelection segment of the election cycle;

22.17 ~~(3)~~ (4) to a candidate for state senator, ~~\$500~~ \$1,000 in the election segment of an
22.18 election year cycle for the office sought and ~~\$100~~ \$1,000 in other years a nonelection
22.19 segment of the election cycle;

22.20 ~~(4)~~ (5) to a candidate for state representative, ~~\$500~~ \$1,000 in the election segment of
22.21 an election year cycle for the office sought and ~~\$100 in the other year;~~ and

22.22 ~~(5)~~ (6) to a candidate for judicial office, ~~\$2,000~~ \$2,500 in the election segment of
22.23 an election year cycle for the office sought and ~~\$500~~ \$1,000 in other years a nonelection
22.24 segment of the election cycle.

22.25 (b) The following deliveries are not subject to the bundling limitation in this
22.26 subdivision:

22.27 (1) delivery of contributions collected by a member of the candidate's principal
22.28 campaign committee, such as a block worker or a volunteer who hosts a fund-raising
22.29 event, to the committee's treasurer; and

22.30 (2) a delivery made by an individual on behalf of the individual's spouse.

22.31 (c) A lobbyist, political committee, political party unit, ~~or~~ an association that has a
22.32 political fund, or an association not registered with the board must not make a contribution
22.33 a candidate is prohibited from accepting.

22.34 Sec. 45. Minnesota Statutes 2012, section 10A.27, subdivision 10, is amended to read:

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

23.5 Sec. 46. Minnesota Statutes 2012, section 10A.27, subdivision 11, is amended to read:

23.6 Subd. 11. **Contributions from certain types of contributors.** A candidate must
23.7 not permit the candidate's principal campaign committee to accept a contribution from
23.8 a political committee, political fund, lobbyist, ~~or~~ large contributor, or association not
23.9 registered with the board if the contribution will cause the aggregate contributions from
23.10 those types of contributors during an election cycle segment to exceed an amount equal
23.11 to 20 percent of the election cycle segment expenditure limits for the office sought by
23.12 the candidate, provided that the 20 percent limit must be rounded to the nearest \$100.
23.13 For purposes of this subdivision, "large contributor" means an individual, other than the
23.14 candidate, who contributes an amount that is ~~more than \$100 and~~ more than one-half the
23.15 amount an individual may contribute during the election cycle segment.

23.16 Sec. 47. Minnesota Statutes 2012, section 10A.27, subdivision 13, is amended to read:

23.17 Subd. 13. **Unregistered association limit; statement; penalty.** (a) The treasurer of
23.18 a political committee, political fund, principal campaign committee, or party unit must not
23.19 accept a contribution of more than ~~\$100~~ \$200 from an association not registered under
23.20 this chapter unless the contribution is accompanied by a written statement that meets the
23.21 disclosure and reporting period requirements imposed by section 10A.20. This statement
23.22 must be certified as true and correct by an officer of the contributing association. The
23.23 committee, fund, or party unit that accepts the contribution must include a copy of the
23.24 statement with the report that discloses the contribution to the board. ~~This subdivision~~
23.25 ~~does not apply when a national political party contributes money to its affiliate in this state.~~

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

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

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

24.1 (c) The treasurer of a political committee, political fund, principal campaign
24.2 committee, or party unit who accepts a contribution in excess of ~~\$100~~ \$200 from an
24.3 unregistered association without the required written disclosure statement is subject to a
24.4 civil penalty up to four times the amount in excess of ~~\$100~~ \$200.

24.5 (d) This subdivision does not apply:

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

24.7 (2) to purchases by candidates for federal office of tickets to events or space rental

24.8 at events held by party units in this state (i) if the geographical area represented by the

24.9 party unit includes any part of the geographical area of the office that the federal candidate

24.10 is seeking and (ii) the purchase price is not more than that paid by other attendees or

24.11 renters of similar spaces.

