

prescribed by section 308.07. This shall not be construed as a declaration of legislative intent as to whether or not the statutes, prior to this amendment, permit the mailing of ballots for director's elections. No stockholder shall vote by mail for a director unless mail voting is authorized by the articles of incorporation or the bylaws of the association. The ballot shall be in such form as the board of directors of the association shall prescribe for use in electing directors. The stockholder shall mark his ballot for the candidate or candidates of his choice and mail it to the association in a sealed plain envelope inside another envelope bearing his name. If the ballot of the stockholder is received by the association on or before the date of the meeting, the ballot shall be accepted and counted as the vote of the absent stockholder.

Subd. 3. If voting by mail is authorized by the articles of incorporation or the bylaws of a cooperative telephone association, a stockholder or member of the association may, at the election of any director of the association held hereafter, vote by mail in the manner prescribed in the articles of incorporation or bylaws of the association and the mail voting shall be by secret ballot.

Sec. 2. Minnesota Statutes 1978, Chapter 308, is amended by adding a section to read:

[308.105] VOTING BY MEMBERS. Whenever a vote of members or stockholders of a cooperative association is required or provided for on any matter, including a petition pursuant to section 216B.02, subdivision 4, the spouse of the member or stockholder may vote on behalf of the member or stockholder unless the member or stockholder has indicated otherwise.

Sec. 3. **EFFECTIVE DATE.** This act is effective the day following final enactment.

Approved April 17, 1980

CHAPTER 587—H.F.No. 2304

An act relating to elections; proposing an amendment to the Minnesota Constitution, Article IV, by adding sections, to provide for initiative and referendum; proposing an amendment to the Minnesota Constitution, Article VII, by adding a section, to require certain election campaign expenditures to be limited and disclosed by law; implementing the initiative and referendum process, including the manner of petitioning and voting on initiative and referendum measures and judicial review; permitting corporations to spend money to promote or defeat ballot questions; requiring disclosure of contributions and expenditures on ballot questions; increasing the campaign spending limits and the income tax check-off or repealing spending limits contingent on adoption or rejection of a constitutional amendment; imposing duties on certain officials; providing penalties; appropriating money; amending Minnesota Statutes 1978, Sections 10A.01, Subdivisions 7, 7a, 7b, 10, 15, 16, and by adding a subdivision; 10A.12, Subdivision 1; 10A.20, Subdivisions 3, 6 and by adding a subdivision; 10A.31, Subdivi-

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sions 1, 3 and 5; 10A.32, Subdivision 4; 203A.31, Subdivisions 2 and 3; 204A.24; 204A.40, Subdivision 2; 210A.26, Subdivision 3 and by adding a subdivision; 210A.34, Subdivision 1 and by adding subdivisions; 290.09, Subdivision 2; 645.02; Chapter 10A, by adding a section; and Minnesota Statutes, 1979 Supplement, Sections 204A.53, Subdivision 3; and 290.21, Subdivision 3; repealing Minnesota Statutes 1978, Sections 10A.25, Subdivisions 2 to 7 and 10; 10A.28, Subdivision 1; and 10A.32, Subdivisions 3 and 3b.

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

ARTICLE I INITIATIVE AND REFERENDUM

Section 1. Subdivision 1. An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, a new section shall be added to Article IV, which shall read:

Sec. 27. INITIATIVE AND REFERENDUM. A law may be initiated or referred for repeal upon petition by eligible voters. An initiative or referendum measure shall be placed on the ballot at a general election if petitions for the measure are signed by eligible voters in each congressional district of the state in a number not less than five percent of the number of persons who voted at the last general election in that congressional district. An initiative or referendum measure shall be adopted upon the affirmative vote of a majority of those voting on the question. The voters may not initiate or refer for repeal a constitutional amendment, an appropriation or a special law.

The governor shall have no power to approve or veto an initiative or referendum measure adopted by the voters.

No law adopted by initiative shall be amended or repealed and no law repealed by referendum shall be reenacted by the legislature until another general election has intervened.

The sponsors of an initiative or referendum measure, if the legislature enacts a law with a similar scope and purpose, may elect to place the measure on the ballot or to abandon the measure. If the measure is not abandoned, the legislature may submit the law which it has enacted to a vote of the people in the same manner as an initiative or referendum measure at the election at which the initiative or referendum measure is submitted. If a law enacted by the legislature is submitted to the people at the same election as an initiative or referendum measure, it shall not be subject to veto by the governor and it shall not be effective unless approved by a majority of those voting on the question.

The legislature shall implement the provisions of this section by law.

This section expires January 1, 1985.

Sec. 2. The amendment proposed in section 1 shall be submitted to the people at the 1980 general election. The question submitted shall be:

“Shall the Minnesota Constitution be amended to provide for initiative and referendum?”

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Yes.....
No.....”

Sec. 3. **[3B.01] CITATION.** Sections 3 to 30 may be cited as “The Initiative and Referendum Implementation Act”.

Sec. 4. **[3B.02] DEFINITIONS.** Subdivision 1. The words defined by this section shall, when used in sections 3 to 30, have the meanings given them.

Subd. 2. “General election” is as defined in section 200.02, subdivision 2.

Subd. 3. “Measure” means the proposed law in an initiative petition or the law proposed to be repealed in a referendum petition.

Subd. 4. “Petition drive” means the organized process by which the sponsors and their authorized agents solicit eligible voters to sign initiative or referendum petitions.

Subd. 5. “Eligible voter” has the meaning provided in section 200.02, subdivision 25.

Subd. 6. “Sponsors” means the persons specified by section 5, subdivision 2, clause (a).

Sec. 5. **[3B.03] PREPARATION FOR PETITIONING ON AN INITIATIVE OR REFERENDUM MEASURE.** Subdivision 1. Before circulation of any petitions to have an initiative or referendum measure placed on the ballot, the sponsors shall file a declaration with the secretary of state not later than March 1 of an odd numbered year.

Subd. 2. The declaration shall:

(a) State the names, mailing addresses and any business or residential phone numbers of not less than 50 eligible voters with an indication of who is the chairman and who is the treasurer;

(b) State the name and mailing address of all committees, groups or organizations known to the sponsors who intend to support the petition drive on the measure or otherwise aid the sponsors;

(c) Give a description of the intent or purpose of an initiative or referendum measure;

(d) For a referendum measure, give a precise citation of the law, or portion of a law, which the sponsors seek to have referred. The citation shall be to the Laws of Minnesota, by chapter and, if appropriate, section number, or to the chapter, section or subdivision of the latest edition of Minnesota Statutes;

(e) State a short title by which the sponsors want the initiative or referendum measure to be identified and which is not misleading; and

(f) State the name, address and phone number of a person who is generally available to work on the final form and wording of the measure and is authorized to approve its final form and wording.

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Subd. 3. The secretary of state shall provide a sample declaration form.

Subd. 4. The sponsors shall pay to the secretary of state a filing fee of \$200 which shall be deposited in the general fund.

Sec. 6. [3B.04] ADVICE BY REVISOR OF STATUTES. Subdivision 1. The secretary of state shall immediately forward one copy of each declaration provided for in section 5 to the revisor of statutes. The secretary of state shall also advise the sponsors to consult with the revisor.

