

CHAPTER 119--S.F.No. 3306

An act relating to campaign finance; adding new definitions; amending provisions relating to disclosure, independent expenditures, noncampaign disbursements, reporting requirements, coordinated and noncoordinated expenditures, and various other changes to campaign finance laws; amending Minnesota Statutes 2016, sections 10A.01, subdivisions 5, 26, by adding subdivisions; 10A.022, subdivision 3, by adding subdivisions; 10A.025, by adding a subdivision; 10A.07, subdivisions 1, 2; 10A.08, subdivision 1, by adding a subdivision; 10A.15, by adding subdivisions; 10A.17, subdivision 4; 10A.25, subdivision 3a; 10A.273, subdivision 3; 10A.322, subdivision 1; 211B.04; Minnesota Statutes 2017 Supplement, sections 10A.09, subdivisions 5, 6; 10A.155; 10A.20, subdivision 3; 10A.27, subdivision 16a; 10A.323; proposing coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota Rules, parts 4501.0200, subparts 1, 2; 4501.0500, subpart 1a; 4503.0100, subpart 6; 4503.0500, subpart 2; 4503.1300, subpart 4; 4505.0010; 4505.0100, subparts 1, 4, 6; 4505.0700; 4515.0010; 4515.0100, subparts 1, 5; 4515.0500, subpart 1; 4520.0010; 4520.0100, subparts 1, 4, 6; 4520.0400; 4520.0500; 4525.0330; 4525.0340, subpart 1.

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

Section 1. Minnesota Statutes 2016, section 10A.01, subdivision 5, is amended to read:

Subd. 5. **Associated business.** "Associated business" means an association, corporation, partnership, limited liability company, limited liability partnership, or other organized legal entity from which the individual receives compensation in excess of ~~\$50~~ \$250, except for actual and reasonable expenses, in any month as a director, officer, owner, member, partner, employer or employee, or whose securities the individual holds worth more than ~~\$2,500~~ \$10,000 at fair market value.

Sec. 2. Minnesota Statutes 2016, section 10A.01, subdivision 26, is amended to read:

Subd. 26. **Noncampaign disbursement.** (a) "Noncampaign disbursement" means a purchase or payment of money or anything of value made, or an advance of credit incurred, or a donation in kind received, by a principal campaign committee for any of the following purposes:

- (1) payment for accounting and legal services;
- (2) return of a contribution to the source;
- (3) repayment of a loan made to the principal campaign committee by that committee;
- (4) return of a public subsidy;
- (5) payment for food, beverages, and necessary utensils and supplies, entertainment, and facility rental for a fund-raising event;
- (6) ~~services for a constituent by a member of the legislature or a constitutional officer in the executive branch, including the costs of preparing and distributing a suggestion or idea solicitation to constituents, performed from the beginning of the term of office to adjournment sine die of the legislature in the election year for the office held, and half the cost of services for a constituent by a member of the legislature or a constitutional officer in the executive branch performed from adjournment sine die to 60 days after adjournment sine die as provided in section 10A.173, subdivision 1;~~
- (7) payment for food and beverages consumed by a candidate or volunteers while they are engaged in campaign activities;

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

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

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

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

(12) fees paid to attend a campaign school;

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

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

(15) filing fees;

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

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

(18) contributions to a party unit;

(19) payments for funeral gifts or memorials;

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

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

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

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

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

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

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

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

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

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

Sec. 3. Minnesota Statutes 2016, section 10A.01, is amended by adding a subdivision to read:

Subd. 35a. **Securities.** (a) "Securities" means any stock, share, bond, warrant, option, pledge, note, mortgage, annuity, debenture, lease, or commercial paper in any corporation, partnership, trust, or other association.

(b) Securities do not include deposits in a savings account; certificates of deposit; money market certificates; treasury bills; treasury bonds; treasury notes; dividends from securities; shares in a mutual fund; shares in an exchange traded fund; or the underlying holdings owned by an annuity or in a defined benefit pension plan. For beneficiaries of a blind trust, securities do not include the underlying assets owned by the blind trust.

Sec. 4. Minnesota Statutes 2016, section 10A.01, is amended by adding a subdivision to read:

Subd. 35b. **Services for a constituent or constituent services.** "Services for a constituent" or "constituent services" means services performed or provided by an incumbent legislator or constitutional officer for the benefit of one or more residents of the official's district, but does not include gifts, congratulatory advertisements, or charitable contributions.

Sec. 5. Minnesota Statutes 2016, section 10A.022, subdivision 3, is amended to read:

Subd. 3. **Investigation authority; complaint process.** (a) The board may investigate any alleged or potential violation of this chapter. The board may also investigate an alleged or potential violation of section 211B.04, 211B.12, or 211B.15 by or related to a candidate, treasurer, principal campaign committee, political committee, political fund, or party unit, as those terms are defined in this chapter. The board may only investigate an alleged violation if the board:

- (1) receives a written complaint alleging a violation;
- (2) discovers a potential violation as a result of an audit conducted by the board; or
- (3) discovers a potential violation as a result of a staff review.