24.12 Sec. 48. Minnesota Statutes 2012, section 10A.27, subdivision 14, is amended to read:

24.13 Subd. 14. **Contributions of business revenue.** An association may, if not prohibited
24.14 by other law, contribute revenue from the operation of a business to an independent
24.15 expenditure or ballot question political committee or ~~an independent expenditure~~ political
24.16 fund without complying with subdivision 13.

24.17 Sec. 49. Minnesota Statutes 2012, section 10A.27, subdivision 15, is amended to read:

24.18 Subd. 15. **Contributions of dues or contribution revenue or use of general**

24.19 **treasury money.** (a) An association may, if not prohibited by other law, contribute ~~revenue~~

24.20 ~~from membership dues or fees, or from contributions received by the association~~ its general

24.21 treasury money to an independent expenditure or ballot question political committee or

24.22 ~~an independent expenditure~~ political fund, including its own independent expenditure or

24.23 ballot question political committee or fund, without complying with subdivision 13.

24.24 (b) Before the day when the recipient committee or fund's next report must be

24.25 filed with the board under section 10A.20, subdivision 2 or 5, an association that has

24.26 contributed more than \$5,000 ~~or more~~ in aggregate to independent expenditure political

24.27 committees or funds during the calendar year or has contributed more than \$5,000 in

24.28 aggregate to ballot question political committees or funds during the calendar year

24.29 must provide in writing to the recipient's treasurer a statement that includes the name,

24.30 address, and amount attributable to each ~~individual or association~~ person that paid the

24.31 association dues or fees, or made ~~contributions~~ donations to the association that, in total,

24.32 aggregate more than \$1,000 ~~or more~~ \$5,000 of the contribution from the association to the

24.33 independent expenditure or ballot question political committee or fund. The statement

24.34 must also include the total amount of the contribution ~~from individuals or associations~~

25.1 attributable to persons not subject to itemization under this section. The statement must be
25.2 certified as true ~~and correct~~ by an officer of the donor association.

25.3 ~~(b) (c)~~ To determine the amount of membership dues or fees, or contributions
25.4 donations made by ~~an individual or association that exceed \$1,000 of the contribution~~
25.5 ~~made by the donor association~~ a person to an association and attributable to the
25.6 association's contribution to the independent expenditure or ballot question political
25.7 committee or fund, the donor association must:

25.8 (1) apply a pro rata calculation to all unrestricted dues, fees, and contributions
25.9 received by the donor association in the calendar year; or

25.10 (2) as provided in paragraph ~~(e) (d)~~, identify the specific individuals or associations
25.11 whose dues, fees, or contributions are included in the contribution to the independent
25.12 expenditure political committee or fund.

25.13 ~~(e) (d)~~ Dues, fees, or contributions from an individual or association must be
25.14 identified in a contribution to an independent expenditure political committee or fund
25.15 under paragraph ~~(b) (c)~~, clause (2), if:

25.16 (1) the individual or association has specifically authorized the donor association to
25.17 use the individual's or association's dues, fees, or contributions for this purpose; or

25.18 (2) the individual's or association's dues, fees, or contributions to the donor
25.19 association are unrestricted and the donor association designates them as the source of the
25.20 subject contribution to the independent expenditure political committee or fund.

25.21 ~~(e)~~ After a portion of ~~an individual's or association's dues, fees, or contributions~~
25.22 ~~to the donor association have~~ the general treasury money received by an association
25.23 from a person has been designated as the source of a contribution to an independent
25.24 expenditure or ballot question political committee or fund, that portion of the ~~individual's~~
25.25 ~~or association's dues, fees, or contributions to the donor association~~ association's general
25.26 treasury money received from that person may not be designated as the source of any other
25.27 contribution to an independent expenditure or ballot question political committee or fund.

25.28 ~~(d)~~ For the purposes of this section, "donor association" means ~~the association~~
25.29 ~~contributing to an independent expenditure political committee or fund that is required to~~
25.30 ~~provide a statement under paragraph (a)~~.