Subd. 2. The revisor of statutes shall, within 42 days after the filing of the declaration, prepare a final draft of an initiative or referendum measure. The intent and purpose may be amplified or refined by the sponsor authorized in the declaration to approve the form and wording of the measure. The revisor shall advise that sponsor as to the measure's constitutionality, and the best form of the measure to accomplish the sponsors' intent and purpose. However, if the revisor and the sponsors disagree as to the best form and content of the measure to accomplish the sponsors' intent and purpose, or disagree as to constitutionality, the directions of the sponsors shall prevail. All discussions by the revisor with the sponsors shall be treated by the revisor as confidential. If, after consulting with the revisor, the sponsors do not desire the revisor's assistance, they shall sign a written waiver of assistance. The waiver shall then be filed with the secretary of state and the revisor, together with a final draft of the initiative or referendum measure prepared by the sponsors. Together with the final draft prepared by the revisor, or within seven days after receiving the waiver and final draft prepared by the sponsors, the revisor shall furnish the sponsors and the secretary of state with a summary of the measure to be proposed to the people.

Subd. 3. The form of initiative and referendum measures shall conform to the form of bills considered by the legislature. The enacting clause shall be "BE IT ENACTED BY THE PEOPLE OF THE STATE OF MINNESOTA". No initiative or referendum measure shall embrace more than one subject. The measure may not provide for the form of the ballot question by which it would be submitted to the electors.

Subd. 4. If the sponsors, within 63 days after filing their declaration have not filed with the secretary of state either the revisor's final draft of the measure or their waiver of assistance from the revisor and a final draft of the measure prepared by them, the petition drive shall be deemed abandoned.

Sec. 7. [3B.05] PETITIONS FOR INITIATIVE OR REFERENDUM. Subdivision 1. Each initiative or referendum petition shall consist of as many copies as the sponsors print, each of which shall be not more than one sheet of paper and contain the following on the front:

(a) In not less than 24 point bold type on a 30 point body at the top of the front page, the printed words "OFFICIAL INITIATIVE (OR REFERENDUM) PETITION";

(b) The short title by which the initiative or referendum measure is to be identified and the chairman of the sponsors;

(c) The summary of the measure prepared by the revisor;

(d) A statement that a verbatim copy of the initiative or referendum measure is available for public examination at the office of the secretary of state or any county auditor; and

(e) Space for eligible voters to sign the petition including space for the signature, printed name, telephone number, mailing address, county and congressional district of residence and an indication of status as eligible voter.

Subd. 2. On the front or back of each petition shall be an affidavit for the person circulating the petition which shall include his name, mailing address, and phone number; indicate that he circulated the petition; indicate that to the best of his knowledge each of the signers is an eligible voter and resident in the county and congressional district indicated; identify the sponsors on whose behalf the petition was circulated; and state the period during which it was circulated.

Subd. 3. At the time the final draft of the initiative or referendum measure is filed with the secretary of state, as provided by section 6 the sponsors shall also file a copy of the petition with the secretary of state. Within seven days the secretary shall examine the petition and determine whether it complies with this section. If the petition complies, the secretary shall approve it and notify the sponsors. If the secretary finds that the form of the petition is not in compliance, he shall disapprove it and order it redrafted. The secretary shall notify the sponsors that the petition is not in compliance with the law and specify what changes are necessary to bring it into compliance. Failure to refile a new petition drafted in accordance with the secretary's instructions not later than seven days after the secretary's notice constitutes abandonment of the petition drive. Upon refileing, the secretary shall again examine the petition for its compliance with this section and approve it or again reject it within seven days after the refileing. The petition may subsequently be refiled until it is found to comply with the law and rules.

Subd. 4. The secretary of state shall, within seven calendar days after approving the initiative or referendum petition, send to the county auditor in each county a verbatim copy of the initiative or referendum measure as on file in his office.

Sec. 8. [3B.06] TIME OF CIRCULATION OF INITIATIVE OR REFERENDUM PETITIONS; VOLUNTARY ABANDONMENT. Subdivision 1. Initiative and referendum petitions may only be circulated on those days of odd numbered years which are more than eight calendar days after the date of the secretary of state's approval of the petition. This limitation shall not prevent the sponsors from undertaking organizational activity or completing the procedures of sections 5, 6 or 7 prior to the time petitions are circulated.

Subd. 2. The sponsors may voluntarily abandon the petition drive any time before December 31 of the year in which the petitions are filed or the date on which the petition is certified by the secretary of state as provided in section 14, whichever occurs first. To abandon the drive, a declaration to that effect shall be filed with the secretary of state. The filing of the declaration shall not prevent

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other sponsors from beginning a similar or identical petition drive. All petitions signed prior to the declaration are invalid upon the filing of the declaration and may not subsequently be utilized by the new sponsors.

Subd. 3. Petitions which are signed but never filed, or which are filed but the number of signatures is later determined to be insufficient, are invalid on June 1 after the year in which they were signed. The petitions may not be used for similar or identical petition circulation efforts in subsequent years.

Sec. 9. [3B.07] AMOUNT OF SIGNATURES FOR INITIATIVE OR REFERENDUM. An initiative or referendum measure shall be placed on the ballot if petitions for the measure are signed by eligible voters in each congressional district of the state in a number not less than five percent of the number of persons who voted at the last general election in that congressional district. For the purpose of determining the number of persons who voted at the last general election, when an election precinct contains more than one congressional district the number of persons voting at the last general election in each district in that precinct shall be the number of persons who voted for the office of representative in congress in that portion of the precinct.

Sec. 10. [3B.08] FILING OF PETITIONS. The sponsors shall file the signed petitions with the secretary of state not later than October 1 of the year in which the petitions were circulated. Before filing the signed petitions the sponsors shall securely bind them together.

Only the sponsors, or those authorized in writing by the sponsors, may file petitions.

Sec. 11. [3B.09] PETITIONS RECEIVED BY SECRETARY OF STATE AND SIGNATURES COUNTED. The secretary of state shall determine the total number of signatures on the petitions filed and shall, not later than October 10, give written notification to the sponsors of the number of signatures in each congressional district. If the number of signatures filed is less than the minimum number of signatures required in a congressional district, petitions for additional signatures may be circulated for one additional period of 21 days commencing from the date of notification.

Sec. 12. [3B.10] VERIFICATION OF PETITIONS. Subdivision 1. Not later than December 31 of the year in which the petitions were signed the secretary of state shall determine whether a sufficient number of valid signatures has been obtained. The secretary may verify signatures by the random sampling method provided in section 13. County auditors shall assist the secretary in verifying signatures, at the secretary's request. Any eligible voter may challenge the number or validity of signatures on the petition. The secretary of state shall determine the contest of the number or validity of signatures by an eligible voter.

Subd. 2. A signature is valid when:

(a) It is signed by the person named;

(b) It is voluntarily signed;

(c) The signatory is an eligible voter;

(d) The signatory is a resident of the congressional district indicated on the petition; and,

(e) The signature is identifiable.

Subd. 3. An eligible voter contesting the sufficiency or validity of signatures shall file a protest within the time provided in subdivision 1 for the secretary of state to verify the petitions or within seven days of the determination of the secretary of state under subdivision 1, whichever occurs earlier. The protest shall include a brief statement of the evidence of insufficiency or invalidity. If an eligible voter contests the sufficiency or validity of signatures in bad faith, he may be assessed costs of the contest up to a maximum of \$200. The secretary of state shall hear evidence and determine contests within 21 days after the protest is filed.

Subd. 4. If the secretary of state determines that the number of valid signatures is less than the number required, he shall so notify the sponsors and petitions for additional signatures may be circulated for an additional period of 21 days, in the case of a determination of an actual number deficiency, or 35 days, in the case of an estimated number deficiency, commencing from the date of notification. The secretary shall verify a random sample of the additional signatures within 10 days of receiving them. If the verification from the random sample of the additional signatures does not show that the total number of valid signatures on the additional petitions is 100 percent or more of the deficiency, the secretary shall notify the sponsors. No further action shall then be taken on the petitions.