(b) When the board investigates the allegations made in a written complaint and the investigation reveals other potential violations that were not included in the complaint, the board may investigate the potential violations not alleged in the complaint only after making a determination under paragraph (d) that probable cause exists to believe a violation that warrants a formal investigation has occurred.

~~(c)~~ (c) Upon receipt of a written complaint filed with the board, the board chair or another board member designated by the chair shall promptly make a determination as to whether the complaint alleges a prima facie violation. If a determination is made that the complaint does not allege a prima facie violation, the complaint shall be dismissed without prejudice and the complainant and the subject of the complaint must be promptly notified of the reasons the complaint did not allege a prima facie violation. The notice to the subject of the complaint must include a copy of the complaint. If the complainant files a revised complaint regarding the same facts and the same subject, the prima facie determination must be completed by a board member other than the member who made the initial determination and who does not support the same political party as the member who made the initial determination. The chair may order that the prima facie determination for any complaint be made by the full board and must order that the prima facie determination for a complaint being submitted for the third time be made by the full board.

~~(d)~~ (d) If a determination is made that the complaint alleges a prima facie violation, the board shall, within 45 days of the prima facie determination, make findings and conclusions as to whether probable cause exists to believe the alleged violation that warrants a formal investigation has occurred. Any party filing a complaint and any party against whom a complaint is filed must be given an opportunity to be heard by the

board prior to the board's determination as to whether probable cause exists to believe a violation that warrants a formal investigation has occurred.

~~(3)~~ (e) Upon a determination by the board that probable cause exists to believe a violation that warrants a formal investigation has occurred, the board must undertake an investigation under subdivision 2 and must issue an order at the conclusion of the investigation, except that if the complaint alleges a violation of section 10A.25 or 10A.27, the board must either enter a conciliation agreement or make public findings and conclusions as to whether a violation has occurred and must issue an order within 60 days after the probable cause determination has been made. Prior to making findings and conclusions in an investigation, the board must offer the subject of the complaint an opportunity to answer the allegations of the complaint in writing and to appear before the board to address the matter. The deadline for action on a written complaint may be extended by majority vote of the board.

Sec. 6. Minnesota Statutes 2016, section 10A.022, is amended by adding a subdivision to read:

Subd. 3a. **Matter under staff review resolved by conciliation agreement.** (a) A matter under staff review that is resolved by conciliation agreement must be presented to the board for approval at a meeting closed to the public. The respondent must be given an opportunity to be heard by the board before the board makes a determination regarding the agreement.

(b) The executive director must send notice of the meeting under paragraph (a) to the respondent. The notice must be sent no later than the time that the agreement is provided to the board and must include a copy of the agreement. The notice must include the date of the meeting at which the board will consider the matter and a statement that the respondent has the opportunity to be heard by the board before the board's determination regarding the agreement.

(c) A conciliation agreement to resolve a matter under staff review is final only after the board approves the agreement.

(d) If the board does not approve a conciliation agreement to resolve a matter under staff review, the board must lay the matter over until its next meeting, and:

(1) provide guidance and direct the executive director to continue the staff review; or

(2) direct the executive director to prepare the matter for resolution by the board without an agreement pursuant to subdivision 3d.

(e) If an agreement proposed under this subdivision is not approved by the board, any admissions by the respondent and any remedial steps taken or agreed to by the respondent are not evidence of a violation in any subsequent proceeding.

Sec. 7. Minnesota Statutes 2016, section 10A.022, is amended by adding a subdivision to read:

Subd. 3b. **Matter under staff review resolved; no violation.** The executive director must close a matter under staff review when the staff review establishes that no violation of campaign finance laws has occurred. The executive director must report the closure of the matter to the board at a meeting closed to the public, and must send notice of the closure to the respondent.

Sec. 8. Minnesota Statutes 2016, section 10A.022, is amended by adding a subdivision to read:

Subd. 3c. **Matter under staff review resolved without formal investigation.** (a) A matter under staff review that is resolved without a formal investigation under subdivision 3d, must be submitted to the board for approval at a meeting closed to the public. The respondent must be given an opportunity to be heard by the board before the board makes a determination regarding the staff review.

(b) The executive director must send notice of the meeting under paragraph (a) to the respondent. The notice must be sent no later than the time when the written document resolving the matter is provided to the board and must include a copy of the written document resolving the matter. The notice must include the date of the meeting at which the board will consider the matter and a statement that the respondent has the opportunity to be heard by the board before the board's determination regarding the resolution of staff review.

(c) A written document concluding a matter under staff review without formal investigation is final only after the board approves the document.

(d) If the board does not approve the written document resolving a matter under staff review without a formal investigation, the board must:

(1) provide guidance and direct the executive director to continue the staff review;

(2) initiate a formal investigation of the matter; or

(3) direct the executive director to prepare the matter for resolution by the board under subdivision 3d.