25.31 Sec. 50. Minnesota Statutes 2012, section 10A.323, is amended to read:

25.32 **10A.323 AFFIDAVIT OF CONTRIBUTIONS.**

25.33 (a) In addition to the requirements of section 10A.322, to be eligible to receive a
25.34 public subsidy under section 10A.31 a candidate or the candidate's treasurer must ~~file an~~
25.35 ~~affidavit with the board stating that~~.

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

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

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

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

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

26.10 ~~(5)~~ (v) candidates for the house of representatives, \$1,500.;

26.11 (2) the candidate or the candidate's treasurer must file an affidavit with the board
26.12 stating that the principal campaign committee has complied with this paragraph. The
26.13 affidavit must state the total amount of contributions that have been received from ~~persons~~
26.14 individuals eligible to vote in this state, ~~disregarding~~ excluding:

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

26.16 (ii) any in-kind contribution; and

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

26.19 (3) the candidate or the candidate's treasurer must submit the affidavit required
26.20 by this section to the board in writing by the deadline for reporting of receipts and
26.21 expenditures before a primary under section 10A.20, subdivision 4.

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

26.27 Sec. 51. Minnesota Statutes 2012, section 211B.15, subdivision 6, is amended to read:

26.28 Subd. 6. **Penalty for individuals.** (a) An officer, manager, stockholder, member,
26.29 agent, employee, attorney, or other representative of a corporation acting on behalf of the
26.30 corporation who violates this section is subject to a civil penalty of up to ten times the
26.31 amount of the violation, but in no case more than \$10,000, imposed by the Campaign
26.32 Finance and Public Disclosure Board under chapter 10A or imposed by the Office of
26.33 Administrative Hearings under this chapter.

26.34 (b) Knowingly violating this section is a crime. An officer, manager, stockholder,
26.35 member, agent, employee, attorney, or other representative of a corporation acting in

27.1 behalf of the corporation who ~~violates~~ is convicted of knowingly violating this section
27.2 may be fined not more than \$20,000 or be imprisoned for not more than five years, or both.

27.3 Sec. 52. Minnesota Statutes 2012, section 211B.15, subdivision 7, is amended to read:

27.4 Subd. 7. **Penalty for corporations.** (a) A corporation that violates this section is
27.5 subject to a civil penalty of up to ten times the amount of the violation, but in no case
27.6 more than \$10,000, imposed by the Campaign Finance and Public Disclosure Board under
27.7 chapter 10A or imposed by the Office of Administrative Hearings under this chapter.

27.8 (b) Knowingly violating this section is a crime. A corporation convicted of
27.9 knowingly violating this section is subject to a fine not greater than \$40,000. A convicted
27.10 domestic corporation may be dissolved as well as fined. If a foreign or nonresident
27.11 corporation is convicted, in addition to being fined, its right to do business in this state
27.12 may be declared forfeited.

27.13 Sec. 53. Minnesota Statutes 2012, section 211B.15, is amended by adding a subdivision
27.14 to read:

27.15 Subd. 7b. **Knowing violations.** An individual or a corporation knowingly violates
27.16 this section if, at the time of a transaction, the individual or the corporation knew:

27.17 (1) that the transaction causing the violation constituted a contribution under chapter
27.18 10A, chapter 211A, or chapter 383B; and

27.19 (2) that the contributor was a corporation subject to the prohibitions of subdivision 2.

27.20 Sec. 54. Minnesota Statutes 2012, section 211B.32, subdivision 1, is amended to read:

27.21 Subdivision 1. **Administrative remedy; exhaustion.** (a) Except as provided in
27.22 paragraph (b), a complaint alleging a violation of chapter 211A or 211B must be filed with
27.23 the office. The complaint must be finally disposed of by the office before the alleged
27.24 violation may be prosecuted by a county attorney.