Sec. 13. [3B.11] RANDOM SAMPLING METHOD OF SIGNATURE VERIFICATION. Subdivision 1. A sample of signatures to be verified shall be drawn in such a manner that every signature filed with the secretary of state shall be given an equal opportunity to be included in the sample. The sample shall include five percent of the signatures.

Subd. 2. If the verification from the statistical sample shows that the total number of valid signatures on all the petitions is 100 percent or more of the minimum number of signatures needed to declare the number of petition signatures to be sufficient for each congressional district, the secretary of state shall determine the number of valid signatures to be sufficient. The number of valid signatures shall be determined by taking the total number of signatures filed in each congressional district and multiplying it by the percentage of signatures in the statistical sample which were found to be valid. In calculating the number of valid signatures, any fractions shall be rounded up to one.

Subd. 3. If the verification from the statistical sample shows that the number of valid signatures is less than 100 percent of the minimum number of signatures needed to declare the number of petition signatures to be sufficient for each congressional district, the secretary of state shall determine that the number of petition signatures is insufficient. The secretary shall give the sponsors written notice of what percentage of the signatures is valid.

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Sec. 14. **[3B.12] CERTIFICATION BY SECRETARY OF STATE.** If the number of petition signatures from each congressional district meets the minimum number required, the secretary of state shall certify the sufficiency of the initiative or referendum petitions to the sponsors and all county auditors. The question of adoption of a proposed law in an initiative petition or of repeal of a law in a referendum petition shall then be placed on the ballot for the general election. The secretary of state's certificate shall state the wording of the question to be placed on the ballot. The executive council shall recommend to the secretary of state a wording for the question. The ballot question shall be a true and impartial statement of the intent and purpose of the initiative or referendum measure. It shall be in similar form as a ballot question for a legislative proposal of a constitutional amendment.

Sec. 15. **[3B.13] ABANDONMENT OF INITIATIVE OR REFERENDUM.** The sponsors of an initiative or referendum measure may abandon the measure after the sufficiency and validity of the petition is certified by the secretary of state and before June 1 of the even numbered year after the petition is filed, if the legislature has enacted a law with a similar scope and purpose during that period. The measure is abandoned if four-fifths of the sponsors sign a written declaration abandoning the measure and the declaration is filed with the secretary of state. If an initiative or referendum measure is abandoned as provided in this section it shall not be placed on the ballot and the petition shall not be effective to initiate any other proposed law or refer any other existing law.

Sec. 16. **[3B.14] PLACEMENT OF LAW ON BALLOT.** If an initiative or referendum petition has been certified so that an initiative or referendum measure will appear on the ballot at the next general election and the legislature enacts a law with a scope and purpose similar to that of the initiative or referendum measure during its regular session in that general election year, the legislature may place that law on the ballot in the manner provided for an initiative or referendum measure under section 14. The law shall appear on the ballot as provided by the legislature unless the initiative or referendum measure is abandoned as provided in section 15.

Sec. 17. **[3B.15] NUMBERING OF BALLOT MEASURES.** The secretary of state shall number in consecutive order each initiative or referendum ballot measure with the wording "BALLOT QUESTION....". Ballot questions shall be numbered sequentially starting from the number one for the first ballot question certified to be placed on the ballot after the effective date of this section. Ballot questions which are certified to appear on the ballot in general elections in subsequent years shall be numbered sequentially beginning with the first number after the number of the last ballot question at the last general election. The order shall be assigned by the secretary of state in the order that it is finally determined that each question will be placed on the statewide ballot at the next general election.

Sec. 18. **[3B.16] BALLOTS, VOTING AND CANVASSING OF INITIATIVE OR REFERENDUM QUESTIONS.** On all initiative and referendum measures, the ballots shall be prepared, voting conducted, results canvassed, contests conducted and results certified as provided by chapters 200 to 209.

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Sec. 19. **[3B.17] TIME OF ELECTION ON INITIATIVE AND REFERENDUM QUESTIONS.** Voting upon initiative or referendum questions shall be held only at a general election.

Sec. 20. **[3B.18] SIMULTANEOUS PETITIONS FOR INITIATIVE MEASURES.** Nothing shall prevent multiple simultaneous petition drives involving identical initiative or referendum measures whether by the same or different sponsors. However, the first determination by the secretary of state of the sufficiency of the signatures for one measure shall automatically constitute abandonment of the other petition drives as of the date of the secretary's determination.

Sec. 21. **[3B.19] COSTS OF COUNTY AUDITORS TO VERIFY SIGNATURES.** Subdivision 1. The state of Minnesota shall reimburse all county auditors for all reasonable costs of assisting in the verification of signatures on initiative or referendum petitions.

Subd. 2. Each year prior to May 1, each auditor shall submit to the secretary of state a verified statement of expenditures incurred in the previous calendar year. The statement shall specify how all costs were incurred.

Subd. 3. The secretary of state shall, within 30 days after receipt of each auditor's statement, pay to each county auditor the costs which the secretary determines are reasonable.

Subd. 4. The secretary of state shall, by rule, provide for the standards of what costs will be reimbursed by the state.

Sec. 22. **[3B.20] RESOLUTION OF CONFLICTS BETWEEN INITIATIVE OR REFERENDUM MEASURES.** Subdivision 1. Nothing shall prevent petitioning for measures which are apparently in substantial conflict.

Subd. 2. If two or more measures which substantially conflict are adopted by a vote of the people, including a measure placed on the ballot by the legislature, the one receiving the highest number of affirmative votes shall be effective. In the event that it is finally determined that the measures received an equal number of affirmative votes, neither measure shall become effective, but they shall again be placed on the ballot at the next general election.

Subd. 3. A petition may be filed with the district court by any eligible voter alleging that two or more adopted measures substantially conflict. A copy of the petition shall be served upon the sponsors and upon the attorney general. The district court shall issue its findings and conclusions within 60 days of the filing of the petition.

Subd. 4. The district court shall find that two or more measures substantially conflict when any material provision in one measure is irreconcilable with a material provision in another measure. Upon a finding that any provisions of measures substantially conflict, the district court shall find that the entire measures conflict and state which measure prevails under the provisions of subdivision 2.

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Sec. 23. [3B.21] PUBLICATION OF ADOPTED INITIATIVE MATTERS.

Subdivision 1. Initiative or referendum measures which are adopted by the people shall be published by the revisor of statutes in the Laws of Minnesota for the legislative session for the year subsequent to the year of the election at which the law is adopted. Initiative and referendum measures shall be placed in a separate section of the Laws of Minnesota and given chapter numbers by the revisor of statutes distinctive from the chapter numbers given legislative enactments by the secretary of state.

Subd. 2. If an initiative or referendum measure is adopted by the people, the revisor of statutes may incorporate it into the next edition of the Minnesota Statutes or the supplement to the Minnesota Statutes in the same manner as for legislative enactments.

Sec. 24. [3B.22] LITERATURE MUST INCLUDE NAMES. Any person or committee who shall publish, issue, post, circulate, or cause to be published, issued, posted, circulated, other than in a newspaper as provided in section 25, any literature, campaign material, or any publication, including cards, pamphlets, flyers, signs, banners, leaflets, announcements, or other material tending to influence desire to sign or refusal to sign an initiative or referendum petition or the voting at an election on a ballot issue, which fails to prominently display the name and mailing address of the author, the name of the person or committee in whose behalf the same is published, issued, posted, or circulated, and the name and mailing address of any other person or committee causing the same to be published, issued, posted, circulated, or broadcasted shall be guilty of a misdemeanor.

