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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 2793

03/09/2023 Authored by Coulter, Freiberg, Greenman and Pursell
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; regulating small donor political committees and
1.3 funds; establishing a small donor state match program; exempting certain candidate
1.4 expenditures from aggregate expenditure limits; repealing the campaign public
1.5 subsidy program; transferring money; amending Minnesota Statutes 2022, sections
1.6 10A.01, by adding subdivisions; 10A.20, subdivision 3; 10A.25, subdivisions 1,
1.7 2, by adding subdivisions; 10A.257, subdivision 1; 10A.31, subdivision 4; 10A.322,
1.8 subdivision 1; 10A.323; proposing coding for new law in Minnesota Statutes,
1.9 chapter 10A; repealing Minnesota Statutes 2022, sections 10A.31, subdivisions
1.10 5, 5a, 6, 6a, 7, 7a, 7b, 10, 10a, 10b, 11; 10A.315; 10A.321; 10A.324, subdivisions
1.11 1, 3.

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

1.13 Section 1. Minnesota Statutes 2022, section 10A.01, is amended by adding a subdivision
1.14 to read:

1.15 Subd. 35c. Small donor political committee. A "small donor political committee"
1.16 means a political committee that engages only in the activities authorized by section 10A.122.

1.17 Sec. 2. Minnesota Statutes 2022, section 10A.01, is amended by adding a subdivision to
1.18 read:

1.19 Subd. 35d. Small donor political fund. A "small donor political fund" means a political
1.20 fund that engages only in the activities authorized by section 10A.122.

1.21 Sec. 3. [10A.122] SMALL DONOR POLITICAL COMMITTEES AND FUNDS.

1.22 Subdivision 1. Authorized activities. A small donor political committee or fund may:

1.23 (1) accept contributions of no more than \$200, in aggregate, from any individual
1.24 contributor during an election cycle;

2.1 (2) make contributions to candidates, political parties, or other political committees or
 2.2 funds of no more than \$2,000 during an election cycle;

2.3 (3) engage in coordinated expenditures with candidates and political parties;

2.4 (4) notwithstanding section 10A.27, subdivision 1, provide in-kind contributions in any
 2.5 amount to a candidate to support direct voter contacts, as defined in section 10A.25,
 2.6 subdivision 14; and

2.7 (5) engage in coordinated expenditures with political committees or funds.

2.8 Subd. 2. **Other laws apply.** Except as provided in this section or as expressed in other
 2.9 applicable law, the laws governing organization, registration, and reporting by a political
 2.10 committee or fund apply to a small donor political committee or fund.

2.11 Subd. 3. **Penalty.** A small donor political committee or fund is subject to a civil penalty
 2.12 up to four times the amount of a contribution if the contribution is in excess of the limit
 2.13 provided by subdivision 1.

2.14 Sec. 4. Minnesota Statutes 2022, section 10A.20, subdivision 3, is amended to read:

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

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

2.21 (c) The report must disclose the name, address, employer, or occupation if self-employed,
 2.22 and registration number if registered with the board, of each individual or association that
 2.23 has made one or more contributions to the reporting entity, including the purchase of tickets
 2.24 for a fundraising effort, that in aggregate within the year exceed \$200 for legislative or
 2.25 statewide candidates or more than \$500 for ballot questions, together with the amount and
 2.26 date of each contribution, and the aggregate amount of contributions within the year from
 2.27 each source so disclosed. A donation in kind must be disclosed at its fair market value. An
 2.28 approved expenditure must be listed as a donation in kind. A donation in kind is considered
 2.29 consumed in the reporting period in which it is received. The names of contributors must
 2.30 be listed in alphabetical order. Contributions from the same contributor must be listed under
 2.31 the same name. When a contribution received from a contributor in a reporting period is
 2.32 added to previously reported unitemized contributions from the same contributor and the
 2.33 aggregate exceeds the disclosure threshold of this paragraph, the name, address, and

3.1 employer, or occupation if self-employed, of the contributor must then be listed on the
3.2 report.

3.3 (d) In the case of a principal campaign committee's report on behalf of a candidate who
3.4 has agreed to be bound by expenditure limits, the report must disclose the aggregate value
3.5 of grassroots campaign expenditures that are exempt from the expenditure limits under
3.6 section 10A.25, subdivision 14.