27.25 (b) Complaints arising under those sections and related to those individuals and
27.26 associations specified in section 10A.02, subdivision 11, paragraph (a), must be filed with
27.27 the Campaign Finance and Public Disclosure Board.

27.28 Sec. 55. **REPEALER.**

27.29 Minnesota Statutes 2012, sections 10A.24; 10A.242; and 10A.25, subdivision 6, are
27.30 repealed.

27.31 Sec. 56. **EFFECTIVE DATE.**

28.1 This article is effective the day following final enactment.

28.2 **ARTICLE 2**

28.3 **PUBLIC OFFICIAL**

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

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

28.6 (1) member of the legislature;

28.7 (2) individual employed by the legislature as secretary of the senate, legislative
28.8 auditor, chief clerk of the house of representatives, revisor of statutes, or researcher,
28.9 legislative analyst, or attorney in the Office of Senate Counsel and Research or House
28.10 Research;

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

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

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

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

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

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

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

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

28.25 (11) administrative law judge or compensation judge in the State Office of
28.26 Administrative Hearings or unemployment law judge in the Department of Employment
28.27 and Economic Development;

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

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

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

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

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

- 29.1 (17) member of the board of directors or executive director of the Minnesota State
29.2 High School League;
- 29.3 (18) member of the Minnesota Ballpark Authority established in section 473.755;
- 29.4 (19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;
- 29.5 (20) manager of a watershed district, or member of a watershed management
29.6 organization as defined under section 103B.205, subdivision 13;
- 29.7 (21) supervisor of a soil and water conservation district;
- 29.8 (22) director of Explore Minnesota Tourism;
- 29.9 (23) citizen member of the Lessard-Sams Outdoor Heritage Council established
29.10 in section 97A.056;
- 29.11 (24) citizen member of the Clean Water Council established in section 114D.30; ~~or~~
- 29.12 (25) member or chief executive of the Minnesota Sports Facilities Authority
29.13 established in section 473J.07²;
- 29.14 (26) district court judge, appeals court judge, or Supreme Court justice; or
- 29.15 (27) county commissioner.

29.16 Sec. 2. Minnesota Statutes 2012, section 10A.07, is amended to read:

29.17 **10A.07 CONFLICTS OF INTEREST.**

29.18 Subdivision 1. **Disclosure of potential conflicts.** A public official or a local
29.19 official elected to or appointed by a metropolitan governmental unit who in the discharge
29.20 of official duties would be required to take an action or make a decision that would
29.21 substantially affect the official's financial interests or those of an associated business,
29.22 unless the effect on the official is no greater than on other members of the official's
29.23 business classification, profession, or occupation, must take the following actions:

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

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

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

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

29.33 Subd. 2. **Required actions.** If the official is not a member of the legislature or of the
29.34 governing body of a metropolitan governmental unit, the superior must assign the matter,
29.35 if possible, to another employee who does not have a potential conflict of interest. If there

30.1 is no immediate superior, the official must abstain, if possible, in a manner prescribed by
30.2 the board from influence over the action or decision in question. If the official is a member
30.3 of the legislature, the house of service may, at the member's request, excuse the member
30.4 from taking part in the action or decision in question. If the official is not permitted or is
30.5 otherwise unable to abstain from action in connection with the matter, the official must
30.6 file a statement describing the potential conflict and the action taken. A public official
30.7 must file the statement with the board and a local official must file the statement with the
30.8 governing body of the official's political subdivision. The statement must be filed within a
30.9 week of the action taken.

30.10 Subd. 3. **Interest in contract; local officials.** This section does not apply to a local
30.11 official with respect to a matter governed by sections 471.87 and 471.88.

30.12 Subd. 4. **Exception; judges.** Notwithstanding subdivisions 1 and 2, a public official
30.13 who is a district court judge, an appeals court judge, or a Supreme Court justice is not
30.14 required to comply with the provisions of this section.

30.15 Sec. 3. Minnesota Statutes 2012, section 10A.071, subdivision 1, is amended to read:

30.16 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this
30.17 section.