Sec. 25. [3B.23] PAID ADVERTISEMENTS IN NEWS. Subdivision 1. No publisher of a newspaper, periodical, or magazine shall insert in that newspaper, magazine, or periodical, and no radio or television station shall broadcast any matter paid or to be paid for which tends or is intended to influence directly or indirectly the desire to sign or refusal to sign an initiative or referendum petition or any voting at an election on a ballot issue unless it is prominently indicated that it is a paid advertisement. There shall also be a statement of the amount paid or to be paid, or a statement that the same is to be paid at regular advertising rates, the name of the person or committee in whose behalf the matter is inserted or broadcast and of any other person or the names of the officer and the committee authorizing the publication.

Subd. 2. To the extent that any person sells either advertising space or broadcast time used on behalf of any measure, the charges made shall not exceed the charges made for any other comparable purpose or use according to the seller's rate schedule.

Sec. 26. [3B.24] DISCLOSURE TO ETHICAL PRACTICES BOARD. For the purpose of section 10A.01, subdivision 15, "political committee" includes any association organized to promote or defeat a ballot question, including the sponsors of a petition as defined by section 4, subdivision 6, and any association that gives implicit or explicit consent for any other person to receive contributions or make expenditures to promote or defeat a ballot question.

Sec. 27. **[3B.25] PROHIBITIONS. Subdivision 1. No person shall:**

(a) Be paid compensation for signing an initiative or referendum petition;

(b) Willfully refuse to file a statement of expenses regarding an initiative or referendum measure when required by law;

(c) Publish any literature, campaign material or any publication including cards, pamphlets, flyers, signs, banners, leaflets, or other material or any radio or television broadcast regarding an initiative or referendum measure which does not bear the identification required by law;

(d) Publish in any newspaper, periodical or magazine any paid advertising matter relating to an initiative or referendum measure which does not contain the identification required by law;

(e) File a petition for an initiative or referendum measure with the secretary of state without the written authorization of the sponsors;

(f) Induce a person to sign a petition by fraud, force or the threat of force;

(g) Pay compensation for signing an initiative or referendum petition;

(h) Publish or broadcast any information regarding an initiative or referendum measure with knowledge that it is false and which tends to substantially affect adoption or rejection of the measure when the publication or broadcast is undertaken primarily for the purpose of influencing adoption or rejection;

(i) Sign a petition with a name other than his own name; or

(j) Intentionally sign the same petition more than once.

Subd. 2. Any person violating any provision of subdivision 1, clauses (a), (b), (c), (d) or (e) is guilty of a misdemeanor. Any person violating any provision of subdivision 1, clauses (f), (g), (h), (i) or (j) is guilty of a gross misdemeanor.

Sec. 28. **[3B.26] ACTION BY AND NOTIFICATIONS TO SPONSORS. Subdivision 1. Only sponsors, or those authorized by them in writing, may file any required document or statement regarding initiative or referendum petitions, measures or campaigns including election contests or petition signature count or validity contests.**

Subd. 2. The signature of the chairman, of the sponsors, or a person authorized in writing by the chairman, is sufficient to authorize the filing of any statement or document required by law. If the chairman authorizes another person to file any statement or document, a copy of the authorization shall be attached to the filed statement or document.

Subd. 3. If notice is required to be given to the sponsors, it shall be given to those persons provided in subdivision 2 who may authorize any filing.

Sec. 29. **[3B.27] DATES OF ACTIONS. Subdivision 1. In sections 3 to 30, whenever an action is required to be taken on a specified date or by the end of an elapsed number of days, and that day is a Saturday, Sunday or a legal holiday,**

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the action shall be accomplished on the next day which is not a Saturday, Sunday or a legal holiday.

Subd. 2. In sections 3 to 30, whenever a document is required to be filed or received, only physical deposit of the document with the indicated person constitutes filing or receipt. A mailing date within the time period is not sufficient.

Sec. 30. [3B.28] JUDICIAL REVIEW OF INITIATIVE OR REFERENDUM MATTERS. Subdivision 1. The district court shall have original jurisdiction of any suit involving:

(a) the sufficiency of the number or validity of signatures on petitions after the administrative determinations by the secretary of state have been exhausted; or,

(b) resolution of conflicts between initiative or referendum measures as provided by section 22; or,

(c) any suit alleging the unconstitutionality of an adopted initiative or referendum measure.

Subd. 2. Venue for all suits and criminal prosecutions involving initiative or referendum matters shall be in the district court in Ramsey County.

Subd. 3. Suits contesting a final administrative determination of the number or validity of signatures on petitions shall be filed not later than ten calendar days after the final determination.

Suits involving conflicts between initiative or referendum measures shall be filed prior to the effective date of the initiative or referendum measures.

Subd. 4. A court may defer the effective date of an adopted initiative or referendum measure when a deferral, in the discretion of the court, is found to be in the interest of justice.

Sec. 31. Minnesota Statutes 1978, Section 10A.20, is amended by adding a subdivision to read:

Subd. 2a. In addition to the reports required by subdivision 2, a political committee organized to promote or defeat a ballot question shall also file reports not later than five days after a petition to place the question on the ballot is certified pursuant to section 14.

Sec. 32. Minnesota Statutes 1978, Section 203A.31, Subdivision 2, is amended to read:

Subd. 2. STATE PINK AND BLUE BALLOTS. There shall be one ballot on pink paper, hereinafter called the "pink ballot," upon which all ~~propositions~~ and questions constitutional amendments to be voted upon throughout the state shall be printed so that the voters may indicate by a mark (X) either a negative or affirmative vote. All initiative or referendum ballot questions shall be on one blue ballot. The order of the questions shall be in the order of their sequential

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numbers assigned pursuant to section 17. In preparing the pink ballot and blue ballots the secretary of state shall apply an appropriate title to each proposition and question, which title shall be approved by the attorney general, and shall consist of not more than one printed line above the proposition or question to which it refers. ~~At the head of the ballot or in some other prominent place on the ballot there shall be printed conspicuously~~ After each question on a constitutional amendment shall be printed a notice stating in substance that a voter's failure to vote on a constitutional amendment has the effect of a negative vote. The pink ballots shall be deposited in a separate pink ballot box. The blue ballots shall be deposited in a separate blue ballot box. They shall be counted, canvassed and returned as in the case of white ballots, and the tally books and return blanks shall provide suitable columns and spaces therefor. The total of the "yes" votes, the total of the "no" votes, and the total number of votes cast shall be reported in the returns.

Sec. 33. Minnesota Statutes 1978, Section 203A.31, Subdivision 3, is amended to read:

Subd. 3. **PREPARATION; PINK AND BLUE BALLOT.** The pink ballot and the blue ballot shall be prepared under the direction of the secretary of state and bound in blocks of 50, and a sufficient number thereof to enable the clerks to comply with the provisions of section 203A.11, subdivision 2 shall be forwarded by him by express to the auditor of each county at least 15 days before the general election, and receipts taken therefor, stating the number and date when received. Four weeks before the general election the secretary of state shall file sample copies of the pink and blue ballots in his office for public inspection, and three weeks before the election the secretary shall mail to the auditor of each county sample copies of the pink and blue ballots.

Sec. 34. Minnesota Statutes 1978, Section 204A.24, is amended to read:

204A.24 **EXPENSES.** The compensation prescribed in section 204A.23, clause (a), the cost of printing the white, blue, and pink ballots, and all necessary expenses incurred by the secretary of state in connection with elections, shall be paid by the state out of moneys not otherwise appropriated. The compensation prescribed in section 204A.23, clauses (b) and (c), the cost of printing the county and district canary ballots, all necessary expenses incurred by auditors in connection with elections, and the expenses of special county elections, shall be paid by the respective counties. The compensation prescribed in section 204A.23, clauses (d) and (e), the cost of printing the municipal light green ballots, of providing ballot boxes and polling places, and equipping the same, and all necessary expenses of the clerks of municipalities on account of elections, except special county elections, shall be paid by the respective towns or cities where the elections are held. All disbursements hereunder shall be presented, audited, and paid as in the case of other public expenses.

