

## Ethics, Fund Investments, Emergency Management

### CHAPTER 10A

### ETHICS IN GOVERNMENT

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#### 10A.01 DEFINITIONS.

Subdivision 1. For the purposes of sections 10A.01 to 10A.34, the terms defined in this section have the meanings given them unless the context clearly indicates otherwise.

Subd. 2. "Administrative action" means an action by any official, board, commission or agency of the executive branch to adopt, amend, or repeal a rule pursuant to chapter 14. "Administrative action" does not include the application or administration of an adopted rule, except in cases of rate setting, power plant and powerline siting and granting of certificates of need under chapter 116J.

Subd. 3. "Association" means business, corporation, firm, partnership, committee, labor organization, club, or any other group of two or more persons, which includes more than an immediate family, acting in concert.

Subd. 4. "Associated business" means any association in connection with which the individual is compensated in excess of \$50 except for actual and reasonable expenses in any month as a director, officer, owner, member, partner, employer or employee, or is a holder of securities worth \$2,500 or more at fair market value.

Subd. 5. **Candidate.** "Candidate" means an individual who seeks nomination or election to any statewide or legislative office for which reporting is not required under federal laws. The term candidate shall also include an individual who seeks nomination or election to supreme court, court of appeals, or district court judgeships of the state.

An individual shall be deemed to seek nomination or election if the individual has taken the action necessary under the law of the state of Minnesota to qualify for nomination or election, has received contributions or made expenditures in excess of \$100, or has given implicit or explicit consent for any other person to receive contributions or make expenditures in excess of \$100, for the purpose of bringing about the individual's nomination or election. A candidate remains a candidate until the candidate's principal campaign committee is dissolved as provided in section 10A.24.

Subd. 6. "Board" means the state ethical practices board.

Subd. 7. "Contribution" means a transfer of funds or a donation in kind.

Contribution includes any loan or advance of credit to a political committee, political fund, or principal campaign committee, which loan or advance of credit is (a) forgiven, or (b) paid by an individual or an association other than the political committee, political fund, or principal campaign committee to which the loan or advance of credit is made. If an advance of credit or a loan is forgiven or paid as provided in this subdivision, it is a contribution in the year in which the loan or advance of credit is made.

A contribution made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate.

Contribution does not include services provided without compensation by an individual volunteering personal time on behalf of a candidate, ballot question, political committee or political fund, or the publishing or broadcasting of news items or editorial comments by the news media.

Subd. 7a. "Transfer of funds" or "transfer" means money or negotiable instruments given by an individual or association to a political committee, political fund, or principal campaign committee for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question.

Subd. 7b. "Donation in kind" means anything of value other than money or negotiable instruments given by an individual or association to a political committee, political fund, or principal campaign committee for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question. Donation in kind includes an approved expenditure.

Subd. 8. "Depository" means any bank, savings and loan association or credit union, organized under federal or state law and transacting business within Minnesota.

Subd. 9. "Election" means a primary, special primary, general or special election.

Subd. 10. **Campaign expenditure.** "Campaign expenditure" or "expenditure" means a purchase or payment of money or anything of value, or an advance of credit, made or incurred for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question.

An expenditure is considered to be made in the year in which the candidate made the purchase of goods or services or incurred an obligation to pay for goods or services.

An expenditure made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate.

Except as provided in clause (a), expenditure includes the dollar value of a donation in kind.

Expenditure does not include:

- (a) Noncampaign disbursements as defined in subdivision 10c;
- (b) Transfers as defined in subdivision 7a;
- (c) Services provided without compensation by an individual volunteering personal time on behalf of a candidate, ballot question, political committee, or political fund; or
- (d) The publishing or broadcasting of news items or editorial comments by the news media.

Subd. 10a. "Approved expenditure" means an expenditure made on behalf of a candidate by an entity other than the principal campaign committee of that candidate, which expenditure is made with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of that candidate, the candidate's principal campaign committee or the candidate's agent. An approved expenditure is a contribution to that candidate.

Subd. 10b. "Independent expenditure" means an expenditure expressly advocating the election or defeat of a clearly identified candidate, which expenditure is made without the express or implied consent, authorization, or cooperation of, and not in concert with or at the request or suggestion of, any candidate or any candidate's principal campaign committee or agent. An independent expenditure is not a contribution to that candidate.

Subd. 10c. **Noncampaign disbursement.** "Noncampaign disbursement" means a purchase or payment of money or anything of value made, or an advance of credit incurred, by a political committee, political fund, or principal campaign committee for any purpose other than to influence the nomination or election of a candidate or to promote or defeat a ballot question.

Noncampaign disbursement includes:

- (a) Payment for accounting and legal services;
- (b) Return of a contribution to the source;
- (c) Repayment of a loan made to the political committee, political fund, or principal campaign committee by that committee or fund;
- (d) Return of money from the state elections campaign fund;
- (e) Payment for food, beverages, entertainment, and facility rental for a fundraising event;
- (f) Services for a constituent by a member of the legislature or a constitutional officer in the executive branch, performed from the beginning of the term of office to 60 days after adjournment sine die of the legislature in the election year for the office held;
- (g) A donation in kind given to the political committee, political fund, or principal campaign committee for purposes listed in clauses (e) and (f). The board shall determine whether an activity involves a noncampaign disbursement within the meaning of this subdivision; and
- (h) Payment for food and beverages provided to campaign volunteers while they are engaged in campaign activities.

Subd. 11. (a) "Lobbyist" means an individual:

(1) engaged for pay or other consideration, or authorized to spend money by another individual, association, political subdivision, or public higher education system, who spends more than five hours in any month or more than \$250, not including the individual's own travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit, by communicating or urging others to communicate with public or local officials; or

(2) who spends more than \$250, not including the individual's own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit, by communicating or urging others to communicate with public or local officials.

(b) "Lobbyist" does not include:

- (1) a public official;
- (2) an employee of the state, including an employee of any of the public higher education systems;
- (3) an elected local official;
- (4) a nonelected local official or an employee of a political subdivision acting in

an official capacity, unless the nonelected official or employee of a political subdivision spends more than 50 hours in any month attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit other than the political subdivision employing the official or employee, by communicating or urging others to communicate with public or local officials, including time spent monitoring legislative or administrative action, or the official action of a metropolitan governmental unit, and related research, analysis, and compilation and dissemination of information relating to legislative or administrative policy in this state, or to the policies of metropolitan governmental units;

(5) a party or the party's representative appearing in a proceeding before a state board, commission or agency of the executive branch unless the board, commission or agency is taking administrative action;

(6) an individual while engaged in selling goods or services to be paid for by public funds;

(7) a news medium or its employees or agents while engaged in the publishing or broadcasting of news items, editorial comments or paid advertisements which directly or indirectly urge official action;

(8) a paid expert witness whose testimony is requested by the body before which the witness is appearing, but only to the extent of preparing or delivering testimony;

(9) a stockholder of a family farm corporation as defined in section 500.24, subdivision 2, who does not spend over \$250, excluding the stockholder's own travel expenses, in any year in communicating with public officials; or

(10) a party or the party's representative appearing to present a claim to the legislature and communicating to legislators only by the filing of a claim form and supporting documents and by appearing at public hearings on the claim.

Subd. 12. "Major political party" means a major political party as defined in section 200.02, subdivision 7.

Subd. 13. "Minor political party" means any party other than a major political party:

(a) Under whose name in the last applicable general election a candidate filed for legislative office and received not less than ten percent of the vote for that office, or filed for statewide office; or

(b) Which files a petition with the secretary of state containing the names of 2,000 individuals registered to vote in Minnesota and declaring that the signers desire that the party be eligible to receive money from the state elections campaign fund in the same manner as a major political party.

For the purposes of this chapter, all individuals who are eligible to vote in areas where there is no permanent system of registration shall be considered registered voters.

Subd. 14. [Repealed, 1976 c 307 s 35]

Subd. 15. "Political committee" means any association as defined in subdivision 3 whose major purpose is to influence the nomination or election of a candidate or to promote or defeat a ballot question.

"Political committee" includes a major political party as defined in subdivision 12, a minor political party as defined in subdivision 13, and any principal campaign committee formed pursuant to section 10A.19.

Subd. 16. "Political fund" means any accumulation of dues or voluntary contributions by an association other than a political committee, which accumulation is collected or expended for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question.

Subd. 17. "Political party" means either a major political party or a minor political party.

Subd. 18. "Public official" means any:

(a) member of the legislature;

- (b) constitutional officer in the executive branch and the officer's chief administrative deputy;
- (c) member, chief administrative officer or deputy chief administrative officer of a state board or commission which has at least one of the following powers: (i) the power to adopt, amend or repeal rules, or (ii) the power to adjudicate contested cases or appeals;
- (d) commissioner, deputy commissioner, or assistant commissioner of any state department as designated pursuant to section 15.01;
- (e) individual employed in the executive branch who is authorized to adopt, amend or repeal rules or adjudicate contested cases;
- (f) executive director of the state board of investment;
- (g) executive director of the Indian affairs intertribal board;
- (h) commissioner of the iron range resources and rehabilitation board;
- (i) commissioner of mediation services;
- (j) deputy of any official listed in clauses (e) to (i);
- (k) judge of the workers' compensation court of appeals;
- (l) administrative law judge or compensation judge in the state office of administrative hearings or referee in the department of jobs and training;
- (m) solicitor general or deputy, assistant or special assistant attorney general;
- (n) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher, legislative analyst, or attorney in the office of senate counsel and research or house research;
- (o) member or chief administrative officer of the metropolitan council, regional transit board, metropolitan transit commission, metropolitan waste control commission, metropolitan parks and open spaces commission, metropolitan airports commission or metropolitan sports facilities commission;
- (p) the commissioner of gaming and director of each division in the department of gaming and the deputy director of the state lottery board;
- (q) director of the division of gambling enforcement in the department of public safety;
- (r) member or executive director of the higher education facilities authority; or
- (s) member of the board of directors or president of the Minnesota world trade center corporation.

**Subd. 19. Office holder.** "Office holder" means an individual who holds any state-wide or legislative office, except a federal office for which candidates are required to report under federal laws, state supreme court justice, and judges of the court of appeals, district court, county court, probate court, or county municipal court.

**Subd. 20. "Advance of credit"** means any money owed for goods provided or services rendered. An advance of credit is an expenditure or a noncampaign disbursement in the year in which the goods or services are used or consumed. Advance of credit does not mean loan as defined in subdivision 21.

**Subd. 21. "Loan"** means an advance of money or anything of value made to a political committee, political fund, or principal campaign committee.

**Subd. 22. "Financial institution"** means a lending institution chartered by an agency of the federal government or regulated by the commissioner of commerce.

**Subd. 23. "Ballot question"** means a question or proposition which is placed on the ballot and which may be voted on by all voters of the state. "Promoting or defeating a ballot question" includes activities related to qualifying the question for placement on the ballot.

**Subd. 24. State committee.** "State committee" means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of the political party at the state level.

**Subd. 25. Local official.** "Local official" means a person who holds elective office

in a political subdivision or who is appointed to or employed in a public position in a political subdivision in which the person has authority to make, to recommend, or to vote on as a member of the governing body, major decisions regarding the expenditure or investment of public money.

**Subd. 26. Metropolitan governmental unit.** "Metropolitan governmental unit" means any of the seven counties in the metropolitan area as defined in section 473.121, subdivision 2, a regional railroad authority established by one or more of those counties under section 398A.03, a city with a population of over 50,000 located in the seven-county metropolitan area, the metropolitan council, a metropolitan agency as defined in section 473.121, subdivision 5a, the Minnesota state high school league, and the Greater Minnesota Corporation.

**Subd. 27. Political subdivision.** "Political subdivision" means the metropolitan council, a metropolitan agency as defined in section 473.121, subdivision 5a, a municipality as defined in section 471.345, subdivision 1, the Minnesota state high school league, and the Greater Minnesota Corporation.