30.18 (b) "Gift" means money, real or personal property, a service, a loan, a forbearance or
30.19 forgiveness of indebtedness, or a promise of future employment, that is given and received
30.20 without the giver receiving consideration of equal or greater value in return.

30.21 (c) "Official" means a public official, an employee of the legislature, ~~a judge~~, or a
30.22 local official of a metropolitan governmental unit.

30.23 Sec. 4. Minnesota Statutes 2012, section 10A.08, is amended to read:

30.24 **10A.08 REPRESENTATION DISCLOSURE.**

30.25 **Subdivision 1. Disclosure required.** A public official who represents a client for a
30.26 fee before an individual, board, commission, or agency that has rulemaking authority in a
30.27 hearing conducted under chapter 14, must disclose the official's participation in the action
30.28 to the board within 14 days after the appearance. If the public official fails to disclose the
30.29 participation within ten business days after the disclosure required by this section was due,
30.30 the board may impose a late filing fee of \$5 per day, not to exceed \$100, starting on the
30.31 11th day after the disclosure was due. The board must send notice by certified mail to a
30.32 public official who fails to disclose the participation within ten business days after the
30.33 disclosure was due that the public official may be subject to a civil penalty for failure to
30.34 disclose the participation. A public official who fails to disclose the participation within

31.1 seven days after the certified mail notice was sent by the board is subject to a civil penalty
31.2 imposed by the board of up to \$1,000.

31.3 Subd. 2. **Exception; judges.** Notwithstanding subdivision 1, a public official who is
31.4 a district court judge, an appeals court judge, or a Supreme Court justice is not required to
31.5 comply with the provisions of this section.

31.6 Sec. 5. Minnesota Statutes 2012, section 10A.09, subdivision 6a, is amended to read:

31.7 Subd. 6a. ~~Local officials~~ Place of filing. A public official required to file a
31.8 statement under this section must file it with the board. A local official required to file a
31.9 statement under this section must file it with the governing body of the official's political
31.10 subdivision. The governing body must maintain statements filed with it under this
31.11 subdivision as public data. If an official position is defined as both a public official and as
31.12 a local official of a metropolitan governmental unit under this chapter, the official must
31.13 file the statement with the board.

31.14 Sec. 6. Minnesota Statutes 2012, section 10A.09, is amended by adding a subdivision
31.15 to read:

31.16 Subd. 9. **Waivers.** Upon written request and for good cause shown, the board may
31.17 waive the requirement that an official disclose the address of real property that constitutes
31.18 a secondary residence of the official.

31.19 Sec. 7. **EFFECTIVE DATE.**

31.20 This article is effective January 1, 2014, and applies to public officials elected or
31.21 appointed to terms of office commencing on or after that date.

31.22 **ARTICLE 3**

31.23 **TECHNICAL CHANGES**

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

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

31.26 (1) member of the legislature;