(e) If a written document resolving a staff review without a formal investigation under this subdivision is not approved by the board, any admissions by the respondent and any remedial steps taken or agreed to by the respondent are not evidence of a violation in any subsequent proceeding.

Sec. 9. Minnesota Statutes 2016, section 10A.022, is amended by adding a subdivision to read:

Subd. 3d. **Submission to board.** (a) The executive director must submit the following matters to the board for a determination under this subdivision:

(1) a matter under staff review that is not resolved under subdivision 3a, 3b, or 3c; and

(2) any other matter that the board is to consider for the authorization of a formal investigation, other than a matter arising from a filed complaint.

The submission must be in writing, must describe the potential violation involved, and must include any supporting information. The submission must explain the actions undertaken in any summary proceedings and any points of disagreement preventing resolution of the matter. The respondent must be given an opportunity to be heard by the board before the board makes a determination regarding the submission.

(b) The executive director must send notice of the submission made under paragraph (a) to the respondent. The notice must be sent no later than the time the submission is provided to the board and must include a copy of the submission. The notice must include the date of the meeting at which the board will consider the matter, and a statement that the respondent has the opportunity to be heard by the board before the board's determination regarding the submission.

Sec. 10. Minnesota Statutes 2016, section 10A.025, is amended by adding a subdivision to read:

Subd. 1b. **Completion of filing.** A filing with the board is complete upon:

(1) receipt in the board office of the document being filed, bearing the original signature of the person responsible for filing the document;

(2) receipt of a facsimile transmission of the document, subject to subdivision 1a;

(3) the postmark date of a first class or certified mailing of the document being filed, properly addressed to the board at its current address; or

(4) the successful submission of an electronic file to the board.

Sec. 11. Minnesota Statutes 2016, section 10A.07, subdivision 1, is amended to read:

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

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

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

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

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

(b) For purposes of this section, "financial interest" means any ownership or control in an asset which has the potential to produce a monetary return.

Sec. 12. Minnesota Statutes 2016, section 10A.07, subdivision 2, is amended to read:

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

(b) If there is no immediate superior, the official must abstain, if possible, in a manner prescribed by the board from influence over the action or decision in question by assigning the matter to a subordinate for disposition or requesting the appointing authority to designate another to determine the matter. The official shall not chair a meeting, participate in any vote, or offer any motion or discussion on the matter giving rise to the potential conflict of interest.

(c) If the official is a member of the legislature, the house of service may, at the member's request, excuse the member from taking part in the action or decision in question.

(d) ~~If the an~~ official is not permitted or is otherwise unable to abstain from action in connection with the matter, the official must file a statement describing the potential conflict and the action taken. A public official must file the statement with the board and a local official must file the statement with the governing body of the official's political subdivision. The statement must be filed within a week of the action taken.

Sec. 13. Minnesota Statutes 2016, section 10A.08, subdivision 1, is amended to read:

Subdivision 1. **Disclosure required.** (a) A public official who represents a client for a fee before an individual, board, commission, or agency that has rulemaking authority in a hearing conducted under chapter 14, must disclose the official's participation in the action to the board within 14 days after the public official's initial appearance at a hearing. If the public official fails to disclose the participation by the date that the disclosure was due, the board may impose a late filing fee of \$25 per day, not to exceed \$1,000, starting on the day after the disclosure was due. The board must send notice by certified mail to a public official who fails to disclose the participation within ten business days after the disclosure was due that the public official may be subject to a civil penalty for failure to disclose the participation. A public official who fails to disclose the participation within seven days after the certified mail notice was sent by the board is subject to a civil penalty imposed by the board of up to \$1,000.

(b) A public official required to disclose representation under this section shall provide the following information: name, address, and office held; name and address of each client represented at the hearing; the name of the individual, board, commission, or agency conducting the hearing and the date and location of the initial appearance at the hearing; and a general description of the subject or subjects on which the public official represented the client in the hearing.

Sec. 14. Minnesota Statutes 2016, section 10A.08, is amended by adding a subdivision to read:

Subd. 3. Definitions. (a) For purposes of this section, the definitions have the meanings given.

(b) "Fee" means any compensation or other consideration for services performed or for future services.

(c) "Initial appearance at a hearing" means the first appearance by a public official representing a client for a fee at a hearing on a single subject. Subsequent appearances at continuations of the same hearing are not initial appearances.

Sec. 15. Minnesota Statutes 2017 Supplement, section 10A.09, subdivision 5, is amended to read:

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

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

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

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

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

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

(6) a listing of the principal business or professional activity category of each business from which the individual receives more than ~~\$50~~ \$250 in any month as an employee, if the individual has an ownership interest of 25 percent or more in the business;

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

(8) a listing of the full name of each security with a value of more than ~~\$2,500~~ \$10,000 owned in part or in full by the ~~public official~~ individual, at any time during the reporting period.

