

**10A.02 CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD.**

Subdivision 1. **Membership.** The Campaign Finance and Public Disclosure Board is composed of six members. The governor must appoint the members with the advice and consent of three-fifths of both the senate and the house of representatives acting separately. If either house fails to confirm the appointment of a board member within 45 legislative days after appointment or by adjournment sine die, whichever occurs first, the appointment terminates on the day following the 45th legislative day or on adjournment sine die, whichever occurs first. If either house votes not to confirm an appointment, the appointment terminates on the day following the vote not to confirm. Two members must be former members of the legislature who support different political parties; two members must be persons who have not been public officials, held any political party office other than precinct delegate, or been elected to public office for which party designation is required by statute in the three years preceding the date of their appointment; and the other two members must support different political parties. No more than three of the members of the board may support the same political party. No member of the board may currently serve as a lobbyist.

Subd. 2. **Vacancy; terms.** An appointment to fill a vacancy is made only for the unexpired term of a member who is being replaced and the appointee must meet the same stated qualifications as the member being replaced. The membership terms, compensation, and removal of members on the board are as provided in section 15.0575, except that the extension of terms and the filling of vacancies are subject to the advice and consent of the legislature in the same manner as provided in subdivision 1.

Subd. 3. **Vote required.** The concurring vote of four members of the board is required to decide any matter before the board.

Subd. 4. **Officers.** The board must elect from among its members a chair and a vice-chair. Meetings of the board are at the call of the chair or at the call of any four members of the board acting together.

Subd. 5. **Executive director; staff.** The board must appoint an executive director. The executive director is in the unclassified service. The executive director is not an ex officio member of the board. The executive director serves as secretary of the board and must keep a record of all proceedings and actions by the board. The board may also employ and prescribe the duties of other permanent or temporary employees in the unclassified service as may be necessary to administer this chapter, subject to appropriation. The executive director and all other employees serve at the pleasure of the board. Expenses of the board must be approved by the chair or another member as the rules of the board may provide and the expenses must then be paid in the same manner as other state expenses are paid.

Subd. 6. [Repealed, 1976 c 134 s 79]

Subd. 7. **Political activity.** All members and employees of the board are subject to any provisions of law regulating political activity by state employees. In addition, no member or employee of the board may be a candidate for, or holder of, (1) a national, state, congressional district, legislative district, county, or precinct office in a political party, or (2) an elected public office for which party designation is required by statute.

Subd. 8. **Duties.** (a) The board must report at the close of each fiscal year to the legislature, the governor, and the public concerning the action it has taken, the names, salaries, and duties of all individuals in its employ, and the money it has disbursed. The board must include and identify in its report any other reports it has made during the fiscal year. It may indicate apparent abuses and offer legislative recommendations.

(b) The board must prescribe forms for statements and reports required to be filed under this chapter and make the forms available to individuals required to file them.

(c) The board must make available to the individuals required to file the reports and statements a manual setting forth the recommended uniform methods of bookkeeping and reporting.

(d) The board must develop a filing, coding, and cross-indexing system consistent with the purposes of this chapter.

(e) The board must make the reports and statements filed with it available for public inspection and copying by the end of the second day following the day on which they were received. An individual may copy a report or statement by hand or by duplicating machine and the board must provide duplicating services at cost for this purpose.

(f) Notwithstanding section 138.163, the board must preserve reports and statements for a period of five years from the date of receipt.

(g) The board must compile and maintain a current list and summary of all statements or parts of statements pertaining to each candidate.

(h) The board may prepare and publish reports it considers appropriate.

(i) The board shall only vote on a matter before the board at a meeting if:

(1) the matter was placed on an agenda distributed to all members of the board at least seven days before the meeting; and

(2) background or other relevant information to the matter was distributed to all members of the board by the executive director or other staff at least seven days before the meeting.

By majority consent of all members of the board, the board may vote on a matter at a meeting that does not satisfy the requirements of this paragraph.

**Subd. 9. Documents; information.** The executive director must inspect all material filed with the board as promptly as necessary to comply with this chapter, with other provisions of law requiring the filing of a document with the board, and with other provisions of law under the board's jurisdiction pursuant to subdivision 11. The executive director must immediately notify an individual if a written complaint is filed with the board alleging, or it otherwise appears, that a document filed with the board is inaccurate or does not comply with this chapter, or that the individual has failed to file a document required by this chapter or has failed to comply with this chapter or other provisions under the board's jurisdiction pursuant to subdivision 11.

