

1.1 A bill for an act

1.2 relating to state government; regulating certain political expenditures and
1.3 contributions; modifying certain filing and reporting requirements; providing
1.4 civil penalties; regulating certain filings with the secretary of state; amending
1.5 Minnesota Statutes 2008, sections 318.02, subdivision 1; 557.01.

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

1.7 Section 1. Minnesota Statutes 2008, section 10A.01, subdivision 18, is amended to
1.8 read:

1.9 Subd. 18. **Independent expenditure.** "Independent expenditure" means an
1.10 expenditure expressly advocating the election or defeat of a clearly identified candidate,
1.11 if the expenditure is made without the express or implied consent, authorization, or
1.12 cooperation of, and not in concert with or at the request or suggestion of, any candidate or
1.13 any candidate's principal campaign committee or agent. An independent expenditure is
1.14 not a contribution to that candidate. ~~An expenditure by a political party or political party~~
1.15 ~~unit in a race where the political party has a candidate on the ballot is not an independent~~
1.16 ~~expenditure.~~ An independent expenditure does not include the act of announcing a formal
1.17 public endorsement of a candidate for public office, unless the act is simultaneously
1.18 accompanied by an expenditure that would otherwise qualify as an independent
1.19 expenditure under this subdivision.

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

1.21 Sec. 2. Minnesota Statutes 2008, section 10A.01, is amended by adding a subdivision
1.22 to read:

2.1 Subd. 37. **Independent expenditure political committee.** "Independent
2.2 expenditure political committee" means a political committee that makes only independent
2.3 expenditures and disbursements permitted under section 10A.121, subdivision 1.

2.4 Sec. 3. Minnesota Statutes 2008, section 10A.01, is amended by adding a subdivision
2.5 to read:

2.6 Subd. 38. **Independent expenditure political fund.** "Independent expenditure
2.7 political fund" means a political fund that makes only independent expenditures and
2.8 disbursements permitted under section 10A.121, subdivision 1.

2.9 Sec. 4. Minnesota Statutes 2008, section 10A.12, is amended by adding a subdivision
2.10 to read:

2.11 Subd. 1a. **When required for independent expenditures.** An association other
2.12 than a political committee that makes only independent expenditures and disbursements
2.13 permitted under section 10A.121, subdivision 1, must do so by forming and registering
2.14 an independent expenditure political fund if the expenditure is in excess of \$100 or by
2.15 contributing to an existing independent expenditure political committee or political fund.

2.16 Sec. 5. **[10A.121] INDEPENDENT EXPENDITURE POLITICAL**
2.17 **COMMITTEES AND INDEPENDENT EXPENDITURE POLITICAL FUNDS.**

2.18 Subdivision 1. **Permitted disbursements.** An independent expenditure political
2.19 committee or an independent expenditure political fund, in addition to making independent
2.20 expenditures, may:

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

2.22 (2) pay for communications that do not constitute contributions or approved
2.23 expenditures; and

2.24 (3) make contributions to other independent expenditure political committees or
2.25 independent expenditure political funds.

2.26 Subd. 2. **Penalty.** An independent expenditure political committee or independent
2.27 expenditure political fund is subject to a civil penalty of up to four times the amount of the
2.28 contribution or approved expenditure if it does the following:

2.29 (1) makes a contribution to a candidate, party unit, political committee, or political
2.30 fund other than an independent expenditure political committee or an independent
2.31 expenditure political fund; or

2.32 (2) makes an approved expenditure.

2.33 This penalty supersedes any penalty otherwise provided in statute.

3.1 Sec. 6. Minnesota Statutes 2008, section 10A.20, subdivision 2, is amended to read:

3.2 Subd. 2. **Time for filing.** (a) The reports must be filed with the board on or before
3.3 January 31 of each year and additional reports must be filed as required and in accordance
3.4 with paragraphs (b) and (c).

3.5 (b) In each year in which the name of the candidate is on the ballot, the report of
3.6 the principal campaign committee must be filed 15 days before a primary and ten days
3.7 before a general election, seven days before a special primary and a special election,
3.8 and ten days after a special election cycle.