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

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

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

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

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

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

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

Sec. 16. Minnesota Statutes 2017 Supplement, section 10A.09, subdivision 6, is amended to read:

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

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

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

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

Sec. 17. Minnesota Statutes 2016, section 10A.15, is amended by adding a subdivision to read:

Subd. 2a. **Time of receipt.** (a) A monetary contribution not made through electronic means is received for reporting and contribution limit purposes when the contribution is physically received by the treasurer, the candidate, or a committee, fund, or party unit worker.

(b) A contribution delivered through the United States mail is received on the date the mail is collected from the delivery point by the treasurer or candidate, or by a committee, fund, or party unit worker.

(c) A monetary contribution made through electronic means is received on the date that the contributor makes the contribution to the contribution processor for the following purposes:

(1) the registration requirements in section 10A.14;

- (2) the reporting requirements in section 10A.20;
- (3) the requirements related to contributions during the legislative session in section 10A.273; and
- (4) the affidavit of contributions requirement in section 10A.323.

(d) A monetary contribution made through electronic means is received for purposes of the deposit requirements in subdivision 3 on the date that the treasurer or candidate, or the committee, fund, or party unit worker has access to the funds under the terms of the agreement with the contribution processor.

Sec. 18. Minnesota Statutes 2016, section 10A.15, is amended by adding a subdivision to read:

Subd. 7. **Electronic contribution processors.** An organization that provides contribution processing and delivery services, when acting in the ordinary course of business by collecting and disbursing contributions to a committee or fund that was designated by the contributor, is not required to register under section 10A.14 or report under section 10A.20.

Sec. 19. Minnesota Statutes 2017 Supplement, section 10A.155, is amended to read:

10A.155 VALUE OF CONTRIBUTIONS REIMBURSEMENT OF AUTOMOBILE USE.

(a) Automobile use provided to a committee by an individual who will be reimbursed may be valued at the lowest rate used by the state to reimburse its employees for automobile use standard mileage rate set by the Internal Revenue Service for business miles. Alternatively, the value of the automobile may be calculated as the actual cost of fuel, maintenance, repairs, and insurance directly related to the use of the automobile. An automobile provided by an association must be valued at the fair market value for renting an equivalent automobile.

(b) When a committee reimburses mileage expenses, the committee must obtain a mileage log documenting the reimbursable expenses. For each trip, the log must include:

- (1) the date of the trip;
- (2) the purpose of the trip;
- (3) the distance traveled during the trip; and

(4) if the mileage is not being paid at the standard mileage rate set by the Internal Revenue Service for business miles, the actual cost of fuel, maintenance, repairs, and insurance directly related to the use of the automobile.

Sec. 20. Minnesota Statutes 2016, section 10A.17, subdivision 4, is amended to read:

Subd. 4. **Independent expenditures.** (a) Except as provided in paragraphs (b) and (c), An individual, political committee, political fund, principal campaign committee, or party unit that independently solicits or accepts contributions or makes independent expenditures on behalf of a candidate must publicly disclose that the expenditure is an independent expenditure. All written and broadcast communications with those from whom contributions are independently solicited or accepted or to whom independent expenditures are made on behalf of a candidate must contain a statement in conspicuous type that the activity is an independent expenditure and is not approved by the candidate nor is the candidate responsible for it. Similar language must be included in all oral communications, in conspicuous type in substantially the form provided in section 211B.04, subdivision 2. The statement must be on the front page of all literature and advertisements published or posted, written communications and at the end of all broadcast advertisements communications made by that individual, political committee, political fund, principal campaign committee, or party unit on the candidate's behalf.

~~(b) Paragraph (a) does not apply to individuals or associations that are not required to register or report under this chapter.~~

~~(c) Paragraph (a) does not apply to the following:~~

~~(1) bumper stickers, pins, buttons, pens, or similar small items on which the independent expenditure statement cannot be conveniently printed;~~

~~(2) skywriting, wearing apparel, or other means of displaying an advertisement of such a nature that the inclusion of the independent expenditure statement would be impracticable; and~~

~~(3) online banner ads and similar electronic communications that link directly to an online page that includes the independent expenditure statement.~~

Sec. 21. [10A.173] NONCAMPAIGN DISBURSEMENTS.

Subdivision 1. Services for a constituent. (a) The cost of services for a constituent performed from the beginning of the term of office to adjournment sine die of the legislature in the election year for the office held are noncampaign disbursements. Half of the cost of services for a constituent performed from adjournment sine die to 60 days after adjournment sine die are noncampaign disbursements.

(b) During the periods provided in paragraph (a), a candidate's committee may claim the following expenses as a noncampaign disbursement for services for a constituent under section 10A.01, subdivision 26, clause (6):

(1) the cost of a charter bus to transport constituents to an educational day held at the State Capitol during a legislative session;

(2) the cost of hiring an intern that is directly attributable to the intern's provision of services for constituents;

(3) the cost of congratulatory letters sent to the office holder's constituents that include information about government services available to the recipient or how the recipient can register to vote;

(4) the cost of food or beverages consumed by a constituent during a meeting with the office holder, in compliance with section 211B.13;

(5) the cost of food and beverages consumed by the candidate or volunteers when the candidate or volunteers are distributing communications that qualify as services to a constituent; and

(6) the cost of printing and distributing a review of legislative action and issues to the office holder's constituents if the distribution occurs prior to the sine die adjournment of the legislature.