**Subd. 28. Principal.** "Principal" means an individual or association that:

(1) spends more than \$500 in the aggregate in any calendar year to engage a lobbyist, compensate a lobbyist, or authorize the expenditure of money by a lobbyist; or

(2) is not included in clause (1) and spends a total of at least \$50,000 in any calendar year on efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units, as described in section 10A.04, subdivision 6.

**History:** 1974 c 470 s 1; 1975 c 271 s 6; 1976 c 307 s 1-4; 1978 c 463 s 1-18; 1979 c 59 s 1-3; 1980 c 509 s 1; 1980 c 587 art 2 s 1-7; 1980 c 607 art 14 s 45 subd 1; art 17 s 1-8; 1980 c 614 s 40; 1980 c 615 s 60; 1981 c 29 art 7 s 1; 1981 c 346 s 1; 1981 c 356 s 248; 1982 c 424 s 130; 1983 c 247 s 5,6; 1983 c 258 s 10; 1983 c 289 s 114 subd 1; 1984 c 619 s 11; 1984 c 640 s 32; 1984 c 654 art 3 s 13; 1984 c 655 art 1 s 92; 1Sp1985 c 14 art 9 s 75; 1986 c 444; 1Sp1986 c 3 art 1 s 2; 1987 c 186 s 15; 1988 c 686 art 1 s 40; 1989 c 209 art 1 s 1,2; 1989 c 334 art 6 s 1; 1990 c 562 art 8 s 2; 1990 c 608 art 1 s 1-5; art 3 s 1-3; 1991 c 233 s 109; 1991 c 349 s 1,2

## 10A.02 BOARD OF ETHICAL PRACTICES.

**Subdivision 1.** There is hereby created a state ethical practices board composed of six members. The members shall be appointed by the governor 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 shall terminate 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. One member shall be a former member of the legislature from a major political party different from that of the governor; one member shall be a former member of the legislature from the same political party as the governor; two members shall 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 shall not support the same political party. No more than three of the members of the board shall support the same political party. No member of the board may currently serve as a lobbyist.

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

Subd. 3. The concurring vote of four members of the board shall be required to decide any matter before the board.

Subd. 4. The board shall elect from among its members a chair, a vice-chair and a secretary. The secretary shall keep a record of all proceedings and actions by the board. Meetings of the board shall be at the call of the chair or at the call of any four members of the board acting together.

Subd. 5. The board shall appoint an executive director who shall be in the unclassified service. 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 shall serve at the pleasure of the board. Expenses of the board shall be approved by the chair or such other member as the rules of the board may provide and the expenses shall then be paid in the same manner as other state expenses are paid.

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

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

Subd. 8. The board shall:

(a) 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 shall 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) 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) 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) Develop a filing, coding, and cross-indexing system consistent with the purposes of this chapter;

(e) 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. Any individual may copy a report or statement by hand or by duplicating machine and the board shall provide duplicating services at cost for this purpose. No information copied from reports and statements shall be sold or utilized by any individual or association for any commercial purpose. "Commercial purpose" does not include purposes related to elections, political activities, or law enforcement. Any individual or association violating the provisions of this clause may be subject to a civil penalty of up to \$1,000. An individual who knowingly violates this subdivision is guilty of a misdemeanor;

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

(g) Compile and maintain a current list and summary of all statements or parts of statements pertaining to each candidate; and

(h) Prepare and publish reports as it may deem appropriate.

Subd. 9. **Documents; information.** The executive director of the board or the director's staff shall inspect all material filed with the board as promptly as is necessary to comply with the provisions of this chapter, and other provisions of law requiring the filing of a document with the board. The executive director shall immediately notify the individual required to file a document with the board if a written complaint is filed with the board by any registered voter alleging, or it otherwise appears, that a document filed with the board is inaccurate or does not comply with the provisions of this chapter,

or that the individual has failed to file a document required by this chapter. The executive director and staff may provide an individual required to file a document under this chapter with factual information concerning the limitations on corporate campaign contributions imposed by section 211B.15.

Subd. 10. The board may make audits and investigations with respect to statements and reports which are filed or which should have been filed under the provisions of this chapter. In all matters relating to its official duties, the board shall have the power 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.

Subd. 11. The board may investigate any alleged violation of this chapter. The board shall investigate any violation which is alleged in a written complaint filed with the board and, except for alleged violations of section 10A.25 or 10A.27, shall within 30 days after the filing of the complaint make a public finding of whether or not there is probable cause to believe a violation has occurred. In the case of a written complaint alleging a violation of section 10A.25 or 10A.27, the board shall either enter a conciliation agreement or make a public finding of whether or not there is probable cause, within 60 days of the filing of the complaint. The deadline for action on any written complaint may be extended by majority vote of the board. Within a reasonable time after beginning an investigation of an individual or association, the board shall notify that individual or association of the fact of the investigation. The board shall make no finding of whether or not there is probable cause to believe a violation has occurred without notifying the individual or association of the nature of the allegations and affording an opportunity to answer those allegations. Any hearing or action of the board concerning any complaint or investigation other than a finding concerning probable cause or a conciliation agreement shall be confidential. Until the board makes a public finding concerning probable cause or enters a conciliation agreement:

(a) No member, employee, or agent of the board shall disclose to any individual any information obtained by that member, employee, or agent concerning any complaint or investigation except as required to carry out the investigation or take action in the matter as authorized by this chapter; and

(b) Any individual who discloses information contrary to the provisions of this subdivision shall be guilty of a misdemeanor. Except as provided in section 10A.28, after the board makes a public finding of probable cause the board shall report that finding to the appropriate law enforcement authorities.

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

(a) Retain any such statement, document or other matter as a private record, as "private" is defined in section 13.02, subdivision 12, for a period of one year after which it shall be destroyed; or

(b) Return any such statement, document or other matter to the individual who supplied it to the board.

Subd. 12. The board may issue and publish advisory opinions on the requirements of this chapter based upon real or hypothetical situations. An application for an advisory opinion may be made only by an individual or association who wishes to use the opinion to guide the individual's or the association's own conduct. The board shall 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. An advisory opinion shall lapse the day the regular session of the legislature adjourns in the second year following the date of the opinion.

Subd. 13. The provisions of chapter 14 apply to the board. The board may adopt rules to carry out the purposes of this chapter.



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

**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

### 10A.03 LOBBYIST REGISTRATION.

Subdivision 1. Each lobbyist shall file a registration form with the board within five days after becoming a lobbyist.

Subd. 2. The registration form shall be prescribed by the board and shall include (a) the name and address of the lobbyist, (b) the principal place of business of the lobbyist, (c) the name and address of each person, if any, by whom the lobbyist is retained or employed or on whose behalf the lobbyist appears, and (d) a general description of the subject or subjects on which the lobbyist expects to lobby. If the lobbyist lobbies on behalf of an association the registration form shall include the name and address of the officers and directors of the association.

Subd. 3. The board shall notify by certified mail or personal service any lobbyist who fails to file a registration form within five days after becoming a lobbyist. If a lobbyist fails to file a form within seven days after receiving this notice, the board may impose a late filing fee at \$5 per day, not to exceed \$100, commencing with the eighth day after receiving notice. The board shall further notify by certified mail or personal service any lobbyist who fails to file a form within 21 days of receiving a first notice that the lobbyist may be subject to a criminal penalty for failure to file the form. A lobbyist who knowingly fails to file a form within seven days after receiving a second notice from the board is guilty of a misdemeanor.

**History:** 1974 c 470 s 3; 1975 c 271 s 6; 1978 c 463 s 28,29; 1986 c 444

### 10A.04 LOBBYIST REPORTS.

Subdivision 1. Each lobbyist shall file reports of the lobbyist's activities with the board as long as the lobbyist continues to lobby. A lobbyist may file a termination statement at any time after ceasing to lobby.

Subd. 2. Each report shall cover the time from the last day of the period covered by the last report to 15 days prior to the current filing date. The reports shall be filed with the board by the following dates:

- (a) January 15;
- (b) April 15; and
- (c) July 15.

Subd. 3. Each person or association about whose activities a lobbyist is required to report shall provide the information required by sections 10A.03 to 10A.05 to the lobbyist no later than five days before the prescribed filing date.

Subd. 4. (a) The report shall include such information as the board may require from the registration form and the information required by this subdivision for the reporting period.

(b) Each lobbyist shall report the lobbyist's total disbursements on lobbying, separately listing lobbying to influence legislative action, lobbying to influence administrative action, and lobbying to influence the official actions of a metropolitan governmental unit, and a breakdown of disbursements for each of those kinds of lobbying into categories specified by the board, including but not limited to the cost of publication and distribution of each publication used in lobbying; other printing; media, including the cost of production; postage; travel; fees, including allowances; entertainment; telephone and telegraph; and other expenses.

(c) Each lobbyist shall report the amount and nature of each honorarium, gift, loan, item or benefit, excluding contributions to a candidate, equal in value to \$50 or

more, given or paid to any public or local official by the lobbyist or any employer or any employee of the lobbyist. The list shall include the name and address of each public or local official to whom the honorarium, gift, loan, item or benefit was given or paid and the date it was given or paid.

(d) Each lobbyist shall report each original source of funds in excess of \$500 in any year used for the purpose of lobbying to influence legislative action, each such source of funds used to influence administrative action, and each such source of funds used to influence the official action of metropolitan governmental units. The list shall include the name, address and employer, or, if self-employed, the occupation and principal place of business, of each payer of funds in excess of \$500.

Subd. 4a. If in any reporting period the lobbyist's reportable disbursements total not over \$100 and no honorarium, gift, loan, item or benefit equal in value to \$50 or more was given or paid to any public official, a statement to that effect in lieu of the report may be filed for that period. The unreported disbursements shall be included in the report for the following period, unless the total for that period, including the carryover, is not over \$100. The January 15 report shall include all previously unreported disbursements, even though the total for the year is not over \$100.

Subd. 5. The board shall notify by certified mail or personal service any lobbyist who fails after seven days after a filing date imposed by this section to file a report or statement required by this section. If a lobbyist fails to file a report within seven days after receiving this notice, the board may impose a late filing fee of \$5 per day, not to exceed \$100, commencing with the eighth day after receiving notice. The board shall further notify by certified mail or personal service any lobbyist who fails to file a report within 21 days after receiving a first notice that the lobbyist may be subject to a criminal penalty for failure to file the report. A lobbyist who knowingly fails to file such a report or statement within seven days after receiving a second notice from the board is guilty of a misdemeanor.

Subd. 6. **Lobbyist and principal reports.** (a) Each principal shall report to the board as required in this subdivision by March 15 for the preceding calendar year.

(b) Each principal shall report which of the following categories includes the total amount, rounded to the nearest dollar, spent by the principal during the preceding calendar year to influence legislative action, administrative action, and the official action of metropolitan governmental units:

- (1) \$501 to \$50,000;
- (2) \$50,001 to \$150,000; or
- (3) \$150,001 to \$250,000.

(c) Beyond \$250,000, each additional \$250,000 constitutes an additional category, and each principal shall report which of the categories includes the total amount spent by the principal for the purposes provided in this subdivision.

(d) The principal shall report under this subdivision a total amount that includes:

- (1) all direct payments by the principal to lobbyists in Minnesota;
- (2) all expenditures for advertising, mailing, research, analysis, compilation and dissemination of information, and public relations campaigns related to legislative action, administrative action, or the official action of metropolitan governmental units in Minnesota; and

(3) all salaries and administrative expenses attributable to activities of the principal relating to efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units in Minnesota.

Subd. 7. **Financial records.** The board may randomly audit the financial records of lobbyists and principals required to report under this section.