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

3.9 ~~(e)~~ (f) The report must disclose each loan made or received by the reporting entity within
3.10 the year in aggregate in excess of \$200, continuously reported until repaid or forgiven,
3.11 together with the name, address, occupation, principal place of business, if any, and
3.12 registration number if registered with the board of the lender and any endorser and the date
3.13 and amount of the loan. If a loan made to the principal campaign committee of a candidate
3.14 is forgiven or is repaid by an entity other than that principal campaign committee, it must
3.15 be reported as a contribution for the year in which the loan was made.

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

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

3.20 ~~(h)~~ (i) The report must disclose the name, address, and registration number if registered
3.21 with the board of each individual or association to whom aggregate expenditures, approved
3.22 expenditures, independent expenditures, and ballot question expenditures have been made
3.23 by or on behalf of the reporting entity within the year in excess of \$200, together with the
3.24 amount, date, and purpose of each expenditure, including an explanation of how the
3.25 expenditure was used, and the name and address of, and office sought by, each candidate
3.26 or local candidate on whose behalf the expenditure was made, identification of the ballot
3.27 question that the expenditure was intended to promote or defeat and an indication of whether
3.28 the expenditure was to promote or to defeat the ballot question, and in the case of independent
3.29 expenditures made in opposition to a candidate or local candidate, the candidate's or local
3.30 candidate's name, address, and office sought. A reporting entity making an expenditure on
3.31 behalf of more than one candidate or local candidate must allocate the expenditure among
3.32 the candidates and local candidates on a reasonable cost basis and report the allocation for
3.33 each candidate or local candidate. The report must list on separate schedules any independent

4.1 expenditures made on behalf of local candidates and any expenditures made for ballot
4.2 questions as defined in section 10A.01, subdivision 7, clause (2), (3), or (4).

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

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

4.10 ~~(k)~~ (l) The report must disclose the name, address, and registration number if registered
4.11 with the board of each political committee, political fund, principal campaign committee,
4.12 local candidate, or party unit to which contributions have been made that aggregate in excess
4.13 of \$200 within the year and the amount and date of each contribution. The report must list
4.14 on separate schedules any contributions made to state candidates' principal campaign
4.15 committees and any contributions made to local candidates.

4.16 ~~(l)~~ (m) The report must disclose the sum of all contributions made by the reporting entity
4.17 during the reporting period and must separately disclose the sum of all contributions made
4.18 to local candidates by the reporting entity during the reporting period.

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

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

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

4.31 ~~(p)~~ (q) Legislative, statewide, and judicial candidates, party units, and political committees
4.32 and funds must itemize contributions that in aggregate within the year exceed \$200 for
4.33 legislative or statewide candidates or more than \$500 for ballot questions on reports submitted

5.1 to the board. The itemization must include the date on which the contribution was received,
 5.2 the individual or association that provided the contribution, and the address of the contributor.
 5.3 Additionally, the itemization for a donation in kind must provide a description of the item
 5.4 or service received. Contributions that are less than the itemization amount must be reported
 5.5 as an aggregate total.

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

5.14 Sec. 5. Minnesota Statutes 2022, section 10A.25, subdivision 1, is amended to read:

5.15 Subdivision 1. **Limits are voluntary.** The expenditure limits imposed by this section
 5.16 apply only to a candidate who has signed an agreement under section 10A.322 to be bound
 5.17 by them as a condition of receiving a ~~public subsidy~~ state match under section 10A.305 for
 5.18 eligible contributions to the candidate's campaign.

5.19 Sec. 6. Minnesota Statutes 2022, section 10A.25, subdivision 2, is amended to read:

5.20 Subd. 2. **Amounts.** (a) In a segment of an election cycle, the principal campaign
 5.21 committee of the candidate must not make campaign expenditures nor permit approved
 5.22 expenditures to be made on behalf of the candidate that result in aggregate expenditures in
 5.23 excess of the following:

5.24 (1) for governor and lieutenant governor, running together, ~~\$4,232,700~~ \$10,000,000 in
 5.25 the election segment and ~~\$1,697,400~~ \$4,010,209 in the nonelection segment;

5.26 (2) for attorney general and secretary of state, separately, ~~\$725,800~~ \$3,000,000 in the
 5.27 election segment and ~~\$226,400~~ \$935,795 in the nonelection segment;

5.28 (3) for ~~secretary of state and~~ state auditor, ~~separately, \$483,900~~ \$500,000 in the election
 5.29 segment and ~~\$113,300~~ \$117,006 in the nonelection segment;

5.30 (4) for state senator, ~~\$109,100~~ \$300,000 in the election segment and ~~\$32,800~~ \$90,192
 5.31 in a nonelection segment;

5.32 (5) for state representative, ~~\$72,700~~ \$195,096 in the election segment.