If the review of legislative action described in clause (6) is distributed after the legislature adjourns sine die, the printing and distribution costs must be prorated between noncampaign disbursements and campaign expenditures as described in paragraph (a), even if the printing occurred prior to adjournment.

(c) A communication prepared as a service for a constituent must include the disclaimer required by section 211B.04 when the communication is disseminated after adjournment sine die of the legislature in the election year for the office held.

Subd. 2. Food and beverages while campaigning. A candidate's committee may not claim the cost of food and beverages consumed by the candidate and volunteers when the candidate and volunteers are campaigning outside of the candidate's district, unless the committee intends to terminate and complies with section 10A.27, subdivision 9, paragraph (b), as noncampaign disbursements under section 10A.01, subdivision 26, clause (7).

Subd. 3. **Food and beverages; legislative duties.** (a) A candidate's committee may claim the expense of food and beverages consumed by other legislators or legislative staff at a reception or meeting as a noncampaign disbursement under section 10A.01, subdivision 26, clause (8).

(b) Except as provided by paragraph (a), a candidate's committee may not claim the expense of food and beverages consumed by individuals other than the legislator at a reception or meeting as a noncampaign disbursement under section 10A.01, subdivision 26, clause (8).

Subd. 4. **Expenses for serving in public office.** (a) A candidate's committee may claim the following expenses as noncampaign disbursements for expenses for serving in public office under section 10A.01, subdivision 26, clause (10):

(1) the cost of transportation, lodging, meals, and other expenses necessary to attend meetings and conferences when the reason that the candidate attends the event is to assist the candidate in performing the duties of the office held and the candidate would not attend the event if the candidate were not an office holder;

(2) the cost of traveling to the State Capitol for scheduled legislative committee meetings and regular and special legislative sessions when those costs are not reimbursed by another source; and

(3) the cost of meals for legislative staff while the staff member is engaged in performing legislative work for the candidate.

(b) A candidate's committee may not claim the following expenses as noncampaign disbursements for expenses for serving in public office under section 10A.01, subdivision 26, clause (10):

(1) the cost of membership fees and dues necessary to belong to organizations located in the office holder's district;

(2) costs incurred for transportation, lodging, and other expenses for trips taken outside of the office holder's district for the purpose of relationship building; and

(3) costs incurred for transportation, lodging, and other expenses by an individual accompanying an office holder on a trip unless the office holder is a person with a disability, as defined in section 363A.03, subdivision 12, and the accompanying individual is providing services that are made necessary by the disability.

Clause (3) does not require a committee to allocate a travel expense between an office holder and an individual accompanying the office holder on a trip when the presence of the accompanying individual does not increase the amount of the expense.

Sec. 22. **[10A.175] COORDINATED AND NONCOORDINATED EXPENDITURES; DEFINITIONS.**

Subdivision 1. **Scope.** The definitions in subdivisions 2 to 6 apply to sections 10A.175 to 10A.177.

Subd. 2. **Agent.** "Agent" means a person serving during an election segment as a candidate's chairperson, deputy chairperson, treasurer, deputy treasurer, or any other person whose actions are coordinated.

Subd. 3. **Candidate.** "Candidate" means a candidate as defined in section 10A.01, subdivision 10, the candidate's principal campaign committee, or the candidate's agent.

Subd. 4. **Consulting services.** "Consulting services" means the following services involving campaign strategy: polling, communications planning and design, advertising, and messaging. Consulting services do not mean printing or mailing campaign material, legal services that do not involve campaign strategy, accounting services, or costs for the use of a medium for communications purposes.

Subd. 5. **Coordinated.** "Coordinated" means with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of the candidate. A coordinated expenditure is an approved expenditure under section 10A.01, subdivision 4.

Subd. 6. **Spender.** "Spender" means an individual; an association; a political committee; a political fund; an independent expenditure political committee; an independent expenditure political fund; or a party unit.

Sec. 23. **[10A.176] COORDINATED EXPENDITURES.**

Subdivision 1. **Scope.** An expenditure described in this section that expressly advocates for the election of the candidate or the defeat of the candidate's opponent is a coordinated expenditure and is not independent under section 10A.01, subdivision 18.

Subd. 2. **Fund-raising.** (a) An expenditure is a coordinated expenditure if the expenditure is made on or after January 1 of the year the office will appear on the ballot by a spender for which the candidate, on or after January 1 of the year the office will appear on the ballot, has engaged in fund-raising of money that is not general treasury money, as defined in section 10A.01, subdivision 17c, of the spender.

(b) For purposes of this subdivision, candidate fund-raising includes:

(1) soliciting or collecting money for or to the spender that is not general treasury money; and

(2) appearing for the spender as a speaker at an event raising money that is not general treasury money.

(c) This subdivision does not apply to a candidate's fund-raising on behalf of a party unit.