**History:** 1974 c 470 s 4; 1975 c 271 s 6; 1976 c 307 s 9,10; 1978 c 463 s 30-32; 1984 c 654 art 2 s 37; 1986 c 444; 1Sp1986 c 3 art 1 s 3; 1990 c 608 art 1 s 7-11

**10A.05 LOBBYIST REPORT.**

Within 30 days after each lobbyist filing date set by section 10A.04, the executive director of the board shall report to the governor, and the presiding officer of each house of the legislature, the names of the lobbyists registered who were not previously reported, the names of the persons or associations whom they represent as lobbyists, the subject or subjects on which they are lobbying, and whether in each case they lobby to influence legislative or administrative action or both. At the same times, the executive director of the board shall report to the governing body of each metropolitan governmental unit, the names of the registered lobbyists who attempt to influence the official action of metropolitan governmental units, the names of the persons or associations whom they represent as lobbyists, and the subject or subjects on which they are lobbying.

*History: 1974 c 470 s 5; 1975 c 271 s 6; 1990 c 608 art 1 s 12*

**10A.06 CONTINGENT FEES PROHIBITED.**

No person may act as or employ a lobbyist for compensation that is dependent upon the result or outcome of any legislative or administrative action, or of the official action of a metropolitan governmental unit. A person who violates the provisions of this section is guilty of a gross misdemeanor.

*History: 1974 c 470 s 6; 1990 c 608 art 1 s 13*

**10A.065 CONTRIBUTIONS AND SOLICITATIONS DURING LEGISLATIVE SESSION.**

**Subdivision 1. Registered lobbyist contributions; legislative session.** A candidate for the legislature or for constitutional office, a candidate's principal campaign committee, any other political committee with the candidate's name or title, or any committee authorized by the candidate, shall not solicit or accept a contribution on behalf of the candidate's principal campaign committee, any other political committee with the candidate's name or title, or any committee authorized by the candidate, from a registered lobbyist, political committee, or political fund during a regular session of the legislature.

**Subd. 2. Definition.** For purposes of this section, "regular session" does not include a special session or the interim between the two annual sessions of a biennium.

**Subd. 3. Civil penalty.** A candidate or political committee that violates this section is subject to a civil fine of up to \$500. If the board makes a public finding that there is probable cause to believe a violation of this section has occurred, the board shall bring an action, or transmit the finding to a county attorney who shall bring an action, in the district court of Ramsey county, to impose a civil fine as prescribed by the board. Fines paid under this section must be deposited in the general fund in the state treasury.

**Subd. 4. Special election.** This section does not apply to a candidate or a candidate's principal campaign committee in a legislative special election during the period beginning when the person becomes a candidate in the special election and ending on the day of the special election.

**Subd. 5. Political committee.** This section does not apply to a political committee established by a state political party; by the party organization within a congressional district, county, legislative district, municipality, or precinct; by all or part of the party organization within each house of the legislature, except for individual members; by a candidate for a judicial office; or to a member of such a political committee acting solely on behalf of the committee.

*History: 1990 c 608 art 3 s 4; 1991 c 349 s 9,10*

**10A.07 CONFLICTS OF INTEREST.**

**Subdivision 1. Disclosure of potential conflicts.** A public official or a local official elected to or appointed by a metropolitan governmental unit who in the discharge of official duties would be required to take an action or make a decision that would sub-

stantially affect the official's financial interests or those of an associated business, unless the effect on the official is no greater than on other members of the official's business classification, profession, or occupation, shall take the following actions:

- (1) prepare a written statement describing the matter requiring action or decision and the nature of the potential conflict of interest;
- (2) deliver copies of the statement to the official's immediate superior, if any; and
- (3) if a member of the legislature or of the governing body of a metropolitan governmental unit, deliver a copy of the statement to the presiding officer of the body of service.

If a potential conflict of interest presents itself and there is insufficient time to comply with clauses (1) to (3), the public or local official shall orally inform the superior or the official body of service or committee of the body of the potential conflict.

Subd. 2. If the official is not a member of the legislature or of the governing body of a metropolitan governmental unit, the superior shall assign the matter, if possible, to another employee who does not have a potential conflict of interest. If there is no immediate superior, the official shall abstain, if possible, in a manner prescribed by the board from influence over the action or decision in question. If the official is a member of the legislature, the house of service may, at the member's request, excuse the member from taking part in the action or decision in question. If the official is not permitted or is otherwise unable to abstain from action in connection with the matter, the official shall file a statement describing the potential conflict and the action taken. A public official shall file the statement with the board and a local official shall file the statement with the governing body of the official's political subdivision. The statement must be filed within a week of the action taken.

Subd. 3. **Interest in contract; local officials.** This section does not apply to a local official with respect to a matter governed by sections 471.87 and 471.88.

**History:** 1974 c 470 s 7; 1975 c 271 s 6; 1978 c 463 s 33; 1986 c 444; 1990 c 608 art 2 s 1

### 10A.08 REPRESENTATION DISCLOSURE.

Any public official who represents a client for a fee before any individual, board, commission or agency that has rule making authority in a hearing conducted under chapter 14, shall disclose the official's participation in the action to the board within 14 days after the appearance. The board shall notify by certified mail or personal service any public official who fails to disclose the participation within 14 days after the appearance. If the public official fails to disclose the participation within seven days of this notice, the board may impose a late filing fee of \$5 per day, not to exceed \$100, commencing on the eighth day after receiving notice.

**History:** 1974 c 470 s 8; 1975 c 271 s 6; 1978 c 463 s 34; 1982 c 424 s 130; 1986 c 444

### 10A.09 STATEMENTS OF ECONOMIC INTEREST.

Subdivision 1. **Time for filing.** Except for a candidate for elective office in the judicial branch, an individual shall file a statement of economic interest with the board:

- (1) within 60 days of accepting employment as a public official or a local official in a metropolitan governmental unit;
- (2) within 14 days after filing an affidavit of candidacy or petition to appear on the ballot for an elective public office or an elective local office in a metropolitan governmental unit;
- (3) in the case of a public official requiring the advice and consent of the senate, within 14 days after undertaking the duties of office; or
- (4) in the case of members of the Minnesota racing commission, the director of the Minnesota racing commission, chief of security, medical officer, inspector of pari-mutuels, and stewards employed or approved by the commission or persons who fulfill those duties under contract, within 60 days of accepting or assuming duties.

Subd. 2. **Notification.** The secretary of state or the appropriate county auditor, upon receiving an affidavit of candidacy or petition to appear on the ballot from an individual required by this section to file a statement of economic interest, and any official who nominates or employs a public or local official required by this section to file a statement of economic interest, shall notify the board of the name of the individual required to file a statement and the date of the affidavit, petition, or nomination.

Subd. 3. The board shall notify the secretary of state or the appropriate county auditor and, when necessary in the case of appointive office, the presiding officer of the house that will approve or disapprove the nomination, of the name of the individual who has filed a statement of economic interest with the board, a copy of the statement, and the date on which the statement was filed.

Subd. 4. [Repealed, 1978 c 463 s 109]

Subd. 5. **Form.** A statement of economic interest required by this section shall be on a form prescribed by the board. The individual filing shall provide the following information:

- (a) Name, address, occupation and principal place of business;
- (b) The name of each associated business and the nature of that association;
- (c) A listing of all real property within the state, excluding homestead property, in which the individual holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, and which interest is valued in excess of \$2,500; or (ii) an option to buy, which property has a fair market value of \$50,000 or more;
- (d) A listing of all real property within the state in which a partnership of which the individual is a member holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the individual's share of the partnership interest is valued in excess of \$2,500 or (ii) an option to buy, which property has a fair market value of \$50,000 or more. Any listing under clause (c) or (d) shall indicate the street address and the municipality or the section, township, range and approximate acreage, whichever applies, and the county wherein the property is located; and
- (e) A listing of any investments, ownership, or interests in property connected with pari-mutuel horse racing in the United States and Canada, including a race horse, in which the individual directly or indirectly holds a partial or full interest or an immediate family member holds a partial or full interest.

Subd. 6. Each individual who is required to file a statement of economic interest shall file a supplementary statement on April 15 of each year that the individual remains in office. The statement shall include a space for each category of information in which the individual may indicate that no change in information has occurred since the previous statement. The supplementary statement shall include the amount of each honorarium in excess of \$50 received since the previous statement, together with the name and address of the source of the honorarium. A statement of economic interest submitted by an officeholder shall be filed with the statement submitted as a candidate.

Subd. 6a. **Local officials.** A local official required to file a statement under this section shall file it with the governing body of the official's political subdivision. The governing body shall maintain statements filed with it under this subdivision as public data.

Subd. 7. The board shall notify by certified mail or personal service any individual who fails within the prescribed time to file a statement of economic interest required by this section. If an individual fails to file a statement within seven days after receiving this notice, the board may impose a late filing fee of \$5 per day, not to exceed \$100, commencing on the eighth day after receiving notice. The board shall further notify by certified mail or personal service any individual who fails to file a statement within 21 days after receiving a first notice that the individual may be subject to a criminal penalty for failure to file a statement. An individual who fails to file a statement within seven days after a second notice is guilty of a misdemeanor.

Subd. 8. Any public official, except a member of the legislature or a constitutional officer, who is required to file a statement of economic interest and fails to do so by the prescribed deadline shall be suspended without pay by the board in the manner prescribed in the contested case procedures in chapter 14.

**History:** 1974 c 470 s 9; 1975 c 271 s 6; 1976 c 307 s 11; 1978 c 463 s 35-37; 1982 c 424 s 130; 1983 c 214 s 30,31; 1983 c 305 s 3,4; 1986 c 444; 1989 c 334 art 6 s 2; 1990 c 608 art 2 s 2-4; 1991 c 233 s 109

#### 10A.10 PENALTY FOR FALSE STATEMENTS.

A report or statement required to be filed by sections 10A.02 to 10A.09 shall be signed and certified as true by the individual required to file the report. Any individual who signs and certifies to be true a report or statement knowing it contains false information or who knowingly omits required information is guilty of a gross misdemeanor.

**History:** 1974 c 470 s 10; 1978 c 463 s 38; 1986 c 444

#### 10A.11 ORGANIZATION OF POLITICAL COMMITTEES.

Subdivision 1. Every political committee shall have a chair and a treasurer. Nothing in this chapter shall prohibit them from being the same individual.

Subd. 2. No contribution shall be accepted and no expenditure shall be made by or on behalf of a political committee at a time when there is a vacancy in the office of treasurer.

Subd. 3. The treasurer of a political committee may appoint as many deputy treasurers as necessary and shall be responsible for their accounts.

Subd. 4. The treasurer of a political committee may designate not more than two depositories in each county in which a campaign is conducted.

Subd. 5. No funds of a political committee shall be commingled with any personal funds of officers, members or associates of the committee.

Subd. 6. [Repealed, 1978 c 463 s 109]

Subd. 7. Any person who knowingly violates the provisions of this section is guilty of a misdemeanor.

**History:** 1974 c 470 s 11; 1978 c 463 s 39; 1986 c 444

#### 10A.12 POLITICAL FUNDS.

Subdivision 1. No association other than a political committee shall transfer more than \$100 in aggregate in any one year to candidates or political committees or make any approved or independent expenditure or expenditure to promote or defeat a ballot question unless the transfer or expenditure is made from a political fund.

Subd. 2. The contents of a political fund shall not be commingled with any other funds or with the personal funds of any officer or member of the fund.

Subd. 3. Each association which has a political fund shall elect or appoint a treasurer of the political fund.

Subd. 4. No contributions to the political fund shall be accepted and no expenditures or transfers from the political fund shall be made while the office of treasurer of the political fund is vacant.

Subd. 5. Notwithstanding subdivision 1, any association may, if not prohibited by other law, deposit in its political fund money derived from dues or membership fees. Pursuant to section 10A.20, the treasurer of the fund shall disclose the name of any member whose dues, membership fees and contributions deposited in the political fund together exceed \$100 in any one year.

Subd. 6. Any person who knowingly violates the provisions of this section is guilty of a misdemeanor.