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

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

- 32.1 (4) solicitor general or deputy, assistant, or special assistant attorney general;
- 32.2 (5) commissioner, deputy commissioner, or assistant commissioner of any state
32.3 department or agency as listed in section 15.01 or 15.06, or the state chief information
32.4 officer;
- 32.5 (6) member, chief administrative officer, or deputy chief administrative officer of a
32.6 state board or commission that has either the power to adopt, amend, or repeal rules under
32.7 chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;
- 32.8 (7) individual employed in the executive branch who is authorized to adopt, amend,
32.9 or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;
- 32.10 (8) executive director of the State Board of Investment;
- 32.11 (9) deputy of any official listed in clauses (7) and (8);
- 32.12 (10) judge of the Workers' Compensation Court of Appeals;
- 32.13 (11) administrative law judge or compensation judge in the State Office of
32.14 Administrative Hearings or unemployment law judge in the Department of Employment
32.15 and Economic Development;
- 32.16 (12) member, regional administrator, division director, general counsel, or operations
32.17 manager of the Metropolitan Council;
- 32.18 (13) member or chief administrator of a metropolitan agency;
- 32.19 (14) director of the Division of Alcohol and Gambling Enforcement in the
32.20 Department of Public Safety;
- 32.21 (15) member or executive director of the Higher Education Facilities Authority;
- 32.22 (16) member of the board of directors or president of Enterprise Minnesota, Inc.;
- 32.23 (17) member of the board of directors or executive director of the Minnesota State
32.24 High School League;
- 32.25 (18) member of the Minnesota Ballpark Authority established in section 473.755;
- 32.26 (19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;
- 32.27 (20) manager of a watershed district, or member of a watershed management
32.28 organization as defined under section 103B.205, subdivision 13;
- 32.29 (21) supervisor of a soil and water conservation district;
- 32.30 (22) director of Explore Minnesota Tourism;
- 32.31 (23) citizen member of the Lessard-Sams Outdoor Heritage Council established
32.32 in section 97A.056;
- 32.33 (24) citizen member of the Clean Water Council established in section 114D.30; or
- 32.34 (25) member or chief executive of the Minnesota Sports Facilities Authority
32.35 established in section 473J.07.

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

33.2 Subd. 4. **Changes and corrections.** Material changes in information previously
33.3 submitted and corrections to a report or statement must be reported in writing to the board
33.4 within ten days following the date of the event prompting the change or the date upon
33.5 which the person filing became aware of the inaccuracy. The change or correction must
33.6 identify the form and the paragraph containing the information to be changed or corrected.

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

33.10 The board must send a notice by certified mail to any individual who fails to file a
33.11 report required by this subdivision. If the individual fails to file the required report within
33.12 ten business days after the notice was sent, the board may impose a late filing fee of \$5 per
33.13 day up to \$100 starting on the 11th day after the notice was sent. The board must send
33.14 an additional notice by certified mail to an individual who fails to file a report within 14
33.15 days after the first notice was sent by the board that the individual may be subject to a
33.16 civil penalty for failure to file a report. An individual who fails to file a report required by
33.17 this subdivision within seven days after the second notice was sent by the board is subject
33.18 to a civil penalty imposed by the board of up to \$1,000.

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

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

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

33.30 **10A.16 EARMARKING CONTRIBUTIONS PROHIBITED.**

33.31 An individual, political committee, political fund, principal campaign committee, or
33.32 party unit may not solicit or accept a contribution from any source with the express or
33.33 implied condition that the contribution or any part of it be directed to a particular candidate
33.34 other than the initial recipient. An individual, political committee, political fund, principal

34.1 campaign committee, or party unit that knowingly accepts any earmarked contribution is
34.2 ~~guilty of a gross misdemeanor and~~ subject to a civil penalty imposed by the board of up to
34.3 \$3,000. Knowingly accepting any earmarked contribution is a gross misdemeanor.

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

34.5 Subd. 4. **Period of report.** A report must cover the period from January 1 of the
34.6 reporting year to seven days before the filing date, except that the report due on January
34.7 31 must cover the period from ~~the last day covered by the previous report~~ January 1 to
34.8 December 31 of the reporting year.

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

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

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

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

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

34.24 Subdivision 1. **Contributions during legislative session.** (a) A candidate for the
34.25 legislature or for constitutional office, the candidate's principal campaign committee, or
34.26 a political committee or party unit established by all or a part of the party organization
34.27 within a house of the legislature, must not solicit or accept a contribution from a registered
34.28 lobbyist, political committee, political fund, ~~or dissolving principal campaign committee~~
34.29 an association not registered with the board, or ~~from~~ a party unit established by the party
34.30 organization within a house of the legislature, during a regular session of the legislature.