Subd. 3. **Relationship with spender.** An expenditure is a coordinated expenditure if the expenditure is made on or after January 1 of the year the office will appear on the ballot by a spender that:

(1) is not a party unit; and

(2) is an association, political committee, political fund, independent expenditure political committee, or independent expenditure political fund, in which the candidate was a chairperson, deputy chairperson, treasurer, or deputy treasurer on or after January 1 of the year the office will appear on the ballot.

Subd. 4. **Consulting services.** (a) An expenditure is a coordinated expenditure if the expenditure is made during an election segment for consulting services from a consultant who has also provided consulting services to the candidate or the candidate's opponent during that same election segment.

(b) This subdivision does not apply when the following conditions are met:

(1) the consultant assigns separate personnel to the spender and the candidate;

(2) the consultant has a written policy that describes the measures that the consultant has taken to prohibit the flow of information between the personnel providing services to the spender and the personnel providing services to the candidate;

(3) the written policy has been distributed to all personnel and clients covered by the policy, including the candidate and the spender;

(4) the consultant has implemented the measures described in the written policy; and

(5) no information has been shared between the spender and the personnel provided services to the spender and the candidate and the personnel providing services to the candidate.

Subd. 5. **Receiving information that is not publicly available.** An expenditure is a coordinated expenditure if the expenditure is made after the spender receives from the candidate information that is not publicly available regarding the candidate's campaign plans, strategy, or needs.

Subd. 6. **Spender-provided information.** An expenditure is a coordinated expenditure if the expenditure is made when:

(1) the spender provides information to the candidate regarding the expenditure's contents, intended audience, timing, location or mode, volume, or frequency; and

(2) the information is provided to the candidate before the expenditure is communicated to the public.

Subd. 7. **Candidate's participation.** An expenditure is a coordinated expenditure if the expenditure is made with the candidate's participation in the following:

(1) any of the processes required for the creation and development of the expenditure, including budgeting decisions, media design, acquisition of graphics and text, production, and distribution of the final product; or

(2) any decision regarding the content, timing, location, intended audience, volume of distribution, or frequency of the expenditure.

Sec. 24. [10A.177] NONCOORDINATED EXPENDITURES.

Any of the following actions, taken alone, do not establish that an expenditure made by the spender is coordinated with the candidate:

(1) a candidate asks a spender not to make any expenditure to support the candidate or oppose the candidate's opponent;

(2) a candidate provides to a spender names of potential donors, as long as the spender does not state or suggest to the candidate that funds received from use of the donor list will be used for independent expenditures to benefit the candidate;

(3) an expenditure uses a photograph, video, or audio recording obtained from a publicly available source or public event;

(4) an expenditure uses information obtained from a biography, position paper, press release, or similar material about the candidate from a publicly available source or public event;

(5) the spender contributes to the candidate, makes an in-kind donation to the candidate, or endorses the candidate;

(6) an expenditure includes a hyperlink to the candidate's Web site or social media page;

(7) an expenditure appears in a news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication;

(8) the spender discusses the candidate's position on a legislative or policy matter with the candidate. This paragraph includes the sending, completion, and return of a survey conducted by the spender to determine whether to endorse the candidate; or

(9) the spender invites the candidate to appear before the spender's members, employees, or shareholders, including the candidate's participation in the event, unless the event promotes the election of the candidate or the defeat of the candidate's opponent, or the candidate requests or accepts campaign contributions at the event.

Sec. 25. [10A.179] EXPENDITURES AND NONCAMPAIGN DISBURSEMENTS; GENERAL PROVISIONS.

Subdivision 1. Reimbursements. (a) When a committee reimburses an individual or association for an expenditure or a noncampaign disbursement, the reimbursement is not required to be itemized on a report of receipts and expenditures unless the total reimbursements and payments made by the committee during the year to that individual or association exceed \$200.

(b) When a committee reimburses an individual or association for an expenditure or noncampaign disbursement that requires itemization on a report of receipts and expenditures and chooses under section 10A.20, subdivision 13, to report the expenditure or noncampaign disbursement as a reimbursement to a third party, the committee must disclose the following information on the report:

(1) the name and address of the individual or association to which reimbursement was made;

(2) the name and address of the vendor supplying the good or service for which reimbursement was made;

(3) the date of the expenditure or noncampaign disbursement for which reimbursement was made;

(4) the date of the reimbursement;

(5) a description of the specific good or service purchased; and

(6) if the reimbursement was for a noncampaign disbursement, the specific noncampaign disbursement category in section 10A.01, subdivision 26, that is applicable to the good or service for which reimbursement was made.

Subd. 2. Allocating ongoing expenses. When an ongoing expense has both a campaign purpose and a purpose listed as a noncampaign disbursement in section 10A.01, subdivision 26, the committee must allocate the cost of the expense between the two purposes according to the proportion of actual use for each purpose.