Sec. 35. Minnesota Statutes 1978, Section 204A.40, Subdivision 2, is amended to read:

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Subd. 2. **BALLOTS, ORDER OF CANVASS.** The ballot boxes shall be opened, the votes counted, and the results declared, one box at a time in the following order: the white box, the pink box, the blue box, the canary box, the light green box, and other kinds of ballots voted at the election except that if sufficient judges are available to provide counting teams of four or more judges evenly divided between the political parties for each box, an additional box or boxes may be opened and counted. The returns may not be finally prepared until the votes in all the boxes have been counted so as to allow corrections in case any errors have occurred by reason of the deposit of ballots in the wrong boxes.

Sec. 36. Minnesota Statutes, 1979 Supplement, Section 204A.53, Subdivision 3, is amended to read:

Subd. 3. **STATE CANVASS, GENERAL ELECTION.** After the general election, the canvassing board shall canvass the certified copies of the statements made by the county canvassing boards, and they shall prepare therefrom a statement of the following information:

(a) A statement of the whole number of votes counted for candidates for state offices, congressional offices, and such other candidates as shall be voted for in more than one county, specifying the several counties in which they were cast;

(b) The names of the persons receiving the votes and the number received by each, specifying the several counties in which they were cast; ~~and~~

(c) The number of votes counted for and against each constitutional amendment, specifying the several counties in which they were cast; and

(d) The number of votes counted for and against each initiative or referendum ballot measure.

If the difference between the votes of a candidate for legislative office who would otherwise be declared elected by the state canvassing board and the votes of any other candidate for that office is 100 or less, the board shall recount the votes. A recount shall not delay any other part of the canvass and the results shall be certified as soon as possible. Time for notice of a contest of an election which is recounted shall begin to run upon completion of the recount and canvass for that office. A losing candidate may waive the recount required pursuant to this subdivision by filing a written notice of waiver with the canvassing board.

In case of a tie vote for any office, the result of which is to be certified by the state canvassing board, the board shall determine the tie by lot.

Sec. 37. Minnesota Statutes 1978, Section 290.09, Subdivision 2, is amended to read:

Subd. 2. **TRADE OR BUSINESS EXPENSES; EXPENSES FOR PRODUCTION OF INCOME.** (a) In General. There shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, including

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(1) A reasonable allowance for salaries or other compensation for personal services actually rendered;

(2) Traveling expenses (including the entire amount expended for meals and lodging) while away from home in the pursuit of a trade or business; and

(3) Rentals or other payments required to be made as a condition to the continued use or possession, for purposes of the trade or business, of property to which the taxpayer has not taken or is not taking title or in which he has no equity. For purposes of the preceding sentence, the place of residence of a member of congress within the state shall be considered his home, but amounts expended by such members within each taxable year for living expenses shall not be deductible for income tax purposes in excess of \$3,000.

(b) Expenses for Production of Income. In the case of an individual, there shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the taxable year.

(1) For the production or collection of income;

(2) For the management, conservation, or maintenance of property held for the production of income; or

(3) In connection with the determination, collection, or refund of any tax.

(c) Campaign expenditures in an amount not to exceed the limits set out in section 210A.22, not subsequently reimbursed, which have been personally paid by a candidate for public office if the candidate has complied with the expenditure limitations set out in section 210A.22:

(No deduction shall be allowed under this clause for any contribution or gift which would be allowable as a credit under section 290.21 were it not for the percentage limitations set forth in such section);

(d) All expense money paid by the legislature to legislators;

(e) The provisions of section 280A (disallowing certain expenses in connection with the business use of the home and rental of vacation homes) of the Internal Revenue Code of 1954, as amended through December 31, 1976, shall be applicable in determining the availability of any deduction under this subdivision.

(f) No deduction shall be allowed under this subdivision to a corporation for expenditures to promote or defeat the certification of an initiative or referendum proposal or the passage of an initiative or referendum measure which has qualified for the general election ballot, including a proposal or measure which materially affects the property, business, or assets of a corporation; nor shall a deduction be allowed to a corporation for contributions or payments made to an individual, organization, association, corporation, or committee any part of whose activities include efforts to promote or defeat the certification of an initiative or referendum proposal or the passage of an initiative or referendum measure which has qualified for the general election ballot, including a proposal or measure which materially affects the property, business, or assets of a corporation.

Sec. 38. Minnesota Statutes, 1979 Supplement, Section 290.21, Subdivision 3, is amended to read:

Subd. 3. An amount for contribution or gifts made within the taxable year:

(a) to or for the use of the state of Minnesota, or any of its political subdivisions for exclusively public purposes,

(b) to or for the use of any community chest, corporation, organization, trust, fund, association, or foundation located in and carrying on substantially all of its activities within this state, organized and operating exclusively for religious, charitable, public cemetery, scientific, literary, artistic, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual,

(c) to a fraternal society, order, or association, operating under the lodge system located in and carrying on substantially all of their activities within this state if such contributions or gifts are to be used exclusively for the purposes specified in subdivision 3(b), or for or to posts or organizations of war veterans or auxiliary units or societies of such posts or organizations, if they are within the state and no part of their net income inures to the benefit of any private shareholder or individual, or to an employee stock ownership trust as defined in section 290.01, subdivision 25. Where the beneficiaries of a stock ownership trust include the transferor, his spouse, children, grandchildren, parents, siblings or their children, the amount of the deduction shall be reduced by the product of multiplying said amount by their percentage interest in the trust,

(d) to or for the use of the United States of America for exclusively public purposes, and to or for the use of any community chest, corporation, trust, fund, association, or foundation, organized and operated exclusively for any of the purposes specified in subdivision 3(b) and (c) no part of the net earnings of which inures to the benefit of any private shareholder or individual, but not carrying on substantially all of their activities within this state, in an amount equal to the ratio of Minnesota taxable net income to total net income, provided, however, that for an individual taxpayer, the credit shall be allowed in an amount equal to the ratio of the taxpayer's gross income assignable to Minnesota to the taxpayer's gross income from all sources,

(e) to a political party, as defined in section 200.02, subdivision 7, or a political candidate, as defined in section 210A.01, or a political cause when sponsored by any party or association or committee, as defined in section 210A.01, in a maximum amount not to exceed the following:

(1) contributions made by individual natural persons, \$100,

(2) contributions made by a national committeeman, national committeewoman, state chairman, or state chairwoman of a political party, as defined in section 200.02, subdivision 7, \$1,000,

(3) contributions made by a congressional district committeeman or committeewoman of a political party, as defined in section 200.02, subdivision 7, \$350,

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(4) contributions made by a county chairman or a county chairwoman of a political party, as defined in section 200.02, subdivision 7, \$150;

(f) in the case of an individual, the total credit against taxable net income allowable hereunder shall not exceed 30 percent of the taxpayer's Minnesota gross income as follows:

(i) the aggregate of contributions made to organizations specified in (a), (b) and (d) shall not exceed ten percent of the taxpayer's Minnesota gross income,

(ii) the total credits under this subparagraph for any taxable year shall not exceed 20 percent of the taxpayer's Minnesota gross income. For purposes of this subparagraph, the credits under this section shall be computed without regard to any deduction allowed under subparagraph (i) but shall take into account any contributions described in subparagraph (i) which are in excess of the amount allowable as a credit under subparagraph (i);

(g) in the case of a corporation, the total credit against net income hereunder shall not exceed 15 percent of the taxpayer's taxable net income less the credits allowable under this section other than those for contributions or gifts,

Provided that no credit shall be allowed to a corporation for contributions or gifts to any individual, association, corporation, committee, trust, fund, foundation, community chest, fraternal society, or organization for use in efforts to promote or defeat the certification of an initiative or referendum proposal or the passage of an initiative or referendum measure which has qualified for the general election ballot.