6.1 (b) In addition to the amount in paragraph (a), clause (1), a candidate for endorsement
 6.2 for the office of lieutenant governor at the convention of a political party may make campaign
 6.3 expenditures and approved expenditures of five percent of that amount to seek endorsement.

6.4 (c) If a special election cycle occurs during a general election cycle, expenditures by or
 6.5 on behalf of a candidate in the special election do not count as expenditures by or on behalf
 6.6 of the candidate in the general election.

6.7 (d) The expenditure limits in this subdivision for an office are increased by ten percent
 6.8 for a candidate who has not previously held the same office, whose name has not previously
 6.9 been on the primary or general election ballot for that office, and who has not in the past
 6.10 ten years raised or spent more than \$750 in a run for any other office whose territory now
 6.11 includes a population that is more than one-third of the population in the territory of the
 6.12 new office. Candidates who qualify for first-time candidate status receive a ten percent
 6.13 increase in the campaign expenditure limit in all segments of the applicable election cycle.
 6.14 In the case of a legislative candidate, the office is that of a member of the house of
 6.15 representatives or senate without regard to any specific district.

6.16 Sec. 7. Minnesota Statutes 2022, section 10A.25, is amended by adding a subdivision to
 6.17 read:

6.18 Subd. 14. **Grassroots campaign expenditures exempted.** (a) The limits provided by
 6.19 subdivision 2 do not apply to expenditures for staff of the candidate's principal campaign
 6.20 committee or to costs associated with direct voter contacts.

6.21 (b) As used in this subdivision:

6.22 (1) "direct voter contacts" means individualized outreach to a specific voter by an
 6.23 individual staff person or volunteer that is conducted in person, by telephone, or by electronic
 6.24 means and in a manner that provides the voter an opportunity to communicate in real-time
 6.25 directly with the staff person or volunteer conducting the outreach; and

6.26 (2) "expenditures for staff" includes costs associated with providing the committee's
 6.27 staff with salary, benefits, workers' compensation insurance, and reasonable administrative
 6.28 expenses.

6.29 Sec. 8. Minnesota Statutes 2022, section 10A.25, is amended by adding a subdivision to
 6.30 read:

6.31 Subd. 15. **Approved expenditures; small donor committee.** An approved expenditure
 6.32 by a small donor committee as authorized under section 10A.122 must be counted toward

7.1 the expenditure limits provided in this section, unless the expenditure is for an activity
7.2 exempted under subdivision 14.

7.3 Sec. 9. Minnesota Statutes 2022, section 10A.257, subdivision 1, is amended to read:

7.4 Subdivision 1. **Unused funds.** After all campaign expenditures and noncampaign
7.5 disbursements for an election cycle have been made, an amount up to 25 percent of the
7.6 election cycle expenditure limit for the office may be carried forward. Any remaining amount
7.7 up to the total amount of the ~~public subsidy~~ state match from the state elections campaign
7.8 fund must be returned to the state treasury for credit to the general fund under section
7.9 10A.324. Any remaining amount in excess of the total ~~public subsidy~~ state match must be
7.10 contributed to the state elections campaign account or a political party for multicandidate
7.11 expenditures as defined in section 10A.275.

7.12 Sec. 10. **[10A.305] SMALL DONOR CONTRIBUTION MATCH PROGRAM.**

7.13 Subdivision 1. State match program established. Subject to the eligibility requirements
7.14 provided in subdivision 2, a candidate's principal campaign committee is eligible to receive
7.15 a state match for each contribution received by the committee from a contributor who is a
7.16 Minnesota resident, as follows:

7.17 (1) a contribution made by a contributor residing in the district that the candidate seeks
7.18 to represent must be matched with a state contribution equal to four times the amount of
7.19 the contribution; and

7.20 (2) a contribution made by a contributor who does not reside in the district that the
7.21 candidate seeks to represent must be matched with a state contribution equal to two times
7.22 the amount of the contribution.

7.23 Subd. 2. Eligibility. (a) To be eligible to receive a state match under subdivision 1, the
7.24 contribution must have been made by a Minnesota resident, and the contributor must not
7.25 contribute more than \$50 to the candidate's principal campaign committee during the election
7.26 cycle.

7.27 (b) An individual may make eligible contributions to multiple principal campaign
7.28 committees during an election cycle, but only the first \$250 in contributions are eligible to
7.29 be matched under this section.