Sec. 26. Minnesota Statutes 2017 Supplement, section 10A.20, subdivision 3, is amended to read:

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

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

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

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

(e) The report must disclose each loan made or received by the reporting entity within the year in aggregate in excess of \$200, continuously reported until repaid or forgiven, together with the name, address,

occupation, principal place of business, if any, and registration number if registered with the board of the lender and any endorser and the date and amount of the loan. If a loan made to the principal campaign committee of a candidate is forgiven or is repaid by an entity other than that principal campaign committee, it must be reported as a contribution for the year in which the loan was made.

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

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

(h) The report must disclose the name, address, and registration number if registered with the board of each individual or association to whom aggregate expenditures, approved expenditures, independent expenditures, and ballot question expenditures have been made by or on behalf of the reporting entity within the year in excess of \$200, together with the amount, date, and purpose of each expenditure, including an explanation of how the expenditure was used, and the name and address of, and office sought by, each candidate on whose behalf the expenditure was made, identification of the ballot question that the expenditure was intended to promote or defeat and an indication of whether the expenditure was to promote or to defeat the ballot question, and in the case of independent expenditures made in opposition to a candidate, the candidate's name, address, and office sought. A reporting entity making an expenditure on behalf of more than one candidate for state or legislative office must allocate the expenditure among the candidates on a reasonable cost basis and report the allocation for each candidate.

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

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

(k) The report must disclose the name, address, and registration number if registered with the board of each political committee, political fund, principal campaign committee, or party unit to which contributions have been made that aggregate in excess of \$200 within the year and the amount and date of each contribution.

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

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

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

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

(p) Legislative, statewide, and judicial candidates, party units, and political committees and funds must itemize contributions that in aggregate within the year exceed \$200 for legislative or statewide candidates or more than \$500 for ballot questions on reports submitted to the board. The itemization must include the date on which the contribution was received, the individual or association that provided the contribution, and the address of the contributor. Additionally, the itemization for a donation in kind must provide a

description of the item or service received. Contributions that are less than the itemization amount must be reported as an aggregate total.

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

Sec. 27. Minnesota Statutes 2016, section 10A.25, subdivision 3a, is amended to read:

Subd. 3a. **Independent expenditures.** The principal campaign committee of a candidate must not make independent expenditures. If the principal campaign committee of a candidate makes a contribution to an independent expenditure committee or independent expenditure fund on or after January 1 of the year the candidate's office will appear on the ballot, the independent expenditure committee or independent expenditure fund must not make an independent expenditure for that candidate.

Sec. 28. Minnesota Statutes 2017 Supplement, section 10A.27, subdivision 16a, is amended to read:

Subd. 16a. ~~Return of Contributions after merger of to governor and lieutenant governor funds; merger.~~ (a) Prior to the merger of separate principal campaign committees for governor and lieutenant governor, each committee may accept contributions up to the limits set forth in section 10A.27, subdivision 1, paragraph (a), for governor and lieutenant governor running together.

(b) After the merger of the committees, contributions to either committee from a single source must be aggregated in determining whether the contribution limit for the joint committee has been reached or exceeded. If the limit has been exceeded, contributions must be returned as provided in paragraph (c).

(c) Funds transferred to the joint committee for candidates for governor and lieutenant governor that result in aggregate contributions in excess of the applicable limits may be returned to the contributor within 90 days of the transfer of funds to the joint committee.

Sec. 29. **[10A.271] SALE OF GOODS AND SERVICES FOR FUND-RAISING PURPOSES.**

Subdivision 1. **Notice to contributors.** A political committee, political fund, political party unit, or principal campaign committee that raises funds through the sale of goods or services must disclose to potential customers that the proceeds from the purchase are a political contribution and to whom the contribution is made. The notice may be provided verbally at the time of purchase, or through the prominent display of a sign providing the notice in immediate proximity to the point of sale at the location where the goods or services are sold.

Subd. 2. **Exception.** This section does not apply to goods or services sold at fund-raising events that require the purchase of a ticket to attend or at events where the main purpose is to conduct fund-raising.

Subd. 3. **Penalty.** A political committee, political fund, political party unit, or principal campaign committee that knowingly violates this section is subject to a civil penalty imposed by the board of up to \$1,000.

Sec. 30. Minnesota Statutes 2016, section 10A.273, subdivision 3, is amended to read:

Subd. 3. **Definition.** For purposes of this section, a "regular session" ~~includes the entire~~ starts at 12:00 a.m., on the first day of each annual session and the entire ends at 11:59 p.m. on the last day of each annual session. For purposes of this section, regular session does not include a special session or the interim between the two annual sessions of a biennium.

Sec. 31. Minnesota Statutes 2016, section 10A.322, subdivision 1, is amended to read:

Subdivision 1. **Agreement by candidate.** (a) As a condition of receiving a public subsidy, a candidate must sign and file with the board a written agreement in which the candidate agrees that the candidate will comply with sections 10A.25; 10A.27, subdivision 10; 10A.324; and 10A.38.