(h) in the case of a corporation reporting its taxable income on the accrual basis, if: (A) the board of directors authorizes a charitable contribution during any taxable year, and (B) payment of such contribution is made after the close of such taxable year and on or before the fifteenth day of the third month following the close of such taxable year; then the taxpayer may elect to treat such contribution as paid during such taxable year. The election may be made only at the time of the filing of the return for such taxable year, and shall be signified in such manner as the commissioner shall by regulations prescribe;

(i) in the case of a contribution or property placed in trust as described in section 170(f)(2) of the Internal Revenue Code of 1954, as amended through December 31, 1976, a credit shall be allowed under this subdivision to the extent that a deduction is allowable for federal income tax purposes.

Sec. 39. Minnesota Statutes 1978, Section 645.02, is amended to read:

645.02 EFFECTIVE DATE AND TIME OF LAWS. Subdivision 1. Each act, except one making appropriations, enacted finally at any session of the legislature takes effect on August 1 next following its final enactment, unless a different date is specified in the act.

Subd. 2. A special law required to be approved by the local government unit affected before it goes into effect becomes effective as to the approving unit

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the day following the day on which the certificate of approval prescribed by section 645.021, subdivision 1, is filed with the secretary of state, unless a later date is specified in the act. When approval of such a special law is required by two or more local government units before it may become effective, the day after the day when the last of the required certificates is filed is the effective date, unless a later date is specified in the act.

Subd. 3. An appropriation act or an act having appropriation items enacted finally at any session of the legislature takes effect at the beginning of the first day of July next following its final enactment, unless a different date is specified in the act.

Subd. 4. Any initiative or referendum measure adopted by the voters shall be effective on December 31 following the general election at which the initiative or referendum measure is adopted.

Subd. 5. Each ~~act~~ law takes effect at 12:01 a.m. on the day it becomes effective, unless a different time is specified in the act.

If a constitutional amendment is ratified at an election, the governor shall announce by proclamation that the amendment became effective 12:01 a.m. on the day after the election at which it was approved.

Sec. 40. APPROPRIATION. The sum of \$25,000 is appropriated from the general fund to the secretary of state to carry out her duties under law. This appropriation is available December 1, 1980, if the amendment proposed by section 1 of this article is adopted as provided in the Minnesota Constitution and shall be available until June 30, 1981.

Sec. 41. EFFECTIVE DATE. Sections 3 to 39 are effective upon ratification of the amendment proposed in section 1 of this article as provided in the Minnesota Constitution and shall expire January 1, 1985.

ARTICLE II CONTRIBUTIONS AND EXPENDITURES IN BALLOT QUESTION CAMPAIGNS

Section 1. Minnesota Statutes 1978, Section 10A.01, Subdivision 7, is amended to read:

Subd. 7. "Contribution" means a transfer of funds or a donation in kind.

Contribution includes any loan or advance of credit to a political committee, political fund, or principal campaign committee, which loan or advance of credit is (a) forgiven, or (b) paid by an entity other than the political committee, political fund, or principal campaign committee to which the loan or advance of credit is made. If an advance of credit or a loan is forgiven or paid as provided in this subdivision, it is a contribution in the year in which the loan or advance of credit is made.

A contribution made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate.

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

Sec. 2. Minnesota Statutes 1978, Section 10A.01, Subdivision 7a, is amended to read:

Subd. 7a. "Transfer of funds" or "transfer" means money or negotiable instruments given by an individual or association to a political committee, political fund, or principal campaign committee for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question .

Sec. 3. Minnesota Statutes 1978, Section 10A.01, Subdivision 7b, is amended to read:

Subd. 7b. "Donation in kind" means anything of value other than money or negotiable instruments given by an individual or association to a political committee, political fund, or principal campaign committee for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question . Donation in kind includes an approved expenditure.

Sec. 4. Minnesota Statutes 1978, Section 10A.01, Subdivision 10, is amended to read:

Subd. 10. "Campaign expenditure" or "expenditure" means a purchase or payment of money or anything of value, or an advance of credit, made or incurred for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question .

An expenditure is considered to be made in the year in which the goods or services for which it was made are used or consumed.

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

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

Expenditure does not include:

(a) Noncampaign disbursements as defined in subdivision 10c;

(b) Transfers as defined in subdivision 7a;

(c) Services provided without compensation by an individual volunteering his time on behalf of a candidate, ballot question, *political committee*, or *political fund*; or

(d) The publishing or broadcasting of news items or editorial comments by the news media.

Sec. 5. Minnesota Statutes 1978, Section 10A.01, Subdivision 15, is amended to read:

Subd. 15. "Political committee" means any association as defined in subdivision 3 whose major purpose is to influence the nomination or election of a candidate or to promote or defeat a ballot question .

"Political committee" includes a major political party as defined in subdivision 12, a minor political party as defined in subdivision 13, and any principal campaign committee formed pursuant to section 10A.19.

Sec. 6. Minnesota Statutes 1978, Section 10A.01, Subdivision 16, is amended to read:

Subd. 16. "Political fund" means any accumulation of dues or voluntary contributions by an association other than a political committee, which accumulation is collected or expended for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question .

Sec. 7. Minnesota Statutes 1978, Section 10A.01, is amended by adding a subdivision to read:

Subd. 23. "Ballot question" means a question or proposition which is placed on the ballot and which may be voted on by all voters of the state. "Promoting or defeating a ballot question" includes activities related to qualifying the question for placement on the ballot.

Sec. 8. Minnesota Statutes 1978, Section 10A.12, Subdivision 1, is amended to read:

10A.12 **POLITICAL FUNDS.** Subdivision 1. No association other than a political committee shall transfer more than \$100 in aggregate in any one year to candidates or political committees or make any approved or independent expenditure or expenditure to promote or defeat a ballot question unless the transfer or expenditure is made from a political fund.

Sec. 9. Minnesota Statutes 1978, Section 10A.20, Subdivision 3, is amended to read:

Subd. 3. Each report under this section shall disclose:

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

(b) The name, address and employer, or occupation if self-employed, of each individual, political committee or political fund who within the year has *made one or more transfers or donations in kind to the political committee or political fund, including the purchase of tickets for all fund raising efforts, which in aggregate exceed \$50 for legislative candidates or \$100 for statewide candidates*

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or ballot questions, together with the amount and date of each transfer or donation in kind, and the aggregate amount of transfers and donations in kind within the year from each source so disclosed. A donation in kind shall be disclosed at its fair market value. An approved expenditure is listed as a donation in kind. A donation in kind is considered consumed in the reporting period in which it is received. The names of contributors shall be listed in alphabetical order;

(c) The sum of contributions to the political committee or political fund during the reporting period;

(d) Each loan made or received by the political committee or political fund within the year in aggregate in excess of \$100, continuously reported until repaid or forgiven, together with the name, address, occupation and the principal place of business, if any, of the lender and any endorser and the date and amount of the loan. If any loan made to the principal campaign committee of a candidate is forgiven at any time or repaid by any entity other than that principal campaign committee, it shall be reported as a contribution for the year in which the loan was made;

(e) Each receipt in excess of \$100 not otherwise listed under clauses (b) to (d);

(f) The sum of all receipts of the political committee or political fund during the reporting period;