3.9 (c) In each general election year, a political committee, political fund, or party
3.10 unit must file reports 28 and 15 days before a primary and ten 42 and 15 days before a
3.11 general election. Beginning in 2012, reports required under this paragraph must also be
3.12 filed 56 days before a primary.

3.13 Sec. 7. Minnesota Statutes 2008, section 10A.20, subdivision 4, is amended to read:

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

3.18 Sec. 8. Minnesota Statutes 2008, section 10A.20, subdivision 12, is amended to read:

3.19 Subd. 12. **Failure to file; penalty.** The board must send a notice by certified mail
3.20 to any individual who fails to file a statement required by this section. If an individual
3.21 fails to file a statement due January 31 within ten business days after the notice was sent,
3.22 the board may impose a late filing fee of ~~\$5~~ \$25 per day, not to exceed ~~\$100~~ \$1,000,
3.23 commencing ~~with the 11th~~ day after the notice was sent.

3.24 If an individual fails to file a statement due before a primary or election within three
3.25 days after the date due, regardless of whether the individual has received any notice, the
3.26 board may impose a late filing fee of \$50 per day, not to exceed ~~\$500~~ \$1,000, commencing
3.27 on the ~~fourth~~ day after the date the statement was due.

3.28 The board must send an additional notice by certified mail to an individual who fails
3.29 to file a statement within 14 days after the first notice was sent by the board that the
3.30 individual may be subject to a civil penalty for failure to file a statement. An individual
3.31 who fails to file the statement within seven days after the second notice was sent by the
3.32 board is subject to a civil penalty imposed by the board of up to \$1,000.

3.33 **EFFECTIVE DATE.** This section is effective June 1, 2010, and applies to
3.34 statements required to be filed on or after that date.

4.1 Sec. 9. Minnesota Statutes 2008, section 10A.27, is amended by adding a subdivision
4.2 to read:

4.3 Subd. 14. **Contributions of business revenue.** An association may, if not
4.4 prohibited by other law, contribute revenue from the operation of a business to an
4.5 independent expenditure political committee or an independent expenditure political fund
4.6 without complying with section 10A.27, subdivision 13.

4.7 Sec. 10. Minnesota Statutes 2008, section 10A.27, is amended by adding a subdivision
4.8 to read:

4.9 Subd. 15. **Contributions of dues or contribution revenue.** An association may,
4.10 if not prohibited by other law, contribute revenue from membership dues or fees, or
4.11 from contributions received by the association to an independent expenditure political
4.12 committee or an independent expenditure political fund without complying with section
4.13 10A.27, subdivision 13. Before the day when the recipient committee's or fund's
4.14 next report must be filed with the board under section 10A.20, subdivision 2 or 5, an
4.15 association that has contributed \$2,000 or more in aggregate to independent expenditure
4.16 political committees or funds during the calendar year must provide in writing to the
4.17 recipient's treasurer a statement that includes the name and address of each association
4.18 that paid the association dues or fees, or made contributions to the association that, in
4.19 total, aggregate \$1,000 or more between January 1 of the calendar year and the date of
4.20 the contribution. The statement must be certified as true and correct by an officer of the
4.21 contributing association.

4.22 Sec. 11. Minnesota Statutes 2008, section 10A.27, is amended by adding a subdivision
4.23 to read:

4.24 Subd. 16. **Treasurer to submit disclosure statements.** The treasurer of a political
4.25 committee or political fund receiving a statement required under section 10A.27,
4.26 subdivision 15, must file a copy of the statement before the deadline for the committee's
4.27 or fund's next report filed with the board under section 10A.20, subdivision 2 or 5, after
4.28 receiving the statement.

4.29 Sec. 12. Minnesota Statutes 2008, section 10A.27, is amended by adding a subdivision
4.30 to read:

4.31 Subd. 17. **Penalty.** (a) An association that makes a contribution under section
4.32 10A.27, subdivision 15, and fails to provide the required statement within the time

5.1 specified is subject to a civil penalty of up to four times the amount of the contribution,
5.2 but not to exceed \$25,000, except when the violation was intentional.

5.3 (b) An independent expenditure political committee or an independent expenditure
5.4 political fund that files a report without including the statement required under section
5.5 10A.27, subdivision 15, is subject to a civil penalty of up to four times the amount of the
5.6 contribution for which disclosure was not filed, but not to exceed \$25,000, except when
5.7 the violation was intentional.