(b) Before the first day of filing for office, the board must forward agreement forms to all filing officers. The board must also provide agreement forms to candidates on request at any time. The candidate must file the agreement with the board at least three weeks before the candidate's state primary. An agreement may not be filed after that date. An agreement once filed may not be rescinded.

(c) The board must notify the commissioner of revenue of any agreement signed under this subdivision.

(d) Notwithstanding paragraph (b), if a vacancy occurs that will be filled by means of a special election and the filing period does not coincide with the filing period for the general election, a candidate may sign and submit a spending limit agreement not later than the day after the close of the filing period for the special election for which the candidate filed.

(e) Notwithstanding paragraphs (b) and (d), if a vacancy occurs that will be filled by means of a special election called under section 204B.13, subdivision 2, paragraph (c), a candidate may sign and submit a spending limit agreement not later than eight calendar days after the general election.

Sec. 32. Minnesota Statutes 2017 Supplement, section 10A.323, is amended to read:

10A.323 AFFIDAVIT OF CONTRIBUTIONS.

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

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

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

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

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

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

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

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

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

(ii) any in-kind contribution; and

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

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

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

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

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

Sec. 33. Minnesota Statutes 2016, section 211B.04, is amended to read:

211B.04 CAMPAIGN LITERATURE MATERIAL MUST INCLUDE DISCLAIMER.

Subdivision 1. Campaign material. (a) A person who participates in the preparation or dissemination of campaign material other than as provided in section 211B.05, subdivision 1, that does not prominently include the name and address of the person or committee causing the material to be prepared or disseminated in a disclaimer substantially in the form provided in paragraph (b) or (c) is guilty of a misdemeanor.

(b) Except in cases covered by paragraph (c), the required form of disclaimer is: "Prepared and paid for by the committee,(address)" for material prepared and paid for by a principal campaign committee, or "Prepared and paid for by the committee,(address)" for material prepared and paid for by a person or committee other than a principal campaign committee. The address must be either the committee's mailing address or the committee's Web site, if the Web site includes the committee's mailing address. If the material is produced and disseminated without cost, the words "paid for" may be omitted from the disclaimer.

(c) In the case of broadcast media, the required form of disclaimer is: "Paid for by the committee." If the material is produced and broadcast without cost, the required form of the disclaimer is: "The committee is responsible for the content of this message."

Subd. 2. Independent expenditures. (a) The required form of the disclaimer on a written independent expenditure is: "This is an independent expenditure prepared and paid for by (name of entity participating in the expenditure), (address). It is not coordinated with or approved by any candidate nor is any candidate responsible for it." The address must be either the entity's mailing address or the entity's Web site, if the Web site includes the entity's mailing address. When a written independent expenditure is produced and disseminated without cost, the words "and paid for" may be omitted from the disclaimer.

(b) The required form of the disclaimer on a broadcast independent expenditure is: "This independent expenditure is paid for by (name of entity participating in the expenditure). It is not coordinated with or approved by any candidate nor is any candidate responsible for it." When a broadcast independent expenditure is produced and disseminated without cost, the following disclaimer may be used: "..... (name of entity participating in the expenditure) is responsible for the contents of this independent expenditure. It is not coordinated with or approved by any candidate nor is any candidate responsible for it."

Subd. 3. Material that does not need a disclaimer. ~~(a)~~ (a) This section does not apply to fund-raising tickets, business cards, personal letters, or similar items that are clearly being distributed by the candidate.

~~(e)~~ (b) This section does not apply to an individual or association that is not required to register or report under chapter 10A or 211A.

~~(f)~~ (c) This section does not apply to the following:

(1) bumper stickers, pins, buttons, pens, or similar small items on which the disclaimer cannot be conveniently printed;

(2) skywriting, wearing apparel, or other means of displaying an advertisement of such a nature that the inclusion of a disclaimer would be impracticable; and

(3) online banner ads and similar electronic communications that link directly to an online page that includes the disclaimer.

~~(g)~~ (d) This section does not modify or repeal section 211B.06.

Subd. 4. **Web sites.** The requirements of this section are satisfied for an entire Web site or social media page when the disclaimer required in subdivision 1 or 2 appears once on the homepage of the site.

Subd. 5. **Font size.** For written communications other than an outdoor sign, Web site, or social media page, the disclaimer must be printed in 8-point font or larger.

Sec. 34. **REPEALER.**

Minnesota Rules, parts 4501.0200, subparts 1 and 2; 4501.0500, subpart 1a; 4503.0100, subpart 6; 4503.0500, subpart 2; 4503.1300, subpart 4; 4505.0010; 4505.0100, subparts 1, 4, and 6; 4505.0700; 4515.0010; 4515.0100, subparts 1 and 5; 4515.0500, subpart 1; 4520.0010; 4520.0100, subparts 1, 4, and 6; 4520.0400; 4520.0500; 4525.0330; and 4525.0340, subpart 1, are repealed.

Sec. 35. **EFFECTIVE DATE.**

Except as otherwise provided, this act is effective June 1, 2018.

Presented to the governor May 4, 2018

Signed by the governor May 8, 2018, 12:34 p.m.