**History:** 1974 c 470 s 12; 1978 c 463 s 40-42; 1980 c 587 art 2 s 8; 1980 c 607 art 17 s 9; 1987 c 214 s 2

**10A.13 ACCOUNTS WHICH MUST BE KEPT.**

Subdivision 1. The treasurer of a political committee or political fund shall keep an account of:

- (a) The sum of all contributions except any donation in kind valued at \$20 or less, made to the political committee or political fund;
- (b) The name and address of each source of a transfer made to the political committee or political fund in excess of \$20, together with the date and amount of each;
- (c) The name and address of each source of a donation in kind valued in excess of \$20, together with the date and amount;
- (d) Each expenditure made by the committee or fund, together with the date and amount;
- (e) Each approved expenditure made on behalf of the committee or fund, together with the date and amount; and
- (f) The name and address of each political committee or political fund to which transfers in excess of \$20 have been made, together with the date and amount.

Any individual who knowingly violates any provision of this subdivision is guilty of a misdemeanor.

Subd. 2. The treasurer shall obtain a receipted bill, stating the particulars, for every expenditure in excess of \$100 made by, or approved expenditure in excess of \$100 made on behalf of, a political committee or political fund, and for any expenditure or approved expenditure in a lesser amount if the aggregate amount of lesser expenditures and approved expenditures made to the same individual or association during any year exceeds \$100. The treasurer shall preserve all receipted bills and accounts required to be kept by this section for four years.

**History:** 1974 c 470 s 13; 1978 c 463 s 43

**10A.14 REGISTRATION OF POLITICAL COMMITTEES AND POLITICAL FUNDS.**

Subdivision 1. The treasurer of a political committee or political fund shall register with the board by filing a statement of organization no later than 14 days after the date upon which the committee or fund has made a contribution, received contributions or made expenditures in excess of \$100.

Subd. 2. The statement of organization shall include:

- (a) The name and address of the political committee or political fund;
- (b) The name and address of any supporting association of a political fund;
- (c) The name and address of the chair, the treasurer, and any deputy treasurers;
- (d) A listing of all depositories or safety deposit boxes used;
- (e) A statement as to whether the committee is a principal campaign committee; and
- (f) For political parties only, a list of categories of substate units as defined in section 10A.27, subdivision 4.

Subd. 3. [Repealed, 1976 c 307 s 35]

Subd. 4. The board shall notify by certified mail or personal service any individual who fails to file a statement required by this section. If an individual fails to file a statement within seven days after receiving a notice, the board may impose a late filing fee of \$5 per day, not to exceed \$100, commencing with the eighth day after receiving notice. The board shall further notify by certified mail or personal service any individual who fails to file a statement within 21 days after receiving a first notice that such individual may be subject to a criminal penalty for failure to file the report. An individual who knowingly fails to file the statement within seven days after receiving a second notice from the board is guilty of a misdemeanor.

**History:** 1974 c 470 s 14; 1975 c 271 s 6; 1976 c 307 s 12; 1978 c 463 s 44-46; 1979 c 59 s 4; 1986 c 444

**10A.15 CONTRIBUTIONS.**

Subdivision 1. No anonymous contribution in excess of \$20 shall be retained by any political committee or political fund, but shall be forwarded to the board and deposited in the general account of the state elections campaign fund.

Subd. 2. Every individual who receives a contribution in excess of \$20 for a political committee or political fund shall, on demand of the treasurer, inform the treasurer of the name and, if known, the address of the source of the contribution, together with the amount of the contribution and the date it was received.

Subd. 3. All transfers received by or on behalf of any candidate, political committee or political fund shall be deposited in an account designated "Campaign Fund of ..... (name of candidate, committee or fund)." All transfers shall be deposited promptly upon receipt and, except for transfers received during the last three days of any reporting period as described in section 10A.20, shall be deposited during the reporting period in which they were received. Any transfer received during the last three days of a reporting period shall be deposited within 72 hours of receipt and shall be reported as received during the reporting period whether or not deposited within that period. Any deposited transfer may be returned to the contributor within 60 days of deposit. A transfer deposited and not returned within 60 days of that deposit shall be deemed for the purposes of this chapter, to be accepted by the candidate, political committee or political fund.

Subd. 3a. No treasurer of a principal campaign committee of a candidate shall deposit any transfer which on its face exceeds the limit on contributions to that candidate prescribed by section 10A.27 unless, at the time of deposit, the treasurer issues a check to the source for the amount of the excess.

Subd. 3b. **Attributable contributions.** Contributions made to a candidate or principal campaign committee that are directed to that candidate or principal campaign committee by a political fund or committee must be reported as attributable to the political fund or committee and count toward the contribution limits of that fund or committee specified in section 10A.27, if the political fund or committee was organized or is operated primarily to direct contributions other than from its own funds to one or more candidates or principal campaign committees. The treasurer of the political fund or committee shall advise the candidate or the candidate's principal campaign committee if the contribution or contributions are not from the funds of the political fund or the political committee and the original source of the funds. As used in this subdivision, the term "direct" includes, but is not limited to, order, command, control, or instruct. A violation of this subdivision is a violation of section 10A.29.

Subd. 4. Any individual violating the provisions of this section is guilty of a misdemeanor.

**History:** 1974 c 470 s 15; 1975 c 271 s 6; 1978 c 463 s 47; 1988 c 707 s 1; 1990 c 603 s 1

**10A.16 EARMARKING.**

Any individual, political committee or political fund which receives a contribution from any source with the express or implied condition that the contribution or any part of it be directed to a particular candidate shall disclose to the ultimate recipient, and in the reports required by section 10A.20, the original source of the contribution, the fact that the contribution is earmarked and the candidate to whom it is directed. The ultimate recipient of any contribution so earmarked shall also disclose the original source and the individual, political committee, or political fund through which it is directed. This section applies only to contributions required to be disclosed by section 10A.20, subdivision 3, clause (b). Any individual, political committee, or political fund who knowingly accepts any earmarked contribution and fails to make the required disclosure is guilty of a gross misdemeanor.

**History:** 1974 c 470 s 16; 1975 c 271 s 6; 1978 c 463 s 48



**10A.17 EXPENDITURES.**

Subdivision 1. No expenditure shall be made by a political committee, political fund, or principal campaign committee unless it is authorized by the treasurer or deputy treasurer of that committee or fund.

Subd. 2. No individual or association may make an approved expenditure of more than \$20 without receiving written authorization as to the amount that may be spent and the purpose of the expenditure from the treasurer of the principal campaign committee of the candidate who approved the expenditure.

Subd. 3. The treasurer or deputy treasurer of a political committee may sign vouchers for petty cash of not more than \$100 per week for statewide elections or \$20 per week for legislative elections to be used for miscellaneous expenditures.

Subd. 4. Any individual, political committee, or political fund who independently solicits or accepts contributions or makes independent expenditures on behalf of any candidate shall publicly disclose that the candidate has not approved the expenditure. All written communications with those from whom contributions are independently solicited or accepted or to whom independent expenditures are made on behalf of a candidate, shall contain a statement in conspicuous type that the activity is not approved by the candidate nor is the candidate responsible for it. Similar language shall be included in all oral communications, in conspicuous type on the front page of all literature and advertisements published or posted, and at the end of all broadcast advertisements made by that individual, political committee or political fund on the candidate's behalf.

Subd. 5. Any person who knowingly violates the provisions of subdivision 2 or 4, or who falsely claims that the candidate has not approved the expenditure or activity is guilty of a misdemeanor.

**History:** 1974 c 470 s 17; 1978 c 463 s 49; 1986 c 444

**10A.18 BILLS WHEN RENDERED AND PAID.**

Every person who has a bill, charge or claim against any political committee or political fund for any expenditure shall render in writing to the treasurer of the committee or fund the bill, charge or claim within 60 days after the material or service is provided. Failure to so present the bill, charge or claim is a misdemeanor.

**History:** 1974 c 470 s 18

**10A.19 PRINCIPAL CAMPAIGN COMMITTEE.**

Subdivision 1. No candidate shall accept contributions from any source, other than self, in aggregate in excess of \$100 or any money from the state elections campaign fund unless the candidate designates and causes to be formed a single principal campaign committee.

Subd. 2. A candidate may at any time without cause remove and replace the chair, treasurer, deputy treasurer or any other officer of the candidate's principal campaign committee.

**History:** 1974 c 470 s 19; 1976 c 307 s 13; 1978 c 463 s 50; 1986 c 444

**10A.20 CAMPAIGN REPORTS.**

Subdivision 1. The treasurer of every political committee and political fund shall begin to file the reports required by this section in the first year it receives contributions or makes expenditures in excess of \$100 and shall continue to file until the committee or fund is terminated.

Subd. 2. The reports shall be filed with the board on or before January 31 of each year and additional reports shall be filed as required and in accordance with clauses (a) and (b).

(a) In each year in which the name of the candidate is on the ballot, the report of the principal campaign committee shall be filed ten days before a primary and a general

election, seven days before a special primary and a special election, and 30 days after a special election. The report due after a special election may be filed on January 31 following the special election if the special election is held not more than 60 days before that date.

(b) In each general election year political committees and political funds other than principal campaign committees shall file reports ten days before a primary and general election.

If a scheduled filing date falls on a Saturday, Sunday or legal holiday, the filing date shall be the next regular business day.

**Subd. 3. Contents of report.** Each report under this section shall disclose:

(a) The amount of liquid assets on hand at the beginning of the reporting period;

(b) The name, address and employer, or occupation if self-employed, of each individual, political committee or political fund who within the year has made one or more transfers or donations in kind to the political committee or political fund, including the purchase of tickets for all fund raising efforts, which in aggregate exceed \$100 for legislative or statewide candidates or ballot questions, together with the amount and date of each transfer or donation in kind, and the aggregate amount of transfers and donations in kind within the year from each source so disclosed. A donation in kind shall be disclosed at its fair market value. An approved expenditure is listed as a donation in kind. A donation in kind is considered consumed in the reporting period in which it is received. The names of contributors shall be listed in alphabetical order;

(c) The sum of contributions to the political committee or political fund during the reporting period;

(d) Each loan made or received by the political committee or political fund within the year in aggregate in excess of \$100, continuously reported until repaid or forgiven, together with the name, address, occupation and the principal place of business, if any, of the lender and any endorser and the date and amount of the loan. If any loan made to the principal campaign committee of a candidate is forgiven at any time or repaid by any entity other than that principal campaign committee, it shall be reported as a contribution for the year in which the loan was made;

(e) Each receipt in excess of \$100 not otherwise listed under clauses (b) to (d);

(f) The sum of all receipts of the political committee or political fund during the reporting period;

(g) The name and address of each individual or association to whom aggregate expenditures, including approved expenditures, have been made by or on behalf of the political committee or political fund within the year in excess of \$100, together with the amount, date and purpose of each expenditure and the name and address of, and office sought by, each candidate on whose behalf the expenditure was made, identification of the ballot question which the expenditure is intended to promote or defeat, and in the case of independent expenditures made in opposition to a candidate, the name, address and office sought for each such candidate;

(h) The sum of all expenditures made by or on behalf of the political committee or political fund during the reporting period;

(i) The amount and nature of any advance of credit incurred by the political committee or political fund, continuously reported until paid or forgiven. If any advance of credit incurred by the principal campaign committee of a candidate is forgiven at any time by the creditor or paid by any entity other than that principal campaign committee, it shall be reported as a donation in kind for the year in which the advance of credit was incurred;

(j) The name and address of each political committee, political fund, or principal campaign committee to which aggregate transfers in excess of \$100 have been made within the year, together with the amount and date of each transfer;

(k) The sum of all transfers made by the political committee, political fund, or principal campaign committee during the reporting period;

(l) Except for contributions to a candidate or committee for a candidate for office in a municipality as defined in section 471.345, subdivision 1, the name and address of each individual or association to whom aggregate noncampaign disbursements in excess of \$100 have been made within the year by or on behalf of a principal campaign committee, political committee, or political fund, together with the amount, date, and purpose of each noncampaign disbursement; and

(m) The sum of all noncampaign disbursements made within the year by or on behalf of a principal campaign committee, political committee, or political fund.