5.8 (c) The penalties provided under this subdivision supersede any penalty otherwise
5.9 provided in statute.

5.10 Sec. 13. Minnesota Statutes 2008, section 211B.01, subdivision 3, is amended to read:

5.11 Subd. 3. **Candidate.** "Candidate" means an individual who seeks nomination
5.12 or election to a ~~federal~~, statewide, legislative, judicial, or local office including special
5.13 districts, school districts, towns, home rule charter and statutory cities, and counties;
5.14 ~~except candidates for president and vice-president of the United States.~~

5.15 Sec. 14. Minnesota Statutes 2008, section 211B.04, is amended to read:

5.16 **211B.04 CAMPAIGN LITERATURE MUST INCLUDE DISCLAIMER.**

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

5.22 (b) Except in cases covered by paragraph (c), the required form of disclaimer is:
5.23 "Prepared and paid for by the committee,(address)" for material prepared
5.24 and paid for by a principal campaign committee, or "Prepared and paid for by the
5.25 committee,(address), in support of(insert name of candidate or ballot
5.26 question)" for material prepared and paid for by a person or committee other than a
5.27 principal campaign committee.

5.28 (c) In the case of broadcast media, the required form of disclaimer is: "Paid for by
5.29 the committee."

5.30 (d) Campaign material that is not circulated on behalf of a particular candidate
5.31 or ballot question must also include in the disclaimer either that it is "in opposition to
5.32(insert name of candidate or ballot question....)"; or that "this publication is not
5.33 circulated on behalf of any candidate or ballot question."

6.1 (e) This section does not apply to objects stating only the candidate's name and
6.2 the office sought, fund-raising tickets, or personal letters that are clearly being sent by
6.3 the candidate.

6.4 (f) This section does not apply to an individual or association who acts independently
6.5 of any candidate, candidate's committee, political committee, or political fund and spends
6.6 only from the individual's or association's own resources a sum that is less than ~~\$500~~
6.7 \$2,000 in the aggregate to produce or distribute campaign material that is distributed at
6.8 least seven days before the election to which the campaign material relates.

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

6.10 **EFFECTIVE DATE.** This section is effective June 1, 2010, and applies to
6.11 campaign material prepared and disseminated on or after that date.

6.12 Sec. 15. Minnesota Statutes 2008, section 211B.15, subdivision 2, is amended to read:

6.13 Subd. 2. **Prohibited contributions.** A corporation may not make a contribution
6.14 or offer or agree to make a contribution; directly or indirectly, of any money, property,
6.15 free service of its officers, employees, or members, or thing of monetary value to a
6.16 major political party, organization, committee, or individual to promote or defeat the
6.17 candidacy of an individual for nomination, election, or appointment to a political office.
6.18 For the purpose of this subdivision, "contribution" includes an expenditure to promote or
6.19 defeat the election or nomination of a candidate to a political office that is made with the
6.20 authorization or expressed or implied consent of, or in cooperation or in concert with, or at
6.21 the request or suggestion of, a candidate or committee established to support or oppose a
6.22 candidate but does not include an independent expenditure authorized by subdivision 3.

6.23 Sec. 16. Minnesota Statutes 2008, section 211B.15, subdivision 3, is amended to read:

6.24 Subd. 3. **Independent expenditures.** A corporation may not make an ~~independent~~
6.25 expenditure or offer or agree to make an ~~independent~~ expenditure to promote or defeat the
6.26 candidacy of an individual for nomination, election, or appointment to a political office,
6.27 unless the expenditure is an independent expenditure. For the purpose of this subdivision,
6.28 "independent expenditure" ~~means an expenditure that is not made with the authorization~~
6.29 ~~or expressed or implied consent of, or in cooperation or concert with, or at the request~~
6.30 ~~or suggestion of, a candidate or committee established to support or oppose a candidate~~
6.31 has the meaning given in section 10A.01, subdivision 18.