**Subd. 10. Audits and investigations.** (a) Within limits of available resources, the board must make audits and investigations with respect to the requirements of this chapter. A final audit report completed under this chapter must contain the name of the primary board employee responsible for conducting the audit. The board may impose statutory civil penalties and issue orders for compliance with respect to the requirements of this chapter and provisions under the board's jurisdiction pursuant to subdivision 11. In all matters relating to its official duties, the board has the power to require testimony under oath, to permit written statements to be given under oath, and to issue subpoenas and cause them to be served. If a person does not comply with a subpoena, the board may apply to the District Court of Ramsey County for issuance of an order compelling obedience to the subpoena. A person failing to obey the order is punishable by the court as for contempt.

(b) The board shall issue rules, using the expedited rulemaking process in section 14.389, setting forth procedures to be followed for all audits and investigations conducted by the board under this chapter and

other provisions under the board's jurisdiction pursuant to subdivision 11. The rules regarding the board's investigative procedure shall set forth:

- (1) the process for the board initiating and overseeing an investigation;
- (2) when summary proceedings may be available;
- (3) dedication of staff resources in taking witness testimony and conducting discovery;
- (4) parties' rights and opportunities to be heard by the board; and
- (5) board hearings and disposition of complaints, audits, and investigations.

(c) In addition to the notice required under chapter 14, the board shall notify the chairs and ranking minority members of the committees or subcommittees in the senate and house of representatives with primary jurisdiction over elections within seven calendar days of taking the following actions:

- (1) publication of a notice of intent to adopt rules or a notice of hearing;
- (2) publication of proposed rules in the State Register;
- (3) issuance of a statement of need and reasonableness; or
- (4) adoption of final rules.

Subd. 11. **Violations; enforcement.** (a) The board may investigate any alleged violation of this chapter. The board may also investigate an alleged 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. Upon receipt of a written complaint filed with the board, the board shall promptly provide a copy of the complaint to the subject of the complaint and notify the subject that a determination as to whether the complaint states a prima facie violation will be made and that the subject may, within 15 days of the date the board provided notice to the subject, submit a written statement addressing the prima facie determination. The notice must include the definition of a prima facie determination. Within 30 days after the filing of the complaint, the board chair or another board member designated by the chair shall 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 must be notified of the reasons the complaint did not allege a prima facie violation. 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. 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. 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 10 and must issue an order at the conclusion of the in-

vestigation, 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 filing of the complaint. 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.

(b) The board may bring legal actions or negotiate settlements in its own name to recover money raised from contributions subject to the conditions in this paragraph.

(1) No action may be commenced unless the board has made a formal determination, after an investigation, that the money was raised for political purposes as defined in section 211B.01, subdivision 6, and that the money was used for purposes not permitted under this chapter or under section 211B.12.

(2) Prior to commencing an action, the board must give the association whose money was misused written notice by certified mail of its intent to take action under this subdivision and must give the association a reasonable opportunity, for a period of not less than 90 days, to recover the money without board intervention. This period must be extended for at least an additional 90 days for good cause if the association is actively pursuing recovery of the money. The board may not commence a legal action under this subdivision if the association has commenced a legal action for the recovery of the same money.

(3) Any funds recovered under this subdivision must be deposited in a campaign finance recovery account in the special revenue fund and are appropriated as follows:

(i) an amount equal to the board's actual costs and disbursements in the action, including court reporter fees for depositions taken in the course of an investigation, is appropriated to the board for its operations;

(ii) an amount equal to the reasonable value of legal services provided by the Office of the Attorney General in the recovery matter, calculated on the same basis as is used for charging legal fees to state agencies, is appropriated to the attorney general for the attorney general's operations; and

(iii) any remaining balance is appropriated to the board for distribution to the association to which the money was originally contributed.

(4) Notwithstanding clause (3), item (iii), if the candidate of a principal campaign committee is the person who used the association's money for illegal purposes, or if the association or political fund whose money was misused is no longer registered with the board, any money remaining after the payments specified in clause (3), items (i) and (ii), must be transferred to the general account of the state elections campaign account.

(5) Any action by the board under this paragraph must be commenced not later than four years after the improper use of money is shown on a report filed with the board or the board has actual knowledge of improper use. No action may be commenced under this paragraph for improper uses disclosed on reports for calendar years prior to 2011.

(6) If the board prevails in an action brought under this subdivision and the court makes a finding that the misuse of funds was willful, the court may enter judgment in favor of the board and against the person misusing the funds in the amount of the misused funds.

(c) Within a reasonable time after beginning an investigation of an individual or association, the board must notify the individual or association of the fact of the investigation. The board must not make a finding

that a violation has occurred without notifying the individual or association of the nature of the allegations and affording an opportunity to answer those allegations.