Subd. 3a. The reports of a principal campaign committee of a legislative candidate required by this section shall list in a prominent place on the first page of every report each county in which the legislative district lies.

Subd. 4. A report shall cover the period from the last day covered by the previous report to seven days prior to the filing date, except that the report due on January 31 shall cover the period from the last day covered by the previous report to December 31.

Subd. 5. **Preelection reports.** In any statewide election any loan, contribution, or contributions from any one source totaling \$2,000 or more, or in any legislative election totaling more than \$400, received between the last day covered in the last report prior to an election and the election shall be reported to the board in one of the following ways:

- (1) in person within 48 hours after its receipt;
- (2) by telegram or mailgram within 48 hours after its receipt; or
- (3) by certified mail sent within 48 hours after its receipt.

These loans and contributions must also be reported in the next required report.

The 48-hour notice requirement does not apply with respect to a primary if the statewide or legislative candidate is unopposed in that primary.

Subd. 6. Every candidate who does not designate and cause to be formed a principal campaign committee, and any individual who makes independent expenditures or expenditures expressly advocating the approval or defeat of a ballot question in aggregate in excess of \$100 in any year, shall file with the board a report containing the information required by subdivision 3. Reports required by this subdivision shall be filed on the dates on which reports by committees and funds are filed.

Subd. 6a. Any individual, political committee or political fund filing a report or statement disclosing any independent expenditure pursuant to subdivision 3 or 6 shall file with that report a sworn statement that the expenditures so disclosed were not made with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of any candidate, any candidate's principal campaign committee or agent.

Subd. 7. If no contribution is received or expenditure made by or on behalf of a candidate, political fund or political committee during a reporting period, the treasurer of the committee or fund shall file with the board at the time required by this section a statement to that effect.

Subd. 8. The board shall exempt any member of or contributor to any association, political committee or political fund or any other individual from the provisions of this section if the member, contributor or other individual demonstrates by clear and convincing evidence that disclosure would expose the member or contributor to economic reprisals, loss of employment or threat of physical coercion.

An association, political committee or political fund may seek an exemption for all of its members or contributors if it demonstrates by clear and convincing evidence that a substantial number of its members or contributors would suffer a restrictive effect on their freedom of association if members were required to seek exemptions individually.

Subd. 9. [Repealed, 1978 c 463 s 109]

Subd. 10. Any individual, association, political committee or political fund seek-

ing an exemption pursuant to subdivision 8 shall submit a written application for exemption to the board. The board, without hearing, shall grant or deny the exemption within 30 days after receiving an application, and shall issue a written order stating the reasons for its action. The board shall publish its order in the State Register and give notice to all parties known to the board to have an interest in the matter. If the board receives a written objection to its action from any party within 20 days after publication of its order and notification of interested parties, the board shall hold a contested case hearing on the matter. Upon the filing of a timely objection from the applicant, an order denying an exemption shall be suspended pending the outcome of the contested case. If no timely objection is received the exemption shall continue to be in effect until a written objection is filed with the board in a succeeding election year. The board by rule shall establish a procedure so that any individual seeking an exemption may proceed anonymously if the individual would be exposed to the reprisals listed in subdivision 8 if the individual's identity were to be revealed for the purposes of a hearing.

Subd. 11. No person or association shall engage in economic reprisals or threaten loss of employment or physical coercion against any person or association because of that person's or association's political contributions or political activity. This subdivision shall not apply to compensation for employment or loss of employment when the political affiliation or viewpoint of the employee is a bona fide occupational qualification of the employment. Any person or association which violates this subdivision is guilty of a gross misdemeanor.

Subd. 12. The board shall notify by certified mail or personal service any individual who fails to file a statement required by this section. If an individual fails to file a statement due January 31 within seven days after receiving a notice, the board may impose a late filing fee of \$5 per day, not to exceed \$100, commencing on the eighth day after receiving notice. If an individual fails to file a statement due before any primary or election within three days of the date due, regardless of whether the individual has received any notice, the board may impose a late filing fee of \$50 per day, not to exceed \$500, commencing on the fourth day after the date the statement was due. The board shall further notify by certified mail or personal service any individual who fails to file any statement within 14 days after receiving a first notice from the board that the individual may be subject to a criminal penalty for failure to file a statement. An individual who knowingly fails to file the statement within seven days after receiving a second notice from the board is guilty of a misdemeanor.

Subd. 13. **Third party reimbursement.** An individual, political committee, or political fund filing a report disclosing an expenditure or noncampaign disbursement that must be reported and itemized under subdivision 3, paragraph (g) or (l), that is a reimbursement to a third party is required to report the purpose of each expenditure or disbursement for which the third party is being reimbursed. An expenditure or disbursement is a reimbursement to a third party if it is for goods or services that were not directly provided by the individual or association to whom the expenditure or disbursement is made. Third party reimbursements include payments to credit card companies and reimbursement of individuals for expenses they have incurred.

**History:** 1974 c 470 s 20; 1975 c 271 s 6; 1976 c 307 s 14-18; 1977 c 346 s 1; 1978 c 463 s 51-59; 1978 c 793 s 37; 1979 c 59 s 5; 1980 c 587 art 2 s 9,10; 1980 c 607 art 17 s 10,11; 1985 c 40 s 1; 1986 c 444; 1987 c 214 s 3,4; 1990 c 608 art 3 s 5-7; 1991 c 349 s 11,12

#### 10A.21 REPORTS TO COUNTY AUDITOR.

Subdivision 1. All reports or statements that must be filed with the board by the principal campaign committee of legislative candidates and statements of economic interest filed by candidates for and members of the legislature shall be duplicated and filed by the board with the auditor of each county in which the legislative district lies within 72 hours of the date the report or statement is required to be filed or, if the report or statement is delinquent, within 72 hours of the time the report is actually filed.

Subd. 2. The copies of reports filed with the county auditor need not be certified copies.

Subd. 3. Statements and reports filed with county auditor shall be available to the public in the manner prescribed by section 10A.02, subdivision 8, clause (e). Statements and reports of principal campaign committees shall be retained until four years after the election to which they pertain. Economic interest statements shall be retained until the subject of the statement is no longer a candidate or officeholder.

**History:** 1974 c 470 s 21; 1975 c 271 s 6; 1976 c 307 s 19; 1978 c 463 s 60,61

## 10A.22 REPORTS AND STATEMENTS.

Subdivision 1. A report or statement required by sections 10A.11 to 10A.34 to be filed by a treasurer of a political committee or political fund, or by any other individual, shall be signed and certified as true by the individual required to file the report. Any individual who signs and certifies to be true a report or statement knowing it contains false information or who knowingly omits required information is guilty of a gross misdemeanor.

Subd. 2. [Repealed, 1976 c 307 s 35]

Subd. 3. [Repealed, 1978 c 463 s 109]

Subd. 4. The treasurer shall list contributions from the same source under the same name. When a contribution received from any source in a reporting period is added to previously reported unitemized contributions from the same source and the aggregate exceeds the disclosure threshold of section 10A.20, the name, address and employer, or occupation if self-employed, of that source shall then be listed on the prescribed schedule. A candidate may refuse to accept any contribution.

Subd. 5. A political committee or political fund making an expenditure on behalf of more than one candidate for state or legislative office shall allocate the expenditure among the candidates on a reasonable cost basis and report the allocation for each candidate.

Subd. 6. Each person required to file any report or statement shall maintain records on the matters required to be reported, including vouchers, canceled checks, bills, invoices, worksheets, and receipts, which will provide in sufficient detail the necessary information from which the filed reports and statements may be verified, explained, clarified and checked for accuracy and completeness. The person shall keep the records available for audit, inspection, or examination by the board or its authorized representatives for four years from the date of filing of the reports or statements or of changes or corrections thereto. Any person who knowingly violates any provisions of this subdivision is guilty of a misdemeanor.

Subd. 7. **Statement required; penalty.** (a) The treasurer of a political committee or political fund shall not accept a contribution of more than \$100 from an association not registered in this state unless the contribution is accompanied by a written statement which meets the disclosure and reporting period requirements imposed by section 10A.20. This statement shall be certified as true and correct by an officer of the contributing association. The political committee or political fund which accepts the contribution shall include a copy of the statement with the report which discloses the contribution to the board. The provisions of this subdivision shall not apply when a national political party transfers money to its affiliate in this state.

(b) An unregistered association may provide the written statement required by this subdivision to no more than three political committees or political funds in any calendar year. Each statement must cover at least the 30 days immediately preceding and including the date on which the contribution was made. An unregistered association or an officer of it is subject to a civil penalty up to \$1,000 if the association or its officer:

- (1) fails to provide a written statement as required by this subdivision; or
- (2) fails to register after giving the written statement required by this subdivision to more than three political committees or political funds in any calendar year.

An officer of an association who violates this paragraph is guilty of a misdemeanor.

Subd. 8. [Repealed, 1976 c 307 s 35]

**History:** 1974 c 470 s 22; 1975 c 271 s 6; 1978 c 463 s 62-65; 1986 c 444; 1990 c 608 art 3 s 8

### 10A.23 CHANGES AND CORRECTIONS.

Any material changes in information previously submitted and any corrections to a report or statement shall be reported in writing to the board within ten days following the date of the event prompting the change or the date upon which the person filing became aware of the inaccuracy. The change or correction shall identify the form and the paragraph containing the information to be changed or corrected. Any person who willfully fails to report a material change or correction is guilty of a gross misdemeanor.

**History:** 1974 c 470 s 23; 1975 c 271 s 6; 1976 c 307 s 20

### 10A.24 DISSOLUTION OR TERMINATION.

Subdivision 1. **Termination report.** No political committee or political fund shall dissolve until it has settled all of its debts and disposed of all its assets in excess of \$100 and filed a termination report. The termination report may be made at any time and shall include all information required in periodic reports.

Subd. 2. **Termination allowed.** Notwithstanding subdivision 1, after mailing notice to any remaining creditors by certified mail, a political committee or political fund that has debts incurred more than six years previously, has disposed of all its assets, and has met the requirements of section 10A.20, subdivision 7, may file a termination report.

**History:** 1974 c 470 s 24; 1978 c 463 s 66; 1990 c 608 art 3 s 9

#### 10A.241 TRANSFER OF DEBTS.

Notwithstanding any provisions of this chapter to the contrary except as provided in this section, a candidate may terminate the candidate's principal campaign committee for one state office by transferring any debts of that committee to the candidate's principal campaign committee for another state office, provided that any outstanding unpaid bills or loans from the committee being terminated are assumed and continuously reported by the committee to which the transfer is being made until paid or forgiven. A loan that is forgiven is covered by section 10A.20 and, for purposes of section 10A.324, is a contribution to the principal campaign committee from which the debt was transferred under this section.

**History:** 1986 c 475 s 1; 1991 c 199 art 2 s 1

#### 10A.242 DISSOLUTION OF INACTIVE COMMITTEES AND FUNDS.

Subdivision 1. **Dissolution required.** A political committee or political fund must be dissolved within 60 days after receiving notice from the board that the committee has become inactive. The assets of the committee or fund must be spent for the purposes authorized by section 211B.12 and other applicable law or liquidated and deposited in the general account of the state elections campaign fund within 60 days after the board notifies the committee or fund that it has become inactive.

Subd. 2. **Inactivity defined.** (a) A principal campaign committee becomes inactive on the later of the following dates:

(1) when six years have elapsed since the last election in which the person was a candidate for the office sought or held at the time the principal campaign committee registered with the board; or

(2) when six years have elapsed since the last day on which the individual for whom it exists served in an elective office subject to this chapter.

