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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 5120

03/21/2024 Authored by Quam and Kresha The bill was read for the first time and referred to the Committee on Elections Finance and Policy

1.1 A bill for an act
1.2 relating to campaign finance; prohibiting a candidate's principal campaign
1.3 committee from accepting a loan from a candidate if the terms of the loan require
1.4 the principal campaign committee to pay interest to the candidate; requiring a
1.5 refund of interest payments to a principal campaign committee's contributors in
1.6 certain circumstances; amending Minnesota Statutes 2022, section 10A.27,
1.7 subdivision 8.

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

1.9 Section 1. Minnesota Statutes 2022, section 10A.27, subdivision 8, is amended to read:

1.10 Subd. 8. Excess loans prohibited; limitation on interest. (a) A candidate must not
1.11 permit the candidate's principal campaign committee to accept a loan from other than a
1.12 financial institution for an amount in excess of the contribution limits imposed by this
1.13 section. A candidate must not permit the candidate's principal campaign committee to accept
1.14 a loan from a financial institution for which the financial institution may hold an endorser
1.15 of the loan liable to pay an amount in excess of the amount that the endorser may contribute
1.16 to that candidate.

1.17 (b) A candidate's principal campaign committee must not accept a loan from the candidate
1.18 if the terms of the loan require the candidate's principal campaign committee to pay interest
1.19 to the candidate.

1.20 EFFECTIVE DATE. This section is retroactive to January 1, 2022.

2.1 Sec. 2. **LOANS FROM CANDIDATE TO CANDIDATE'S PRINCIPAL CAMPAIGN**
2.2 **COMMITTEE.**

2.3 A candidate's principal campaign committee that accepted a loan from the candidate
2.4 that included in its terms a required interest payment on or after January 1, 2022, must
2.5 distribute a refund of the interest paid, on a pro rata basis, to any person who contributed
2.6 to the candidate's principal campaign committee on or after that date. A refund required by
2.7 this section must be distributed no later than July 1, 2024.

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