7.30 (c) If a contributor's contributions exceed \$50 to the candidate's principal campaign
7.31 committee during the election cycle after a contribution qualifies for a state match under
7.32 this section, the candidate must:

- 8.1 (1) refund the excess contribution to the contributor;
 8.2 (2) return the match on the original contributions to the board; or
 8.3 (3) transfer the excess contribution to the board for deposit in the state elections campaign
 8.4 account.

8.5 Subd. 3. **Maximum amount of state match.** The maximum amount of state matching
 8.6 funds an eligible candidate may receive in an election cycle is 50 percent of the election
 8.7 cycle expenditure limit for the office provided in section 10A.25, subdivision 2.

8.8 Subd. 4. **Later contributions.** After a candidate has received the maximum amount of
 8.9 state match allowed under subdivision 3, a contributor may make a contribution to the
 8.10 candidate's principal campaign committee in excess of the limit established in subdivision
 8.11 2, paragraph (a), without the candidate returning the associated state match under subdivision
 8.12 2, paragraph (c).

8.13 Subd. 5. **Distribution of funds.** Amounts deposited in the state elections campaign
 8.14 account must be used for the purpose of providing matching funds under this section.
 8.15 Amounts designated in the account for each separate political party may only be used to
 8.16 provide matching funds for candidates of that political party. The board must distribute state
 8.17 matching funds to qualifying candidates on a first-come, first-served basis until all funds
 8.18 are exhausted. Any balance remaining in an account after funds for all eligible match requests
 8.19 are distributed carries over for distribution in the next general election year. Matching funds
 8.20 must be released within 30 days of application by a principal campaign committee. The
 8.21 board may prescribe a form for this purpose and may require the committee to submit
 8.22 documentation demonstrating each contribution's eligibility to receive a match. A distribution
 8.23 to a candidate must be in the form of a check made "payable to the campaign fund of
 8.24 (name of candidate....)."

8.25 Subd. 6. **Rulemaking.** The board may adopt rules using the expedited process in section
 8.26 14.389 as necessary to implement the program established by this section.

8.27 Sec. 11. Minnesota Statutes 2022, section 10A.31, subdivision 4, is amended to read:

8.28 Subd. 4. **Appropriation.** (a) The amounts designated by individuals for the state elections
 8.29 campaign account, less three percent, are appropriated from the general fund, must be
 8.30 transferred and credited to the appropriate account in the state elections campaign account,
 8.31 and are annually appropriated ~~for distribution as set forth in subdivisions 5, 5a, 6, and 7~~ for
 8.32 distribution under section 10A.305, subdivision 5. The remaining three percent must be
 8.33 kept in the general fund for administrative costs.

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

9.4 Sec. 12. Minnesota Statutes 2022, section 10A.322, subdivision 1, is amended to read:

9.5 Subdivision 1. **Agreement by candidate.** (a) As a condition of receiving a ~~public subsidy~~
 9.6 small donor match under section 10A.305, a candidate must sign and file with the board a
 9.7 written agreement in which the candidate agrees that the candidate will comply with sections
 9.8 10A.25; 10A.27, subdivision 10; 10A.324; and 10A.38.

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

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

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

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

9.24 Sec. 13. Minnesota Statutes 2022, section 10A.323, is amended to read:

9.25 **10A.323 AFFIDAVIT OF CONTRIBUTIONS.**

9.26 (a) In addition to the requirements of section 10A.322, to be eligible to receive a ~~public~~
 9.27 ~~subsidy under section 10A.31~~ small donor match under section 10A.305 a candidate or the
 9.28 candidate's treasurer must:

9.29 (1) between January 1 of the previous year and the cutoff date for transactions included
 9.30 in the report of receipts and expenditures due before the primary election, accumulate
 9.31 contributions from individuals eligible to vote in this state in at least the amount indicated

10.1 for the office sought, counting only the first \$50 received from each contributor, excluding
10.2 in-kind contributions:

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

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

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

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

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

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

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

10.12 (ii) any in-kind contribution; and

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

10.15 (3) submit the affidavit required by this section to the board in writing by the deadline
10.16 for reporting of receipts and expenditures before a primary under section 10A.20, subdivision
10.17 2.

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

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

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

11.1 Sec. 14. **STATE ELECTIONS CAMPAIGN ACCOUNT.**

11.2 \$..... in fiscal year 2024 and \$..... in fiscal year 2025 are transferred from the general
11.3 fund to the general account of the state elections campaign account in the special revenue
11.4 fund.

11.5 **EFFECTIVE DATE.** This section is effective July 1, 2023.