(b) A committee or fund other than a principal campaign committee becomes inactive when two years have elapsed since the end of a reporting period during which the committee or fund made an expenditure or disbursement requiring disclosure under this chapter.

Subd. 3. **Remaining debts.** If a committee or fund becomes inactive when it still has unpaid debts, the committee or fund shall liquidate available assets to pay the debts. If insufficient assets exist to pay the debts, the board may set up a payment schedule and allow the committee or fund to defer dissolution until all debts are paid. This section does not extinguish debts incurred by the committee or fund.

*History: 1990 c 608 art 3 s 10*

#### 10A.25 LIMITS ON CAMPAIGN EXPENDITURES.

Subdivision 1. For the purposes of sections 10A.11 to 10A.34 a candidate for governor and a candidate for lieutenant governor, running together, shall be deemed to be a single candidate. Except as provided in subdivision 3, all expenditures made by and all approved expenditures made on behalf of the candidate for lieutenant governor shall be considered to be expenditures by and approved expenditures on behalf of the candidate for governor.

Subd. 2. In a year in which an election is held for an office sought by a candidate, no expenditures shall be made by the principal campaign committee of that candidate, nor any approved expenditures made on behalf of that candidate which expenditures and approved expenditures result in an aggregate amount in excess of the following:

- (a) For governor and lieutenant governor, running together, \$1,626,691;
- (b) For attorney general, \$271,116;
- (c) For secretary of state, state treasurer, and state auditor, separately, \$135,559;
- (d) For state senator, \$40,669;
- (e) For state representative, \$20,335.

Subd. 2a. **Aggregated expenditures.** If a candidate makes expenditures from more than one principal campaign committee for nomination or election to statewide office in the same election year, the amount of expenditures from all of the candidate's principal campaign committees for statewide office for that election year must be aggregated for purposes of the application of the limits on campaign expenditures under subdivision 2, clauses (a) to (c).

Subd. 3. Notwithstanding subdivision 2, clause (a), a candidate for endorsement for the office of lieutenant governor at the convention of a political party may make expenditures and approved expenditures of \$30,000 or five percent of the amount in subdivision 2, clause (a), whichever is greater, to seek endorsement. This amount shall be in addition to the amount which may be expended pursuant to subdivision 2, clause (a).

Subd. 4. The limits prescribed in this section shall not apply to any expenditure or approved expenditure made or advance of credit incurred before February 28, 1978 unless the goods or services for which they were made or incurred are consumed or used after February 28, 1978.

Subd. 5. **Primary races.** Notwithstanding the limits imposed by subdivision 2, the winning candidate in a contested race in a primary who received fewer than twice as many votes as any one of the candidate's opponents in that primary may make aggregate expenditures and approved expenditures equal to 120 percent of the applicable amount as set forth in subdivision 2, as adjusted by section 10A.255. A candidate in a contested primary race may not, under this subdivision, make aggregate expenditures and approved expenditures of more than 100 percent of the expenditure limits imposed by subdivision 2 until after the primary.

Subd. 6. In any year following an election year for the office held or sought, the aggregate amount of expenditures by and approved expenditures on behalf of a candidate for or holder of that office shall not exceed one-fourth of the expenditure limit set forth in subdivision 2.

Subd. 7. On or before December 31 of each nonelection year the board shall determine and publish in the State Register the expenditure limits for each office for the next calendar year as prescribed by subdivision 2.

Subd. 8. [Repealed, 1978 c 463 s 109]

Subd. 9. [Repealed, 1978 c 463 s 109]

Subd. 10. **Effect of opponent's agreement.** (a) The expenditure limits imposed by this section apply only to candidates whose major political party opponents agree to be bound by the limits and who themselves agree to be bound by the limits as a condition of receiving a public subsidy for their campaigns in the form of an allocation of money from the state elections campaign fund.

(b) A candidate of a major political party who agrees to be bound by the limits and receives a public subsidy, who has an opponent who: (1) is a candidate of a major political party; and (2) does not agree to be bound by the limits but is otherwise eligible to receive a public subsidy:

(i) is no longer bound by the limits, including those in section 10A.324, subdivision 1, paragraph (c); and

(ii) is eligible to receive a public subsidy.

For purposes of this subdivision, "otherwise eligible to receive a public subsidy" means that a candidate meets the requirements of sections 10A.31, 10A.315, 10A.321, and 10A.322, but does not mean that the candidate has filed an affidavit of matching funds under section 10A.323.

**History:** 1974 c 470 s 25; 1975 c 271 s 6; 1976 c 307 s 21-23; 1978 c 463 s 67-74; 1986 c 444; 1987 c 214 s 5,6; 1988 c 686 art 1 s 41; 1988 c 707 s 2; 1990 c 608 art 3 s 11-15; 1991 c 349 s 13-15

#### 10A.255 ADJUSTMENT BY CONSUMER PRICE INDEX.

Subdivision 1. **Method of calculation.** The dollar amounts provided in section 10A.25, subdivision 2, must be adjusted for general election years as provided in this section. By June 1 of the general election year, the executive director of the board shall determine the percentage increase in the consumer price index from December of the year preceding the last general election year to December of the year preceding the year in which the determination is made. The dollar amounts used for the preceding general election year must be multiplied by that percentage. The product of the calculation must be added to each dollar amount to produce the dollar limitations to be in effect for the next general election. The product must be rounded up to the next highest whole dollar. The index used must be the revised consumer price index for all urban consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States Department of Labor with 1982 as a base year.

Subd. 2. **Transitional period.** (a) The dollar amounts provided in section 10A.25, subdivision 2, must be adjusted for 1988 in the manner provided in subdivision 1, except that the percentage increase in the consumer price index must be determined from April of 1986 to December of 1987 and the adjustment must be calculated by the executive director by June 1, 1988.

(b) Except for the office of state representative in the legislature, the dollar amounts provided in section 10A.25, subdivision 2, must be adjusted for 1990 in the manner provided in subdivision 1, except that the percentage increase in the consumer price index must be determined from April of 1986 to December of 1989 and the adjustment must be calculated by the executive director by June 1, 1990.

Subd. 3. **Publication of expenditure limit.** By June 15 of each election year the board shall publish in the State Register the expenditure limit for each office for that calendar year under section 10A.25 as adjusted by this section.

**History:** 1980 c 587 art 3 s 3; 1987 c 214 s 7; 1988 c 707 s 3; 1990 c 608 art 3 s 16; 1991 c 349 s 16

10A.26 [Repealed, 1978 c 463 s 109]



**10A.265 FREEDOM TO ASSOCIATE AND COMMUNICATE.**

Nothing in this chapter shall be construed as abridging the right of an association to communicate with its members.

**History:** 1978 c 463 s 75

**10A.27 ADDITIONAL LIMITATIONS.**

Subdivision 1. **Contribution limits.** Except as provided in subdivisions 2 and 6, no candidate shall permit the candidate's principal campaign committee to accept contributions from any individual, political committee, or political fund in excess of the following:

(a) To candidates for governor and lieutenant governor running together, \$20,000 in an election year for the office sought and \$3,000 in other years;

(b) To a candidate for attorney general, \$10,000 in an election year for the office sought and \$2,000 in other years;

(c) To a candidate for the office of secretary of state, state treasurer or state auditor, \$5,000 in an election year for the office sought and \$1,000 in other years;

(d) To a candidate for state senator, \$1,500 in an election year for the office sought and one-third of that amount in other years; and

(e) To a candidate for state representative, \$750 in an election year for the office sought and one-third of that amount in the other year.

Subd. 2. No candidate shall permit the candidate's principal campaign committee to accept contributions from any political party in excess of five times the amount that may be contributed to that candidate by a political committee as set forth in subdivision 1.

Subd. 3. [Repealed, 1978 c 463 s 109]

Subd. 4. For the purposes of this section, a political party means the aggregate of the party organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts.

Subd. 5. Nothing in this section shall be construed as limiting independent expenditures on behalf of a candidate.

Subd. 6. Nothing in this section shall be construed as limiting the amount which may be contributed by a candidate for the purpose of influencing the candidate's own nomination or election.

Subd. 7. Contributions and approved expenditures made prior to February 28, 1978 which are in excess of the limits imposed by this section shall not be in violation of this section but shall be disclosed as required by this chapter.

Subd. 8. No candidate shall permit the candidate's principal campaign committee to accept a loan from other than a financial institution for an amount in excess of the contribution limits imposed by this section. No candidate shall permit the candidate's principal campaign committee to accept any loan from a financial institution for which that financial institution may hold any endorser of that loan liable to pay any amount in excess of the amount that the endorser may contribute to that candidate.

Subd. 9. A candidate's principal campaign committee shall not accept in any calendar year aggregate contributions in an amount greater than the maximum amount allowed under subdivision 1 from another candidate's principal campaign committee or any other committee bearing the contributing candidate's name or title or otherwise authorized by the contributing candidate.

**History:** 1974 c 470 s 27; 1976 c 307 s 24; 1978 c 463 s 76-82; 1978 c 793 s 38; 1986 c 444; 1990 c 608 art 3 s 17,18; 1991 c 349 s 17

**10A.275 MULTICANDIDATE POLITICAL PARTY EXPENDITURES.**

Subdivision 1. **Exceptions.** Notwithstanding any other provisions of this chapter,

the following expenditures by a state political party, a party unit, or two or more party units acting together, with at least one party unit being either: the state party organization or the party organization within a congressional district, county, or legislative district, shall not be considered contributions to or expenditures on behalf of any candidate for the purposes of section 10A.25 or 10A.27, and shall not be allocated to any candidates pursuant to section 10A.22, subdivision 5:

(a) expenditures on behalf of candidates of that party generally without referring to any of them specifically in any advertisement published, posted or broadcast;

(b) expenditures for the preparation, display, mailing or other distribution of an official party sample ballot listing the names of three or more individuals whose names are to appear on the ballot;

(c) expenditures for any telephone conversation including the names of three or more individuals whose names are to appear on the ballot;

(d) expenditures for any political party fundraising effort on behalf of three or more candidates; or

(e) expenditures for party committee staff member services that benefit three or more candidates.

**Subd. 2. Application.** This section applies to a political committee of a political party as defined in section 10A.27, subdivision 4.

**Subd. 3. Party unit.** For purposes of this section, "party unit" means the party organization within each house of the legislature; the state party organization; or the party organization within a congressional district, county, legislative district, municipality, or precinct.

**History:** 1978 c 463 s 83; 1983 c 216 art 1 s 1; 1990 c 608 art 3 s 19

## 10A.28 PENALTY FOR EXCEEDING LIMITS.

**Subdivision 1. Candidate exceeding expenditure limits.** A candidate subject to the expenditure limits in section 10A.25 who permits the candidate's principal campaign committee to make expenditures or permits approved expenditures to be made on the candidate's behalf in excess of the limits imposed by section 10A.25, as adjusted by section 10A.255, is subject to a civil fine up to four times the amount which the expenditures exceeded the limit.

**Subd. 2.** A candidate who permits the candidate's principal campaign committee to accept contributions in excess of the limits imposed by section 10A.27 shall be subject to a civil fine of up to four times the amount by which the contribution exceeded the limits.

**Subd. 3.** If the board finds that there is reason to believe that excess expenditures have been made or excess contributions accepted contrary to the provisions of subdivision 1 or 2 the board shall make every effort for a period of not less than 14 days after its finding to correct the matter by informal methods of conference and conciliation and to enter a conciliation agreement with the person involved. A conciliation agreement made pursuant to this subdivision shall be a matter of public record. Unless violated, a conciliation agreement shall be a bar to any civil proceeding under subdivision 4.

