

10A.31 DESIGNATION OF INCOME TAX PAYMENTS.

Subdivision 1. **Designation.** An individual resident of this state who files an income tax return or a renter and homeowner property tax refund return with the commissioner of revenue may designate on their original return that \$5 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 \$5 be paid. No individual is allowed to designate \$5 more than once in any year. The taxpayer may designate that the amount be paid into the account of a political party or into the general account.

Subd. 2. [Repealed by amendment, 1999 c 220 s 39]

Subd. 3. **Form.** The commissioner of revenue must provide on the first page of the income tax form and the renter and homeowner property tax refund return a space for the individual to indicate a wish to pay \$5 (\$10 if filing a joint return) from the general fund of the state to finance election campaigns. The form must also contain language prepared by the commissioner that permits the individual to direct the state to pay the \$5 (or \$10 if filing a joint return) to: (1) one of the major political parties; (2) any minor political party that qualifies under subdivision 3a; or (3) all qualifying candidates as provided by subdivision 7. The renter and homeowner property tax refund return must include instructions that the individual filing the return may designate \$5 on the return only if the individual has not designated \$5 on the income tax return.

Subd. 3a. **Qualification of political parties.** (a) A major political party qualifies for inclusion on the income tax form and property tax refund return as provided in subdivision 3 if it qualifies as a major political party by July 1 of the taxable year.

(b) A minor political party qualifies for inclusion on the income tax form and property tax refund return as provided in subdivision 3 if it qualifies as a minor party statewide by July 1 of the taxable year.

(c) The secretary of state shall notify each major and minor political party by the first Monday in January of each odd-numbered year of the conditions necessary for the party to participate in income tax form and property tax refund return programs.

(d) The secretary of state shall notify each political party, the commissioner of revenue, and the Campaign Finance and Public Disclosure Board by July 1 of each year and following certification of the results of each general election of the political parties that qualify for inclusion on the income tax form and property tax refund return as provided in subdivision 3.

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

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

Subd. 5. **Allocation.** (a) **General account.** In each calendar year the money in the general account must be allocated to candidates as follows:

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

(2) 4.2 percent for the office of attorney general;

(3) 2.4 percent each for the offices of secretary of state and state auditor;

(4) in each calendar year during the period in which state senators serve a four-year term, $23\frac{1}{3}$ percent for the office of state senator, and $46\frac{2}{3}$ percent for the office of state representative; and

(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.

(b) **Party account.** In each calendar year the money in each party account must be allocated as follows:

(1) 14 percent for the offices of governor and lieutenant governor together;

(2) 2.8 percent for the office of attorney general;

(3) 1.6 percent each for the offices of secretary of state and state auditor;

(4) in each calendar year during the period in which state senators serve a four-year term, $23\frac{1}{3}$ percent for the office of state senator, and $46\frac{2}{3}$ percent for the office of state representative;

(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; and

(6) ten percent or \$50,000, whichever is less, for the state committee of a political party; one-third of any amount in excess of that allocated to the state committee of a political party under this clause must be allocated to the office of state senator and two-thirds must be allocated to the office of state representative under clause (4).

Money allocated to each state committee under clause (6) must be deposited in a separate account and must be spent for only those items enumerated in section 10A.275. Money allocated to a state committee under clause (6) must be paid to the committee by the board as it is received in the account on a monthly basis, with payment on the 15th day of the calendar month following the month in which the returns were processed by the Department of Revenue, provided that these distributions would be equal to 90 percent of the amount of money indicated in the Department of Revenue's weekly unedited reports of income tax returns and property tax refund returns processed in the month, as notified by the Department of Revenue to the board. The amounts paid to each state committee are subject to biennial adjustment and settlement at the time of each certification required of the commissioner of revenue under subdivisions 7 and 10. If the total amount of payments received by a state committee for the period reflected on a certification by the Department of Revenue is different from the amount that should have been received during the period according to the certification, each subsequent monthly payment must be increased or decreased to the fullest extent possible until the amount of the overpayment is recovered or the underpayment is distributed.

Subd. 5a. **Party account for legislative candidates.** To ensure that money will be returned to the counties from which it was collected and to ensure that the distribution of money rationally relates to the support for particular parties or for particular candidates within legislative districts, money from the party accounts for legislative candidates must be distributed as provided in this subdivision.

Each candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election must receive money from the candidate's party account allocated to candidates for the state senate or state house of representatives, whichever applies, according to the following formula:

For each county within the candidate's district, the candidate's share of the dollars designated by taxpayers who resided in that county and credited to the candidate's party account and allocated to that office must be:

(1) the sum of the votes cast in the last general election in that part of the county in the candidate's district for all candidates of that candidate's party whose names appeared on the ballot statewide and for the state senate and state house of representatives, divided by

(2) the sum of the votes cast in the entire county in the last general election for all candidates of that candidate's party whose names appeared on the ballot statewide and for the state senate and state house of representatives, multiplied by

(3) the amount in the candidate's party account designated by taxpayers who resided in that county and allocated to that office.