(d) A hearing before the board or action of the board concerning a complaint or investigation other than findings, conclusions, and orders or a conciliation agreement is confidential. Until the board makes a public finding or enters a conciliation agreement:

(1) a member, employee, or agent of the board must not disclose to an individual information obtained by that member, employee, or agent concerning a complaint or investigation except as required to carry out the investigation or take action in the matter as authorized by this chapter; and

(2) an individual who discloses information contrary to this subdivision is subject to a civil penalty imposed by the board of up to \$1,000.

(e) A matter that is under the board's jurisdiction pursuant to this section and that may result in a criminal offense must be finally disposed of by the board before the alleged violation may be prosecuted by a city or county attorney.

Subd. 11a. **Data privacy.** If, after making a public finding or entering a conciliation agreement, the board determines that the record of the investigation contains statements, documents, or other matter that, if disclosed, would unfairly injure the reputation of an innocent individual, the board may:

(1) retain the statement, document, or other matter as a private record, as defined in section 13.02, subdivision 12, for a period of one year, after which it must be destroyed; or

(2) return the statement, document, or other matter to the individual who supplied it to the board.

Subd. 11b. **Data privacy related to electronic reporting system.** The board may develop and maintain systems to enable treasurers to enter and store electronic records online for the purpose of complying with this chapter. Data entered into such systems by treasurers or their authorized agents is not government data under chapter 13 and may not be accessed or used by the board for any purpose without the treasurer's written consent. Data from such systems that has been submitted to the board as a filed report is government data under chapter 13.

Subd. 12. **Advisory opinions.** (a) The board may issue and publish advisory opinions on the requirements of this chapter and of those sections listed in subdivision 11 based upon real or hypothetical situations. An application for an advisory opinion may be made only by a person who is subject to chapter 10A and who wishes to use the opinion to guide the person's own conduct. The board must issue written opinions on all such questions submitted to it within 30 days after receipt of written application, unless a majority of the board agrees to extend the time limit.

(b) A written advisory opinion issued by the board is binding on the board in a subsequent board proceeding concerning the person making or covered by the request and is a defense in a judicial proceeding that involves the subject matter of the opinion and is brought against the person making or covered by the request unless:

(1) the board has amended or revoked the opinion before the initiation of the board or judicial proceeding, has notified the person making or covered by the request of its action, and has allowed at least 30 days for the person to do anything that might be necessary to comply with the amended or revoked opinion;

(2) the request has omitted or misstated material facts; or

(3) the person making or covered by the request has not acted in good faith in reliance on the opinion.

(c) A request for an opinion and the opinion itself are nonpublic data. The board, however, may publish an opinion or a summary of an opinion, but may not include in the publication the name of the requester, the name of a person covered by a request from an agency or political subdivision, or any other information that might identify the requester, unless the person consents to the inclusion.

Subd. 12a. **Advisory opinions; rules.** If the board intends to apply principles of law or policy announced in an advisory opinion issued under subdivision 12 more broadly than to the individual or association to whom the opinion was issued, the board must adopt these principles or policies as rules under chapter 14.

Subd. 13. **Rules.** Chapter 14 applies to the board. The board may adopt rules to carry out the purposes of this chapter.

Subd. 14. **Legal services.** Notwithstanding section 8.15, the board must not be assessed the cost of legal services rendered to it by the attorney general's office.

Subd. 15. **Fees and penalties.** (a) Upon written request, certified pursuant to section 10A.025, subdivision 2, the board must waive that portion of a late filing fee or a civil penalty imposed for the late filing of a report or statement under this chapter for which the requester demonstrates good cause for the late filing or submission.

(b) The board must deposit all fees and civil penalties collected under this chapter into the general fund in the state treasury.

**History:** 1974 c 470 s 2; 1975 c 271 s 6; 1976 c 134 s 5; 1976 c 307 s 5-8; 1978 c 463 s 19-27; 1978 c 793 s 36; 1981 c 311 s 39; 1982 c 424 s 130; 1982 c 545 s 24; 1986 c 444; 1987 c 214 s 1; 1989 c 291 art 1 s 1; 1990 c 608 art 1 s 6; 1991 c 233 s 36; 1991 c 349 s 3-8; 1994 c 377 s 1; 1994 c 629 s 5; 1997 c 202 art 2 s 63; 1999 c 1 s 1; 1999 c 220 s 2,50; 2002 c 363 s 2; 1Sp2003 c 1 art 2 s 19; 2013 c 138 art 1 s 11-15; 2014 c 309 s 4-10