**Subd. 4.** If the board is unable after a reasonable time to correct by informal methods any matter which constitutes probable cause to believe that excess expenditures have been made or excess contributions accepted contrary to subdivision 1 or 2, the board shall make a public finding of probable cause in the matter. After making a public finding, the board shall bring an action, or transmit the finding to a county attorney who shall bring an action, in the district court of Ramsey county or, in the case of a legislative candidate, the district court of a county within the legislative district, to impose a civil fine as prescribed by the board pursuant to subdivision 1 or 2. All money recovered pursuant to this section shall be deposited in the general fund of the state.

**History:** 1974 c 470 s 28; 1975 c 271 s 6; 1978 c 463 s 84; 1986 c 444; 1990 c 608 art 3 s 20

**10A.29 CIRCUMVENTION PROHIBITED.**

Any attempt by an individual or association to circumvent the provisions of this chapter by redirecting funds through, or contributing funds on behalf of, another individual or association is a gross misdemeanor.

**History:** 1974 c 470 s 29; 1978 c 463 s 85

**10A.30 STATE ELECTIONS CAMPAIGN FUND.**

Subdivision 1. There is hereby established an account within the special revenue fund of the state to be known as the "state elections campaign fund."

Subd. 2. **Separate account.** Within the state elections campaign fund account there shall be maintained a separate political party account for the state committee and the candidates of each political party and a general account.

**History:** 1974 c 470 s 30; 1976 c 307 s 25; 1978 c 463 s 86; 1990 c 608 art 3 s 21; 1991 c 349 s 18

**10A.31 DESIGNATION OF INCOME TAX PAYMENTS.**

Subdivision 1. Every individual resident of Minnesota 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 shall 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 shall be paid. No individual shall be allowed to designate \$5 more than once in any year.

Subd. 2. The taxpayer may designate that the amount designated be paid into the account of a political party or into the general account.

Subd. 3. **Form.** The commissioner of the department of revenue shall 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 allocate \$5 (\$10 if filing a joint return) from the general fund of the state to finance election campaigns. The form shall also contain language prepared by the commissioner which permits the individual to direct the state to allocate the \$5 (or \$10 if filing a joint return) to: (i) one of the major political parties; (ii) any minor political party as defined in section 10A.01, subdivision 13, which qualifies under the provisions of subdivision 3a; or (iii) all qualifying candidates as provided by subdivision 7. The renter and homeowner property tax refund return shall 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. A minor political party as defined in section 10A.01, subdivision 13 qualifies for inclusion on the income tax form and property tax refund return as provided in subdivision 3, provided that

(1) (a) if a petition is filed, it is filed by June 1 of the taxable year; or

(b) if the party ran a candidate for statewide office, that office must have been the office of governor and lieutenant governor, secretary of state, state auditor, state treasurer, or attorney general; and

(2) the secretary of state certifies to the commissioner of revenue by July 1, 1984, and by July 1 of every odd-numbered year thereafter the parties which qualify as minor political parties under this subdivision.

A minor party shall be certified only if the secretary of state determines that the party satisfies the following conditions:

(a) the party meets the requirements of section 10A.01, subdivision 13, and in the last applicable election ran a candidate for the statewide offices listed in clause (1)(b) of this subdivision;

(b) it is a political party, not a principal campaign committee;

(c) it has held a state convention in the last two years, adopted a state constitution, and elected state officers; and

(d) an officer of the party has filed with the secretary of state a certification that

the party held a state convention in the last two years, adopted a state constitution, and elected state officers.

Subd. 4. The amounts designated by individuals for the state elections campaign fund, less three percent, are appropriated from the general fund and shall be credited to the appropriate account in the state elections campaign fund and annually appropriated for distribution as set forth in subdivisions 5, 6 and 7. An amount equal to three percent shall be retained in the general fund for administrative costs.

Subd. 5. In each calendar year the money in the general account shall be allocated to candidates as follows:

- (1) 21 percent for the offices of governor and lieutenant governor together;
- (2) 3.6 percent for the office of attorney general;
- (3) 1.8 percent each for the offices of secretary of state, state auditor, and state treasurer;
- (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.

In each calendar year the money in each party account shall be allocated as follows:

- (1) 14 percent for the offices of governor and lieutenant governor together;
- (2) 2.4 percent for the office of attorney general;
- (3) 1.2 percent each for the offices of secretary of state, state auditor, and state treasurer;
- (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;

(6) ten percent for the state committee of a political party; money allocated to each state committee under this clause 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 this clause must be paid to the committee by the state treasurer as notified by the state ethical practices 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 state ethical practices 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.

To assure that moneys will be returned to the counties from which they were collected, and to assure that the distribution of those moneys rationally relates to the support for particular parties or for particular candidates within legislative districts, money from the party accounts for legislative candidates shall be distributed as follows:

Each candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election shall receive money from the candidate's party account set aside for candidates of 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 allocated in that county to the candidate's party account and set aside for that office shall be:

(a) 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 (i) whose names appeared on the ballot in each voting precinct of the state and (ii) for the state senate and state house of representatives, divided by

(b) The sum of the votes cast in that county in the last general election for all candidates of that candidate's party (i) whose names appeared on the ballot in each voting precinct in the state and (ii) for the state senate and state house of representatives, multiplied by

(c) The amount in the candidate's party account allocated in that county and set aside for the candidates for the office for which the candidate is running.

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 any party under whose name no candidate's name appeared on the ballot in each voting precinct in the state in the last general election, amounts in the party's account shall be allocated based on (a) the number of people voting in the last general election in that part of the county in the candidate's district, divided by (b) the number of the people voting in that county in the last general election, multiplied by (c) the amount in the candidate's party account allocated in that county and set aside for the candidates for the office for which the candidate is running.

In a year in which the first election after a legislative reapportionment is held, "the candidate's district" means the newly drawn district, and voting data from the last general election will 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 shall be 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 (a) and (b). The average vote shall be added to the sums in clauses (a) and (b) before the calculation is made for all districts in the county.

Money from a party account not distributed to candidates for state senator and representative in any election year shall be returned to the general fund of the state. Money from a party account not distributed to candidates for other offices in an election year shall be returned to the party account for reallocation to candidates as provided in clauses (1) to (6) in the following year. Money from the general account refused by any candidate shall be distributed to all other qualifying candidates in proportion to their shares as provided in this subdivision.

Subd. 6. Within two weeks after certification by the state canvassing board of the results of the primary, the state treasurer shall distribute the available funds in each party account, as certified by the commissioner of revenue on September 15, to the candidates of that party who have signed the agreement as provided in section 10A.322, and whose names are to appear on the ballot in the general election, according to the allocations set forth in subdivision 5.

Subd. 7. Within two weeks after certification by the state canvassing board of the results of the general election, the state treasurer shall distribute the available funds in the general account, as certified by the commissioner of revenue on November 15 and according to allocations set forth in subdivision 5, in equal amounts to all candidates for each statewide office who received at least five percent of the votes cast in the general election for that office, and to all candidates for legislative office who received at least

ten percent of the votes cast in the general election for the specific office for which they were candidates. The board shall not use the information contained in the report of the principal campaign committee of any candidate due ten days before the general election for the purpose of reducing the amount due that candidate from the general account.

Subd. 8. Within one week after certification by the state canvassing board of the results of the primary, the board shall certify to the state treasurer the name of each candidate who has signed the agreement as provided in section 10A.32, subdivision 3, and the amount the candidate is to receive from the available funds in the candidate's party account.

Subd. 9. Within one week after certification by the state canvassing board of the results of the general election, the board shall certify to the state treasurer the name of each candidate who is qualified to receive funds from the general account, together with the amount the candidate is to receive from the available funds in the general account.

Subd. 10. **Distribution.** In the event that on the date of either certification by the commissioner of revenue as provided in subdivisions 6 and 7, less than 98 percent of the tax returns have been processed, the commissioner of revenue shall certify to the board on December 7 the amount accumulated in each account since the previous certification. Within one week thereafter, the board shall certify to the state treasurer the amount to be distributed to each candidate according to the allocations as provided in subdivision 5. As soon as practicable thereafter, the state treasurer shall distribute the amounts to the candidates in the form of checks made "payable to the campaign fund of .....(name of candidate)....." Any money accumulated after the final certification shall be maintained in the respective accounts for distribution in the next general election year.

Subd. 11. For the purposes of this section, a write-in candidate is a candidate only upon complying with the provisions of section 10A.32, subdivision 3.

**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

### 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 candidates for the same office at the last general election.

(b) If the filing period for the special election does not coincide with the filing period for the general election, a candidate who wishes to receive this public subsidy must submit a signed agreement under section 10A.322 to the board not later than the day after the candidate files the affidavit of candidacy or nominating petition for the office. To receive a subsidy, the candidate must meet the matching requirements of section 10A.323, except that the dates in that section do not apply to a special election in which the filing period does not coincide with the filing period for the general election. To the extent feasible, 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 subdivision is appropriated from the general fund to the state treasurer.

**History:** 1990 c 608 art 3 s 22

**10A.316** [Never effective]

**10A.32** Subdivision 1. MS 1988 [Repealed, 1990 c 608 art 3 s 32 ]

- Subd. 2. MS 1988 [Repealed, 1990 c 608 art 3 s 32]  
 Subd. 3. MS 1988 [Repealed, 1990 c 608 art 3 s 32]  
 Subd. 3a. MS 1989 Supp [Repealed, 1990 c 608 art 3 s 32]  
 Subd. 3b. MS 1986 [Repealed, 1988 c 686 art 1 s 83; 1988 c 707 s 5]  
 Subd. 4. MS 1988 [Repealed, 1990 c 608 art 3 s 32]

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

Subdivision 1. **Calculation and certification of estimates.** The commissioner of revenue shall calculate and certify to the board before July 1 in an election year an estimate of the total amount in the state general account of the state elections campaign fund 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 fund. This estimate must be based upon the allocations and formulas in section 10A.31, subdivision 5, any necessary vote totals provided by the secretary of state to apply the formulas in section 10A.31, subdivision 5, 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 shall 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 seven days after the last day for filing for office, the secretary of state shall 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 shall 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 seven days afterward, the board shall estimate the minimum amount to be received by each candidate who qualifies, as provided in section 10A.31, subdivisions 6 and 7. By August 15 the board shall notify all candidates of their minimum amount. The board shall include with the notice a form for the agreement provided in section 10A.322 along with a copy of section 10A.25, subdivision 10.

**History:** 1990 c 608 art 3 s 23

### 10A.322 PUBLIC SUBSIDY AGREEMENTS.

Subdivision 1. **Agreement by candidate.** (a) As a condition of receiving a public subsidy from the state elections campaign fund, a candidate shall sign and file with the board a written agreement in which the candidate agrees that the candidate will comply with sections 10A.25 and 10A.324.

(b) Before the first day of filing for office, the board shall forward agreement forms to all filing officers. The board shall also provide agreement forms to candidates on request at any time. The candidate may sign an agreement and submit it to the filing officer on the day of filing an affidavit of candidacy or petition to appear on the ballot, in which case the filing officer shall without delay forward signed agreements to the board. Alternatively, the candidate may submit the agreement directly to the board at any time before September 1 preceding the general election. An agreement may not be signed or rescinded after that date.

(c) The board shall forward a copy of any agreement signed under this subdivision to the commissioner of revenue.

(d) Notwithstanding any provisions of this section, when a vacancy occurs that will be filled by means of a special election and the filing period does not coincide with the filing period for the general election, a candidate may sign and submit a spending limit agreement at any time before the deadline for submission of a signed agreement under section 10A.315.

Subd. 2. **How long agreement is effective.** The agreement, insofar as it relates to the expenditure limits in section 10A.25, as adjusted by section 10A.255, remains effective for candidates until the dissolution of the principal campaign committee of the candi-

date or the day filings open for the next succeeding election to the office held or sought at the time of the agreement, whichever occurs first.