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

7.1 Sec. 17. Minnesota Statutes 2008, section 216B.16, is amended by adding a
7.2 subdivision to read:

7.3 Subd. 17. **Election or ballot question expenses.** The commission may not allow
7.4 a public utility to recover from ratepayers expenses resulting from a contribution or
7.5 expenditure made for a political purpose, as defined in section 211B.01. This subdivision
7.6 does not prohibit a public utility from engaging in political activity or making a
7.7 contribution or expenditure otherwise permitted by law.

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

7.9 Sec. 18. Minnesota Statutes 2008, section 318.02, subdivision 1, is amended to read:

7.10 Subdivision 1. **Definition.** The term "declaration of trust" as used in this section
7.11 means the declaration of trust, business trust instrument, trust indenture, contract of
7.12 custodianship, or other instrument pursuant to which such association is organized. Every
7.13 such association organized after April 20, 1961, for the purpose of transacting business
7.14 in this state shall, prior to transacting any business in this state, file in the Office of the
7.15 Secretary of State a true and correct copy of the "declaration of trust" under which the
7.16 association proposes to conduct its business. The copy shall also contain a statement that
7.17 the true and correct copy of the "declaration of trust" is being filed in the Office of the
7.18 Secretary of State of the state of Minnesota pursuant to this chapter and shall also include
7.19 the full name and street address of an agent of the business trust in this state. That agent
7.20 shall be the agent for service of process which shall be made pursuant to the provisions
7.21 of section 543.08. The "declaration of trust" may provide that the duration of such
7.22 association shall be perpetual. Upon the filing of the copy of the "declaration of trust," ~~and~~
7.23 ~~the payment of a filing fee of \$150 to the secretary of state,~~ the secretary of state shall issue
7.24 to such association, or to the trustees named in the said "declaration of trust," or to the
7.25 persons or parties to the "declaration of trust," a certificate showing that such "declaration
7.26 of trust" has been duly filed; whereupon, such association in its name shall be authorized
7.27 to transact business in this state; provided that all other applicable laws have been
7.28 complied with. The "declaration of trust" may be amended as provided in the "declaration
7.29 of trust" or in any amendments thereto but a true and correct copy of all amendments to the
7.30 "declaration of trust," shall be filed in the Office of the Secretary of State ~~upon the payment~~
7.31 ~~of a filing fee of \$50 to the secretary of state~~ and all amendments shall become effective at
7.32 the time of said filing. When such copy of the "declaration of trust" and any amendments
7.33 thereto shall have been filed in the Office of the Secretary of State it shall constitute public
7.34 notice as to the purposes and manner of the business to be engaged in by such association.

8.1 Sec. 19. Minnesota Statutes 2008, section 557.01, is amended to read:

8.2 **557.01 NONRESIDENT, AGENT TO ACCEPT SERVICE.**

8.3 Any nonresident person or corporation owning or claiming any interest or lien in
8.4 or upon lands in the state may file with the secretary of state a writing, executed and
8.5 acknowledged in the manner of a conveyance, appointing a resident agent, whose place
8.6 of residence shall be stated, to accept service of process or summons in any action or
8.7 proceeding in the courts of the state concerning such interest or lien, except actions or
8.8 proceedings for the collection of taxes, and consenting that service of such process or
8.9 summons upon such agent shall be binding upon the person executing the same. Such
8.10 writing shall be recorded by the secretary. No service by publication of summons shall
8.11 be made upon any such nonresident who has complied with the provisions hereof, but in
8.12 all such cases service of such process or summons, or of any writ or notice in the action
8.13 or proceedings, shall be made upon such agent in the manner provided by law for such
8.14 service upon residents of the state, and have the same effect as personal service within
8.15 the state upon such owner or claimant; but, if such party appears by attorneys therein, the
8.16 service of papers shall thereafter be upon such attorney. The authority of such agent
8.17 may be revoked by writing similarly executed and acknowledged and recorded, but no
8.18 revocation shall affect any action or proceeding then pending. ~~For filing and recording~~
8.19 ~~such papers the secretary shall be entitled to 15 cents for each folio~~ The fee for each filing
8.20 made under this section is \$50.

8.21 Sec. 20. **REPEALER.**

8.22 Minnesota Statutes 2008, sections 72A.12, subdivision 5; and 211B.15, subdivision
8.23 12, are repealed.

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