(g) The name and address of each individual or association to whom aggregate expenditures, including approved expenditures, have been made by or on behalf of the political committee or political fund within the year in excess of \$100, together with the amount, date and purpose of each expenditure and the name and address of, and office sought by, each candidate on whose behalf the expenditure was made, identification of the ballot question which the expenditure is intended to promote or defeat, and in the case of independent expenditures made in opposition to a candidate, the name, address and office sought for each such candidate;

(h) The sum of all expenditures made by or on behalf of the political committee or political fund during the reporting period;

(i) The amount and nature of any advance of credit incurred by the political committee or political fund, continuously reported until paid or forgiven. If any advance of credit incurred by the principal campaign committee of a candidate is forgiven at any time by the creditor or paid by any entity other than that principal campaign committee, it shall be reported as a donation in kind for the year in which the advance of credit was incurred;

(j) The name and address of each political committee, political fund, or principal campaign committee to which aggregate transfers in excess of \$100 have been made within the year, together with the amount and date of each transfer;

(k) The sum of all transfers made by the political committee, political fund, or principal campaign committee during the reporting period;

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(l) For principal campaign committees only, the sum of noncampaign disbursements made in each category listed in section ~~10 of this act~~ 10A.01, subdivision 10c during the reporting period; and

(m) The sum of all noncampaign disbursements made by the political committee, political fund, or principal campaign committee during the reporting period.

Sec. 10. Minnesota Statutes 1978, Section 10A.20, Subdivision 6, is amended to read:

Subd. 6. Every candidate who does not designate and cause to be formed a principal campaign committee, and any individual who makes independent expenditures or expenditures expressly advocating the approval or defeat of a ballot question in aggregate in excess of \$100 in any year, shall file with the board a report containing the information required by subdivision 3. Reports required by this subdivision shall be filed on the dates on which reports by committees and funds are filed.

Sec. 11. Minnesota Statutes 1978, Section 210A.26, Subdivision 3, is amended to read:

Subd. 3. **STATEMENTS OF POLITICAL COMMITTEES.** Statements shall also be made by any political committee showing the total amount of receipts and disbursements, and for what purpose such disbursements were made. Such statement shall be filed within 30 days after any primary, municipal, or general election:

(a) When the committee is organized to support a candidate for a federal office with the filing officer of such candidate;

(b) When the committee is organized to support a candidate for a judicial district or county office with the auditor of the county in which such committee has its headquarters;

~~(c) When the committee is organized to support or oppose any constitutional amendment with the secretary of state;~~

~~(d) When the committee is organized to support a candidate for municipal office in municipalities having more than 20,000 population or to support or oppose propositions in elections in such municipalities with the filing officer of the municipality.~~

Sec. 12. Minnesota Statutes 1978, Section 210A.26, is amended by adding a subdivision to read:

Subd. 6. **BALLOT QUESTIONS.** Any individual, political committee, association or corporation that makes any contribution or expenditure to promote or defeat a ballot question shall file reports as required by this subdivision. Reports shall be filed at the times required for filing financial statements under subdivision 1. Reports shall be filed with the official responsible for placing the question on the ballot. Each report shall show the following information, covering the period from the last report to seven days before the filing date:

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(a) The name and address of each committee, individual, or other person to whom aggregate contributions or expenditures in excess of \$100 have been made to promote or defeat a ballot question, together with the amount, date and purpose of the contribution or expenditure;

(b) The total amount of contributions and expenditures made to promote or defeat a ballot question; and

(c) Identification of the ballot question which the individual, political committee, association or corporation seeks to promote or defeat.

The secretary of state shall prescribe the form for reports required under this subdivision and may do so without adopting rules pursuant to chapter 15.

For the purpose of this subdivision:

(1) "Ballot question" means a question or proposition, other than a ballot question as defined in section 10A.01, subdivision 23, which is placed on the ballot and which may be voted on by the voters of one or more political subdivisions of the state; and

(2) A contribution or expenditure for activities related to qualifying a question for placement on the ballot is a contribution or expenditure to promote or defeat the ballot question.

Sec. 13. Minnesota Statutes 1978, Section 210A.34, Subdivision 1, is amended to read:

210A.34 CORPORATIONS NOT TO CONTRIBUTE TO POLITICAL CAMPAIGN; PERMITTED ACTIVITIES; REPORTS; PENALTIES. Subdivision 1. It shall be unlawful for any corporation doing business in this state to ~~pay or contribute or make any contribution or to offer, consent or agree to pay or contribute~~ make any contribution, directly or indirectly, of any money, property, free service of its officers or employees or thing of value to any political party, organization, committee or individual for any political purpose whatsoever, or to promote or defeat the candidacy of any person for nomination, election, or appointment to any political office. For the purpose of this subdivision, "contribution" includes an expenditure to promote or defeat the election or nomination of any candidate to any political office which is made with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of a candidate, his principal campaign committee or his agent.

Sec. 14. Minnesota Statutes 1978, Section 210A.34, is amended by adding a subdivision to read:

Subd. 1a. It shall be unlawful for any corporation doing business in this state to make any independent expenditure or to offer, consent or agree to make any independent expenditure to promote or defeat the candidacy of any person for nomination, election or appointment to any political office. For the purpose of this subdivision, "independent expenditure" means an expenditure which is not made with the authorization or expressed or implied consent of, or in cooperation

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or concert with, or at the request or suggestion of, a candidate, his principal campaign committee or his agent.

Sec. 15. Minnesota Statutes 1978, Section 210A.34, is amended by adding a subdivision to read:

Subd. 1b. A corporation doing business in this state may make contributions or expenditures to promote or defeat a ballot question, to qualify a question for placement on the ballot unless otherwise prohibited by law, or to express its views on issues of public concern. But no such contribution shall be made to any candidate for nomination, election or appointment to a political office or to any committee organized wholly or partly to promote or defeat such a candidate.

Sec. 16. Minnesota Statutes 1978, Section 210A.34, is amended by adding a subdivision to read:

Subd. 1c. Nothing in this section shall be construed to prohibit publication or broadcasting of news items or editorial comments by the news media.

Sec. 17. **EFFECTIVE DATE.** Sections 1 to 16 are effective the day following final enactment.

ARTICLE III CAMPAIGN FINANCING

Section 1. The following amendment to the Minnesota Constitution, Article VII, is proposed to the people. If the amendment is adopted a new section will be added to read as follows:

Sec. 9. CAMPAIGN SPENDING LIMITS. The amount that may be spent by candidates for constitutional and legislative offices to campaign for nomination or election shall be limited by law. The legislature shall provide by law for disclosure of contributions and expenditures made to support or oppose candidates for state elective offices.

Sec. 2. The proposed amendment shall be submitted to the people at the 1980 general election. The question submitted shall be:

“Shall the Minnesota Constitution be amended to require campaign spending limits for candidates for executive and legislative offices and public disclosure of campaign spending for all state candidates?”

Yes.....

No.....”

Sec. 3. Minnesota Statutes 1978, Chapter 10A, is amended by adding a section to read:

[10A.255] ADJUSTMENT BY CONSUMER PRICE INDEX. Subdivision 1. The dollar amounts provided in section 10A.25, subdivision 2, shall be adjusted for general election year 1984 and subsequent general election years as provided in this section. By June 1 of the general election year, the executive director of the board shall determine the percentage increase in the consumer price index from April of the last general election year to April of the year in which the

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determination is made. The dollar amounts used for the preceding general election year shall be multiplied by that percentage. The product of the calculation shall be added to each dollar amount to produce the dollar limitations to be in effect for the next general election. The product shall be rounded up to the next highest whole dollar. The index used shall be the revised consumer price index for all urban consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States department of labor with 1967 as a base year.

