

This Document can be made available in alternative formats upon request

State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 3405

02/17/2020 Authored by Stephenson, Moller, Kunesh-Podein, Bahner, Becker-Finn and others
The bill was read for the first time and referred to the Committee on Government Operations

1.1 A bill for an act
1.2 relating to campaign finance; prohibiting certain political activities by
1.3 foreign-influenced corporations; requiring a certification of compliance; prohibiting
1.4 candidates from accepting certain contributions; amending Minnesota Statutes
1.5 2018, sections 10A.27, subdivision 11; 211B.15, subdivisions 1, 7, 7b, by adding
1.6 subdivisions.

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

1.8 Section 1. Minnesota Statutes 2018, section 10A.27, subdivision 11, is amended to read:

1.9 Subd. 11. Contributions from certain types of contributors. (a) A candidate must not
1.10 permit the candidate's principal campaign committee to accept a contribution from a political
1.11 committee, political fund, lobbyist, or association not registered with the board if the
1.12 contribution will cause the aggregate contributions from those types of contributors during
1.13 an election cycle segment to exceed an amount equal to 20 percent of the election cycle
1.14 segment expenditure limits for the office sought by the candidate, provided that the 20
1.15 percent limit must be rounded to the nearest \$100.

1.16 (b) A candidate must not permit the candidate's principal campaign committee to accept
1.17 a contribution that is prohibited by section 211B.15.

1.18 Sec. 2. Minnesota Statutes 2018, section 211B.15, subdivision 1, is amended to read:

1.19 Subdivision 1. Definitions. (a) For purposes of this section, the terms defined in this
1.20 subdivision have the meanings given. Unless otherwise provided, the definitions in section
1.21 10A.01 also apply to this section.

1.22 (b) "Chief executive officer" means the highest-ranking officer or decision-making
1.23 individual with authority over a corporation's affairs.

2.1 (c) "Corporation" means:

2.2 (1) a corporation organized for profit that does business in this state;

2.3 (2) a nonprofit corporation that carries out activities in this state; or

2.4 (3) a limited liability company formed under chapter 322C, or under similar laws of
2.5 another state, that does business in this state.

2.6 (d) "Foreign-influenced corporation" means a corporation for which at least one of the
2.7 following conditions is met:

2.8 (1) a single foreign owner holds, owns, controls, or otherwise has direct or indirect
2.9 beneficial ownership of one percent or more of the total equity, outstanding voting shares,
2.10 membership units, or other applicable ownership interests of the corporation;

2.11 (2) two or more foreign owners in aggregate hold, own, control, or otherwise have direct
2.12 or indirect beneficial ownership of five percent or more of the total equity, outstanding
2.13 voting shares, membership units, or other applicable ownership interests of the corporation;
2.14 or

2.15 (3) a foreign owner participates directly or indirectly in the corporation's decision-making
2.16 process with respect to the corporation's political activities in the United States.

2.17 (e) "Foreign investor" means a person or entity that:

2.18 (1) holds, owns, controls, or otherwise has direct or indirect beneficial ownership of
2.19 equity, outstanding voting shares, membership units, or otherwise applicable ownership
2.20 interests of a corporation; and

2.21 (2) is a government of a foreign country; a political party organized in a foreign country;
2.22 a partnership, association, corporation, organization, or other combination of persons
2.23 organized under the laws of or having its principal place of business in a foreign country;
2.24 or an individual who is not a citizen or national of the United States and who is not lawfully
2.25 admitted for permanent residence in the United States.

2.26 (f) "Foreign owner" means:

2.27 (1) a foreign investor; or

2.28 (2) a corporation in which a foreign investor holds, owns, controls, or otherwise has
2.29 directly or indirectly acquired beneficial ownership of equity or voting shares in an amount
2.30 that is equal to or greater than 50 percent of the total equity or outstanding voting shares.

3.1 Sec. 3. Minnesota Statutes 2018, section 211B.15, is amended by adding a subdivision to
3.2 read:

3.3 Subd. 4a. **Foreign-influenced corporations.** (a) Notwithstanding subdivisions 3 and
3.4 4, a foreign-influenced corporation must not:

3.5 (1) make an expenditure, or offer or agree to make an expenditure, to promote or defeat
3.6 the candidacy of an individual for nomination, election, or appointment to a public office;

3.7 (2) make contributions or expenditures to promote or defeat a ballot question, to qualify
3.8 a question for placement on the ballot, or to express its views on issues of public concern;

3.9 (3) make a contribution to a candidate for nomination, election, or appointment to a
3.10 public office or to a candidate's principal campaign committee;

3.11 (4) make a contribution to a political committee, political fund, or political party unit;

3.12 or

3.13 (5) take any action to publicly endorse or oppose a candidate for nomination, election,
3.14 or appointment to a public office, or to endorse or oppose a ballot question or other issue
3.15 of public concern.

3.16 (b) Notwithstanding subdivisions 8 to 11, a foreign-influenced corporation is prohibited
3.17 from engaging in the activities otherwise authorized by those subdivisions.

3.18 Sec. 4. Minnesota Statutes 2018, section 211B.15, is amended by adding a subdivision to
3.19 read:

3.20 Subd. 4b. **Certification of compliance with subdivision 4a.** A corporation that makes
3.21 a contribution or expenditure authorized by subdivision 3 or 4 must, within seven business
3.22 days after the contribution or expenditure is made, submit a certification to the Campaign
3.23 Finance and Public Disclosure Board that it was not a foreign-influenced corporation as of
3.24 the date the contribution or expenditure was made. The certification must be signed by the
3.25 corporation's chief executive officer after reasonable inquiry, under penalty of perjury. If
3.26 the activity requiring certification was a contribution to an independent expenditure
3.27 committee, the corporation must additionally provide a copy of the certification to that
3.28 committee.

3.29 Sec. 5. Minnesota Statutes 2018, section 211B.15, subdivision 7, is amended to read:

3.30 **Subd. 7. **Penalty for corporations.**** (a) A corporation that violates this section is subject
3.31 to a civil penalty of up to ten times the amount of the violation, but in no case more than

4.1 \$10,000, imposed by the Campaign Finance and Public Disclosure Board under chapter
4.2 10A or imposed by the Office of Administrative Hearings under this chapter.

4.3 (b) Knowingly violating this section is a crime. A corporation convicted of knowingly
4.4 violating this section is subject to a fine not greater than \$40,000. A convicted domestic
4.5 corporation may be dissolved as well as fined. If a foreign, foreign-influenced, or nonresident
4.6 corporation is convicted, in addition to being fined, its right to do business in this state may
4.7 be declared forfeited.

4.8 Sec. 6. Minnesota Statutes 2018, section 211B.15, subdivision 7b, is amended to read:

4.9 Subd. 7b. **Knowing violations.** An individual or a corporation knowingly violates this
4.10 section if, at the time of a transaction, the individual or the corporation knew:

4.11 (1) that the transaction causing the violation constituted a contribution under chapter
4.12 10A, 211A, or 383B; and

4.13 (2) that the contributor was a corporation subject to the prohibitions of subdivision 2 or
4.14 4a.

4.15 Sec. 7. **EFFECTIVE DATE.**

4.16 This act is effective July 1, 2020, and applies to contributions, expenditures, and other
4.17 applicable activities occurring on or after that date.