34.31 (b) A registered lobbyist, political committee, political fund, ~~or dissolving principal~~
34.32 ~~campaign committee~~ an association not registered with the board, or a party unit established
34.33 by the party organization within a house of the legislature, must not make a contribution to a

35.1 candidate for the legislature or for constitutional office, the candidate's principal campaign
35.2 committee, or a political committee or party unit established by all or a part of the party
35.3 organization within a house of the legislature during a regular session of the legislature.

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

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

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

35.14 **10A.30 STATE ELECTIONS CAMPAIGN FUND ACCOUNT.**

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

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

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

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

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

35.30 (1) have signed a spending limit agreement under section 10A.322;

35.31 (2) have filed the affidavit of contributions required by section 10A.323; and

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

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

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

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

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

36.21 **10A.315 SPECIAL ELECTION SUBSIDY.**

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

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

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

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

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

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

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

37.5 (1) a contributor who is given a receipt form is eligible to claim a refund as provided
37.6 in section 290.06, subdivision 23₂; and

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

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

37.14 ARTICLE 4

37.15 CONFORMING CHANGES

37.16 Section 1. Minnesota Statutes 2012, section 10A.242, subdivision 1, is amended to read:

37.17 Subdivision 1. **Dissolution required.** A political committee, political fund, or
37.18 principal campaign committee must be dissolved within 60 days after receiving notice
37.19 from the board that the committee or fund has become inactive. The assets of the
37.20 committee or fund must be spent for the purposes authorized by section 211B.12 and other
37.21 applicable law or liquidated and deposited in the general account of the state elections
37.22 campaign fund account within 60 days after the board notifies the committee or fund
37.23 that it has become inactive.

37.24 Sec. 2. Minnesota Statutes 2012, section 10A.27, subdivision 9, is amended to read:

37.25 Subd. 9. **Contributions to and from other candidates.** (a) A candidate or the
37.26 treasurer of a candidate's principal campaign committee must not accept a contribution
37.27 from another candidate's principal campaign committee or from any other committee
37.28 bearing the contributing candidate's name or title or otherwise authorized by the
37.29 contributing candidate, unless the contributing candidate's principal campaign committee
37.30 is being dissolved. A candidate's principal campaign committee must not make a
37.31 contribution to another candidate's principal campaign committee, except when the
37.32 contributing committee is being dissolved.

37.33 (b) A principal campaign committee that makes a contribution to another principal
37.34 campaign committee must provide with the contribution a written statement of the

38.1 committee's intent to dissolve and terminate its registration within 12 months after the
38.2 contribution was made. If the committee fails to dissolve and terminate its registration by
38.3 that time, the board may levy a civil penalty up to four times the size of the contribution
38.4 against the contributing committee. A contribution from a terminating principal campaign
38.5 committee that is not accepted by another principal campaign committee must be forwarded
38.6 to the board for deposit in the general account of the state elections campaign ~~fund~~ account.

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

38.11 (d) A candidate or the treasurer of a candidate's principal campaign committee must
38.12 not accept a contribution from a candidate for political subdivision office in any state,
38.13 unless the contribution is from the personal funds of the candidate for political subdivision
38.14 office. A candidate or the treasurer of a candidate's principal campaign committee must
38.15 not make a contribution from the principal campaign committee to a candidate for political
38.16 subdivision office in any state.

38.17 Sec. 3. Minnesota Statutes 2012, section 10A.31, subdivision 1, is amended to read:

38.18 Subdivision 1. **Designation.** An individual resident of this state who files an income
38.19 tax return or a renter and homeowner property tax refund return with the commissioner of
38.20 revenue may designate on their original return that \$5 be paid from the general fund of
38.21 the state into the state elections campaign ~~fund~~ account. If a husband and wife file a joint
38.22 return, each spouse may designate that \$5 be paid. No individual is allowed to designate
38.23 \$5 more than once in any year. The taxpayer may designate that the amount be paid into
38.24 the account of a political party or into the general account.