11.6 Sec. 15. **REPEALER.**

11.7 Minnesota Statutes 2022, sections 10A.31, subdivisions 5, 5a, 6, 6a, 7, 7a, 7b, 10, 10a,
11.8 10b, and 11; 10A.315; 10A.321; and 10A.324, subdivisions 1 and 3, are repealed.

11.9 Sec. 16. **EFFECTIVE DATE; RULEMAKING.**

11.10 Except where otherwise provided, this act is effective January 1, 2024, except that the
11.11 Campaign Finance and Public Disclosure Board may proceed to propose and adopt
11.12 administrative rules required by this article beginning the day following final enactment.

10A.31 DESIGNATION OF INCOME TAX PAYMENTS.

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, 23-1/3 percent for the office of state senator, and 46-2/3 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, 23-1/3 percent for the office of state senator, and 46-2/3 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

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(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 one week before the state primary 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.

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. 7b. **Failure to repay.** A candidate who fails to repay money required by the agreement cannot be paid additional public subsidy funds during the current or future election cycles until the entirety of the unexpended funds and any associated collection fees are either repaid to the board or discharged by court action.

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.

10A.315 SPECIAL ELECTION SUBSIDY.

(a) Each eligible candidate for a legislative office in a special election must be paid a public subsidy equal to the sum of:

(1) the party account money at the last general election for the candidate's party for the office the candidate is seeking; and

(2) the general account money paid to a candidate for the same office at the last general election.

(b) A candidate who wishes to receive this public subsidy must submit a signed agreement under section 10A.322 to the board and must meet the contribution requirements of section 10A.323. The special election subsidy must be distributed in the same manner as money in the party and general accounts is distributed to legislative candidates in a general election.

(c) The amount necessary to make the payments required by this section is appropriated from the general fund for transfer to the state special elections campaign account for distribution by the board as set forth in this section.

10A.321 ESTIMATES OF MINIMUM AMOUNTS TO BE RECEIVED.

Subdivision 1. **Calculation and certification of estimates.** The commissioner of revenue must calculate and certify to the board one week before the first day for filing for office in each election year an estimate of the total amount in the state general account of the state elections campaign account and the amount of money each candidate who qualifies, as provided in section 10A.31, subdivisions 6 and 7, may receive from the candidate's party account in the state elections campaign account. This estimate must be based upon the allocations and formulas in section 10A.31, subdivisions 5 and 5a, any necessary vote totals provided by the secretary of state to apply the formulas in section 10A.31, subdivisions 5 and 5a, and the amount of money expected to be available after 100 percent of the tax returns have been processed.

Subd. 2. **Publication, certification, and notification procedures.** Before the first day of filing for office, the board must publish and forward to all filing officers the estimates calculated and certified under subdivision 1 along with a copy of section 10A.25, subdivision 10. Within one week after the last day for filing for office, the secretary of state must certify to the board the name, address, office sought, and party affiliation of each candidate who has filed with that office an affidavit of candidacy or petition to appear on the ballot. The auditor of each county must certify to the board the same information for each candidate who has filed with that county an affidavit of candidacy or petition to appear on the ballot. Within two weeks after the last day for filing for office, the board must notify all candidates of their estimated minimum amount. The board must include with the notice a form for the agreement provided in section 10A.322 along with a copy of section 10A.25, subdivision 10.

10A.324 RETURN OF PUBLIC SUBSIDY.

Subdivision 1. **When return required.** A candidate must return all or a portion of the public subsidy received from the state elections campaign account or the public subsidy received under section 10A.315, under the circumstances in this section or section 10A.257, subdivision 1.

To the extent that the amount of public subsidy received exceeds the aggregate of: (1) actual expenditures made by the principal campaign committee of the candidate; and (2) approved expenditures made on behalf of the candidate, the treasurer of the candidate's principal campaign committee must return an amount equal to the difference to the board. The cost of postage that was not used during an election cycle and payments that created credit balances at vendors at the close of an election cycle are not considered expenditures for purposes of determining the amount to be returned. Expenditures in excess of the candidate's spending limit do not count in determining aggregate expenditures under this paragraph.

Subd. 3. **How return determined.** Whether or not a candidate is required under subdivision 1 to return all or a portion of the public subsidy must be determined from the report required to be filed with the board by that candidate by January 31 of the year following an election. An amount required to be returned must be submitted in the form of a check or money order and must accompany the report filed with the board. The board must deposit the check or money order in the state treasury for credit to the general fund. The amount returned must not exceed the amount of public subsidy received by the candidate.