Subd. 2. The dollar amounts provided in section 10A.25, subdivision 2, shall be adjusted for 1982 in the manner provided in subdivision 1, except that the percentage increase in the consumer price index shall be determined from April of 1974 to April of 1982 and the adjustment shall be calculated by the executive director by June 1, 1982.

Sec. 4. Minnesota Statutes 1978, Section 10A.31, Subdivision 1, is amended to read:

10A.31 DESIGNATION OF INCOME TAX PAYMENTS. Subdivision 1. Effective with the taxable years beginning after December 31, ~~1977~~ 1979, every individual who files a tax return or a renter and homeowner property tax refund return with the commissioner of revenue may designate that \$~~1~~ \$2 shall be paid from the general fund of the state into the state elections campaign fund. If a husband and wife file a joint return, each spouse may designate that \$~~1~~ \$2 shall be paid. An individual who is 18 years of age or older, who is a resident of Minnesota, and who is a dependent of another individual who files a tax return or a renter and homeowner property tax refund return, may designate that \$~~1~~ \$2 shall be paid from the general fund of the state into the state elections campaign fund. No individual shall be allowed to designate \$~~1~~ \$2 more than once in any year.

Sec. 5 . Minnesota Statutes 1978, Section 10A.31, Subdivision 3, is amended to read:

Subd. 3. The commissioner of the department of revenue shall provide on the first page of the income tax form and the renter and homeowner property tax refund return notify a space for the filing individual and any adult dependent of that individual of his right to indicate whether or not he wishes to allocate \$~~1~~ \$2 (~~\$2~~ \$4 if filing a joint return) from the general fund of the state to finance the election campaigns of state candidates. The form shall also contain language prepared by the commissioner which permits the individual to direct the state to allocate the \$~~1~~ \$2 (or ~~\$2~~ \$4 if filing a joint return) to: (i) one of the major political parties; (ii) any minor political party as defined in section 10A.01, subdivision 13, which qualifies under the provisions of subdivision 3a; or (iii) all qualifying candidates as provided by subdivision 7. The dependent on the tax return or the renter and homeowner property tax refund return shall sign a statement which authorizes the designation of \$~~1~~ \$2 . The renter and ~~homeowner~~ homeowner property tax refund return shall include instructions that the individual filing the return may designate \$~~1~~ \$2 on the return only if he has not designated \$~~1~~ \$2 on the income tax return.

Sec. 6. Minnesota Statutes 1978, Section 10A.31, Subdivision 5, is amended to read:

Subd. 5. In each calendar year the moneys in each party account and the general account shall be allocated to candidates as follows:

~~(a)~~ (1) 21 percent for the offices of governor and lieutenant governor together;

~~(b)~~ (2) 3.6 percent for the office of attorney general;

~~(c)~~ (3) 1.8 percent each for the offices of secretary of state, state auditor and state treasurer;

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

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

~~(f)~~ (6) To assure that moneys will be returned to the counties from which they were collected, and to assure that the distribution of those moneys rationally relates to the support for particular parties or for particular candidates within legislative districts, moneys from the party accounts for legislative candidates shall be distributed as follows:

Each candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election shall receive moneys from his party account set aside for candidates of the state senate or state house of representatives, whichever applies, according to the following formula;

For each county within his district the candidate's share of the dollars allocated in that county to his party account and set aside for that office shall be:

(a) The sum of the votes cast in the last general election in that part of the county in his district for all candidates of his party (i) whose names appeared on the ballot in each voting precinct of the state and (ii) for the state senate and state house of representatives, divided by

(b) The sum of the votes cast in that county in the last general election for all candidates of his party (i) whose names appeared on the ballot in each voting precinct in the state and (ii) for the state senate and state house of representatives, multiplied by

(c) The amount in his party account allocated in that county and set aside for the candidates for the office for which he is a candidate.

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

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

For any party under whose name no candidate's name appeared on the ballot in each voting precinct in the state in the last general election, "last general election" means the last general election in which the name of a candidate of that party appeared on the ballot in each voting precinct in the state.

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

Moneys Money from any a party account not distributed to candidates for state senator and representative in any election year shall be returned to the general fund of the state. Money from a party account not distributed to candidates for other offices in an election year shall be returned to the party account for reallocation to candidates as provided in clauses (1) to (6) of this subdivision in the following year. Moneys from the general account refused by any candidate shall be distributed to all other qualifying candidates in proportion to their shares as provided in this subdivision.

Sec. 7. Minnesota Statutes 1978, Section 10A.32, Subdivision 4, is amended to read:

Subd. 4. If a political party for whose candidates funds have been accumulated in the state elections campaign fund does not have a candidate for any the office of state senator or representative at a general election, the moneys set aside for that office shall be returned to the general fund of the state. If that party does not have a candidate for any other office at a general election the money set aside for that office shall be returned to the general account of the state elections campaign fund for reallocation to candidates as provided in section 10A.31, subdivision 5, clauses (1) to (6).

Sec. 8. [10A.316] TENTATIVE REPEAL. Minnesota Statutes 1978, Sections 10A.25, Subdivisions 2, 3, 4, 5, 6, 7 and 10; 10A.28, Subdivision 1; and 10A.32, Subdivisions 3 and 3b, as amended as of the effective date of this section, are repealed. Notwithstanding any law to the contrary, the tax credit provided in Minnesota Statutes, Section 290.06, Subdivision 11, may be allowed for contributions to any candidate as defined in Minnesota Statutes, Section 10A.01, Subdivision 5, without any agreement by the candidate to limit his campaign expenditures.

Sec. 9. EFFECTIVE DATE. Subdivision 1. Sections 3 to 7 are effective upon ratification of the amendment to the Minnesota Constitution proposed in section 1 of this article as provided in the constitution.

Changes or additions indicated by underline deletions by ~~strikeout~~

Subd. 2. Section 8 is effective December 31, 1981 if the amendment to the Minnesota Constitution proposed in section 1 of this article is not ratified as provided by the constitution.

Approved April 22, 1980

CHAPTER 588—S.F.No. 129

An act relating to constitutional amendments; proposing an amendment to the Minnesota Constitution, Article IV, Sections 2 and 3, and by adding a new article; providing for establishment of the boundaries of congressional and legislative districts by a commission; limiting the power of the legislature to change the number of senators and representatives; implementing the proposed reapportionment commission amendment by providing by law for the duties, powers and operation of the commission; providing for judicial review of an apportionment plan; imposing duties on certain state officials; appropriating money; repealing Minnesota Statutes 1978, Sections 2.041 to 2.712 and 2.731 to 2.811.

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

Section 1. Subdivision 1. An amendment to the Minnesota Constitution is proposed to the people as provided by subdivisions 2 and 3.

Subd. 2. If the amendment is adopted, article IV, sections 2 and 3 will read as follows:

Sec. 2. **APPORTIONMENT OF MEMBERS.** *The number of members who compose the senate and house of representatives shall be prescribed by law. ~~The representation in both houses shall be apportioned equally throughout the different sections of the state in proportion to the population thereof. A law changing the number of senators or representatives shall be effective on January 1 of the next year ending in the number one following enactment of the law and shall govern general elections held under an apportionment plan that becomes effective after that date.~~*

Sec. 3. *At its first session after each enumeration of the inhabitants of this state made by the authority of the United States, the legislature shall have the power to prescribe the bounds of congressional and legislative districts. Senators shall be chosen by single districts of convenient contiguous territory. No representative district shall be divided in the formation of a senate district. The senate districts shall be numbered in a regular series. The legislature shall not prescribe the boundaries for the districts of senators and representatives or for the districts of representatives in the congress of the United States.*

Subd. 3. If the amendment is adopted, a new article will be added to the constitution which will read as follows:

Changes or additions indicated by underline deletions by ~~strikeout~~