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

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

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

39.1 Sec. 5. Minnesota Statutes 2012, section 10A.321, subdivision 1, is amended to read:

39.2 Subdivision 1. **Calculation and certification of estimates.** The commissioner of
39.3 revenue must calculate and certify to the board one week before the first day for filing for
39.4 office in each election year an estimate of the total amount in the state general account
39.5 of the state elections campaign ~~fund~~ account and the amount of money each candidate
39.6 who qualifies, as provided in section 10A.31, subdivisions 6 and 7, may receive from the
39.7 candidate's party account in the state elections campaign ~~fund~~ account. This estimate must
39.8 be based upon the allocations and formulas in section 10A.31, subdivisions 5 and 5a, any
39.9 necessary vote totals provided by the secretary of state to apply the formulas in section
39.10 10A.31, subdivisions 5 and 5a, and the amount of money expected to be available after
39.11 100 percent of the tax returns have been processed.

39.12 Sec. 6. Minnesota Statutes 2012, section 10A.324, subdivision 1, is amended to read:

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

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

39.26 Sec. 7. Minnesota Statutes 2012, section 211B.37, is amended to read:

39.27 **211B.37 COSTS ASSESSED.**

39.28 Except as otherwise provided in section 211B.36, subdivision 3, the chief
39.29 administrative law judge shall assess the cost of considering complaints filed under section
39.30 211B.32 as provided in this section. Costs of complaints relating to a statewide ballot
39.31 question or an election for a statewide or legislative office must be assessed against the
39.32 appropriation from the general fund to the general account of the state elections campaign
39.33 ~~fund~~ account in section 10A.31, subdivision 4. Costs of complaints relating to any other
39.34 ballot question or elective office must be assessed against the county or counties in

40.1 which the election is held. Where the election is held in more than one county, the chief
40.2 administrative law judge shall apportion the assessment among the counties in proportion
40.3 to their respective populations within the election district to which the complaint relates
40.4 according to the most recent decennial federal census.

40.5 **Sec. 8. EFFECTIVE DATE.**

40.6 This article is effective the day following final enactment."

40.7 Delete the title and insert:

40.8 "A bill for an act
40.9 relating to government operations; making various policy, technical, conforming,
40.10 and other changes to campaign finance and public disclosure law; providing for
40.11 additional disclosure; modifying certain regulations, reporting, spending and
40.12 contribution limits, registration, definitions, and various procedures; modifying
40.13 definition of public official; modifying penalties related to corporate political
40.14 contributions; providing penalties; amending Minnesota Statutes 2012, sections
40.15 10A.01, subdivisions 10, 11, 16, 27, 28, 35, by adding subdivisions; 10A.02,
40.16 subdivisions 9, 10, 11, 12, 15; 10A.025, subdivisions 2, 3, 4; 10A.04, subdivision
40.17 5; 10A.07; 10A.071, subdivisions 1, 3; 10A.08; 10A.09, subdivision 6a, by
40.18 adding a subdivision; 10A.105, subdivision 1; 10A.12, subdivisions 1, 1a, 2;
40.19 10A.121; 10A.14, subdivision 1, by adding a subdivision; 10A.15, subdivisions
40.20 1, 3; 10A.16; 10A.20, subdivisions 1, 2, 3, 4, 5, 6, 7, 12, by adding a subdivision;
40.21 10A.241; 10A.242, subdivision 1; 10A.25, subdivisions 2, 2a, 3; 10A.257,
40.22 subdivision 1; 10A.27, subdivisions 1, 9, 10, 11, 13, 14, 15; 10A.273, subdivisions
40.23 1, 4; 10A.30; 10A.31, subdivisions 1, 4, 7; 10A.315; 10A.321, subdivision 1;
40.24 10A.322, subdivision 4; 10A.323; 10A.324, subdivision 1; 211B.15, subdivisions
40.25 6, 7, by adding a subdivision; 211B.32, subdivision 1; 211B.37; proposing
40.26 coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota
40.27 Statutes 2012, sections 10A.24; 10A.242; 10A.25, subdivision 6."