The sum of all the county shares calculated in the formula above is the candidate's share of the candidate's 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 a party under whose name no candidate's name appeared on the ballot statewide in the last general election, amounts in the party's account must be allocated based on (i) the number of people voting in the last general election in that part of the county in the candidate's district, divided by (ii) the number of the people voting in the entire county in the last general election, multiplied by (iii) the amount in the candidate's party account designated by taxpayers who resided in that county and allocated to that office.

In the first general election after the legislature is redistricted, "the candidate's district" means the newly drawn district and voting data from the last general election must be applied to the area encompassing the newly drawn district, notwithstanding that the area was in a different district in the last general election.

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 is 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 (1) and (2). The average vote must be added to the sums in clauses (1) and (2) before the calculation is made for all districts in the county.

Subd. 6. Distribution of party accounts. As soon as the board has obtained from the secretary of state the results of the primary election, but no later than one week after certification by the State Canvassing Board of the results of the primary, the board must distribute the available money in each party account, as certified by the commissioner of revenue one week before the state primary, to the candidates of that party who have signed a spending limit agreement under section 10A.322 and filed the affidavit of contributions required by section 10A.323, who were opposed in either the primary election or the general election, and whose names are to appear

on the ballot in the general election, according to the allocations set forth in subdivisions 5 and 5a. The public subsidy from the party account may not be paid in an amount greater than the expenditure limit of the candidate or the expenditure limit that would have applied to the candidate if the candidate had not been freed from expenditure limits under section 10A.25, subdivision 10.

Subd. 6a. Party account money not distributed. Money from a party account not distributed to candidates for state senator or representative in any election year must be returned to the general fund of the state, except that the subsidy from the party account an unopposed candidate would otherwise have been eligible to receive must be paid to the state committee of the candidate's political party to be deposited in a special account under subdivision 5, paragraph (b), clause (6), and used for only those items permitted under section 10A.275. Money from a party account not distributed to candidates for other offices in an election year must be returned to the party account for reallocation to candidates as provided in subdivision 5, paragraph (b), in the following year.

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

- (1) have signed a spending limit agreement under section 10A.322;
- (2) have filed the affidavit of contributions required by section 10A.323; and
- (3) were opposed in either the primary election or the general election.

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

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

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

Subd. 7a. Withholding of public subsidy. If a candidate who is eligible for payment of public subsidy under this section has not filed the report of receipts and expenditures required under section 10A.20 before a primary election, any public subsidy for which that candidate is

eligible must be withheld by the board until the candidate complies with the filing requirements of section 10A.20 and the board has sufficient time to review or audit the report. If a candidate who is eligible for public subsidy does not file the report due before the primary election under section 10A.20 by the date that the report of receipts and expenditures filed before the general election is due, that candidate shall not be paid public subsidy for that election.

Subd. 8. [Repealed, 1993 c 318 art 2 s 51]

Subd. 9. [Repealed, 1993 c 318 art 2 s 51]

Subd. 10. **December distribution.** In the event that on the date of either certification by the commissioner of revenue as provided in subdivision 6 or 7, less than 98 percent of the tax returns have been processed, the commissioner of revenue must certify to the board by December 1 the amount accumulated in each account since the previous certification. By December 15, the board must distribute to each candidate according to the allocations in subdivisions 5 and 5a the amounts to which the candidates are entitled.

Subd. 10a. **Form of distribution.** A distribution to a candidate must be in the form of a check made "payable to the campaign fund of(name of candidate)....."

Subd. 10b. **Remainder.** Money accumulated after the final certification must be kept in the respective accounts for distribution in the next general election year.

Subd. 11. **Write-in candidate.** For the purposes of this section, a write-in candidate is a candidate only upon complying with sections 10A.322 and 10A.323.

Subd. 12. [Repealed by amendment, 1999 c 220 s 39]

History: 1974 c 470 s 31; 1975 c 271 s 6; 1976 c 307 s 26-33; 1978 c 463 s 87-95; 1980 c 587 art 3 s 4-6; 1981 c 343 s 1; 1982 c 523 art 5 s 1; 1983 c 216 art 1 s 2; 1984 c 502 art 2 s 1,2; 1984 c 514 art 2 s 1; 1985 c 248 s 3; 1Sp1985 c 14 art 1 s 1,2; 1986 c 444; 1987 c 268 art 1 s 1-3; 1988 c 686 art 1 s 42; 1Sp1989 c 1 art 10 s 1; 1990 c 480 art 5 s 1; 1991 c 199 art 2 s 1; 1991 c 349 s 19,20; 1992 c 513 art 3 s 20; 1993 c 13 art 2 s 1; 1993 c 318 art 2 s 33-36; 1Sp1993 c 3 s 3,4; 1996 c 471 art 1 s 1; 1997 c 202 art 2 s 63; 1999 c 220 s 39,50; 2000 c 467 s 1; 1Sp2001 c 10 art 18 s 1,2; 2002 c 363 s 38; 2004 c 277 s 1; 2005 c 156 art 6 s 9,10; 2009 c 101 art 2 s 18; 2010 c 184 s 1; 2010 c 327 s 20