**Subd. 3. Estimate; actual amount.** For the purposes of subdivisions 1 to 3 only, the total amount to be distributed to each candidate is calculated to be the candidate's share of the total estimated funds in the candidate's party account as provided in section 10A.321, subdivision 1, plus the total amount estimated as provided in section 10A.321, subdivision 1, to be in the general account of the state elections campaign fund and set aside for that office divided by the number of candidates whose names are to appear on the general election ballot for that office. If for any reason the amount actually received by the candidate is greater than the candidate's share of the estimate, and the contributions thereby exceed the difference, the agreement must not be considered violated.

**Subd. 4. Refund receipt forms; penalty.** The board shall make available to a political party on request and to any candidate for whom an agreement under this section is effective, a supply of official refund receipt forms that state in boldface type that (1) a contributor who is given a receipt form is eligible to claim a refund as provided in section 290.06, subdivision 23, and (2) if the contribution is to a candidate, that the candidate has signed an agreement to limit campaign expenditures as provided in this section. The forms must provide duplicate copies of the receipt to be attached to the contributor's claim. A candidate who does not sign an agreement under this section and who willfully issues an official refund receipt form or a facsimile of one to any of the candidate's contributors is guilty of a misdemeanor.

*History: 1990 c 608 art 3 s 24; 1991 c 291 art 6 s 1,2*

#### 10A.323 MATCHING REQUIREMENTS.

In addition to the requirements of section 10A.322, to be eligible to receive a public subsidy from the state elections campaign fund a candidate shall file an affidavit with the board stating that during that calendar year the candidate has accumulated contributions, including unexpended balances from the year before, equal to 20 percent or more of the minimum amount that the board estimates, on August 15 of the general election year, would be received by the candidate from the state elections campaign fund. The candidate or the candidate's treasurer shall submit the affidavit required by this subdivision to the board in writing by October 1 of the general election year.

*History: 1990 c 608 art 3 s 25*

#### 10A.324 RETURN OF PUBLIC SUBSIDY.

**Subdivision 1. When return required.** A candidate shall return all or a portion of the public subsidy received from the state elections campaign fund under the circumstances in paragraph (a), (b), or (c).

(a) To the extent that the amount of public subsidy received by the candidate exceeds the expenditure limits for the office held or sought, as provided in section 10A.25 and as adjusted by section 10A.255, the treasurer of the candidate's principal campaign committee shall return the excess to the board.

(b) 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 shall return an amount equal to the difference to the board.

(c) Except for an amount equal to 25 percent of the expenditure limits set forth in section 10A.25, but not exceeding \$15,000, any amount by which the aggregate contributions and approved expenditures agreed to exceed the difference between: (1) the amount which legally may be expended by or for the candidate; and (2) the amount the candidate receives from the state elections campaign fund must be returned to the state treasurer, deposited in the state treasury, and credited to the general fund.

**Subd. 2. Calculation.** Money in the account of the principal campaign committee



of a candidate on January 1 of the election year for the office held or sought must be considered contributions accepted by that candidate in that year for the purposes of this subdivision. The portion of contributions accepted by a candidate in an election year that equals the amount of noncampaign disbursements and contributions and expenditures to promote or defeat a ballot question that are made by that candidate in that year does not count toward the aggregate contributions and approved expenditure limit imposed by this section.

**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 received from the state elections campaign fund 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. For purposes of this section, a transfer from one principal campaign committee to another principal campaign committee or to a political party is considered to be a noncampaign disbursement. Any 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 shall forward the check or money order to the state treasurer for deposit in the general fund. The amount returned must not exceed the amount of public subsidy received by the candidate from the state elections campaign fund.

**Subd. 4. Return not required.** A candidate whose campaign spending is unlimited under conditions imposed by section 10A.25, subdivision 10, and who certifies that the candidate made campaign expenditures equal to the full amount of the public financing received is not required to return any portion of the money received from the state elections campaign fund under the aggregate contribution limit provisions of this section.

**History:** 1990 c 608 art 3 s 26; 1991 c 349 s 21

#### **10A.325 POLITICAL PARTY NOT HAVING CERTAIN CANDIDATES.**

If money has been accumulated in the state elections campaign fund for the candidates of a political party, and the party does not have a candidate in a general election for the office of state senator or state representative, the party account money allocated for the office for which there is no candidate must be returned to the general fund of the state. If that party does not have a candidate in a general election for any state constitutional office, the party account money allocated for that office must be transferred to the state general account of the state elections campaign fund for reallocation to all of the candidate offices as provided in section 10A.31, subdivision 5, and for distribution in that election year to candidates as provided in section 10A.31, subdivision 7.

**History:** 1990 c 608 art 3 s 27

**10A.33** [Repealed, 1990 c 608 art 3 s 32]

#### **10A.335 LEGISLATIVE MONITORING OF TAX CHECKOFF.**

For the purpose of determining whether the distribution formula provided in section 10A.31, subdivision 5, (a) assures that money will be returned to the counties from which they were collected, and (b) continues to have a rational relation to the support for particular parties or particular candidates within legislative districts, it is the intention of this section that future legislatures monitor, using statistical data provided by the department of revenue, income tax returns and renter and homeowner property tax refund returns on which \$2, or in the case of a joint return, \$4, is designated for a political party.

**History:** 1978 c 463 s 103; 1983 c 216 art 1 s 3

#### **10A.34 REMEDIES.**

**Subdivision 1.** A person charged with a duty under sections 10A.02 to 10A.34 shall be personally liable for the penalty for failing to discharge it.

**Subd. 1a.** The board may bring an action in the district court in Ramsey county to recover any late filing fee imposed pursuant to any provision of this chapter. All money recovered shall be deposited in the general fund of the state.

Subd. 2. The board or a county attorney may seek an injunction in the district court to enforce the provisions of sections 10A.02 to 10A.34.

Subd. 3. Unless otherwise provided, a violation of sections 10A.02 to 10A.34 is not a crime.

**History:** 1974 c 470 s 34; 1975 c 271 s 6; 1978 c 463 s 104

### CONGRESSIONAL CAMPAIGN REFORM

#### 10A.40 LEGISLATIVE FINDINGS OF FACT; LEGISLATIVE INTENT.

Subdivision 1. **Campaign financing; findings of fact.** The legislature finds that:

(1) the spending on campaigns for congressional office has increased to a disgraceful level and continues to rise;

(2) the need to raise campaign contributions has caused Minnesota congressional candidates to aggressively solicit contributions from special interest groups and out-of-state sources, which diverts them from meeting Minnesota voters and publicly debating the pressing issues of the day;

(3) the current practice of congressional campaign contributions and spending, along with ethical scandals in Washington, D.C., have created a public perception of political corruption and undue influence by wealthy special interests;

(4) the United States Congress has debated necessary reforms for years but has failed to act, and the Federal Elections Campaign Act does not provide a means to encourage congressional candidates to voluntarily limit the amount of money they spend in campaigns; and

(5) as a consequence, Minnesota's representation in Congress is jeopardized and the public's confidence in our elected congressional representatives is weakened.

Subd. 2. **Purpose.** (a) In order to redress the problems described in subdivision 1, it is necessary to encourage congressional candidates to voluntarily limit the amount of money they spend on campaigns. A further purpose is to achieve the same successful results in congressional campaigns that have made Minnesota's state campaign spending system a model for the nation in the 15 years since its adoption.

(b) Laws 1990, chapter 608, article 4, is intended to address the problems described in subdivision 1 as follows:

(1) by establishing voluntary limitations on campaign spending, candidates are discouraged from escalating campaign spending through the current means of financing campaigns, and campaign spending will likely be curtailed;

(2) by providing an alternate source of financing, congressional candidates will be less susceptible to political corruption and less dependent on special interests, which will enhance the public's confidence in their congressional representatives;

(3) by allowing candidates to focus on public issues rather than fundraising, the public will be better served in its representation and its opportunity to select the better candidate;

(4) by reducing the influence of special interest groups and out-of-state contributions, the integrity of the process and the confidence of the public in their public servants will be enhanced; and

(5) as a consequence, Minnesota will build on the success of its system of voluntary expenditure limits.

Subd. 3. **Legislative intent.** In enacting sections 10A.40 to 10A.51, the legislature intends to provide a system to encourage voluntary campaign expenditure limits that, in concert with the existing federal law and rules, will provide a comprehensive system of campaign and election regulation. The legislature does not intend to enact legislation that is in conflict with existing federal law, and does not intend to regulate where specific federal laws have already been enacted.

**History:** 1990 c 608 art 4 s 1

**10A.41 DEFINITIONS.**

Subdivision 1. **Application.** The definitions in this section apply to sections 10A.40 to 10A.51. Where consistent with federal law, the definitions in section 10A.01 also apply to sections 10A.40 to 10A.51.

Subd. 2. **Authorized committee.** "Authorized committee" means the principal campaign committee or another political committee designated and authorized by a congressional candidate under United States Code, title 2, section 432, subsection (e)(1), to receive contributions or make expenditures on behalf of that congressional candidate.

Subd. 3. **Campaign expenditure; expenditure.** "Campaign expenditure" or "expenditure" means "expenditure" as that term is defined under United States Code, title 2, section 431, paragraph (9).

Subd. 4. **Congressional candidate.** "Congressional candidate" means an individual who seeks nomination or election to the United States Senate or United States House of Representatives from this state and who is a "candidate" as that term is defined under United States Code, title 2, section 431, paragraph (2). A congressional candidate is not a "candidate" as defined in section 10A.01, subdivision 5.

Subd. 5. **Contribution.** "Contribution" means a "contribution" as that term is defined under United States Code, title 2, section 431, paragraph (8).

Subd. 6. **Independent candidate.** "Independent candidate" means a congressional candidate who is not the candidate of a major political party, minor political party, or new political party.

Subd. 7. **Minor political party.** "Minor political party" means any political party under whose name in the last state general election a candidate filed for statewide or congressional office and received less than five percent but more than three percent of the vote for that office.

Subd. 8. **New political party.** "New political party" means a political party that is neither a major political party nor a minor political party.

Subd. 9. **Political committee.** "Political committee" means a "political committee" as that term is defined under United States Code, title 2, section 431, paragraph (4). "Political committee" includes a major political party, a minor political party, a principal campaign committee, and an authorized committee.

Subd. 10. **Principal campaign committee.** "Principal campaign committee" means a political committee designated and authorized by a congressional candidate under United States Code, title 2, section 432, subsection (e)(1).

**History:** 1990 c 608 art 4 s 2

**10A.42 LIMITATION ON APPLICATION.**

The provisions of sections 10A.11 to 10A.24 relating to the organization, registration, and administration of and reporting and disclosure by political funds and political committees, including principal campaign committees, do not apply to congressional candidates and authorized committees of congressional candidates. The organization, registration, and administration of and reporting and disclosure by authorized committees of congressional candidates are governed by United States Code, title 2, chapter 14.

**History:** 1990 c 608 art 4 s 3

**10A.43 EXPENDITURE LIMIT AGREEMENT.**

Subdivision 1. **Financial incentive.** (a) The state treasurer shall pay a financial incentive to each congressional candidate of a major political party or minor political party whose name will appear on the ballot in a general or special election, who has signed an agreement to limit campaign expenditures as provided in this section, and who is abiding by the agreement. In the case of an independent or new political party candidate, the congressional candidate must in addition receive more than three per-

cent of the vote cast at the general election for the office sought. An incentive is not payable to a congressional candidate whose name appears only on the ballot in a primary election, but an incentive paid to a candidate in a general or special election may be used to pay expenses or retire debt incurred in the primary campaign. The state treasurer shall distribute the financial incentive in the form of a check made "payable to the campaign fund of ....(name of candidate)...."

(b) The amount of the incentive is up to 25 percent of the expenditure limit for a congressional candidate for the office of United States senator and up to 25 percent of the expenditure limit for a congressional candidate for the office of representative in Congress.

**Subd. 2. Agreement.** As a condition of receiving an incentive, a congressional candidate shall sign and file with the board an agreement that the aggregate of expenditures made by the authorized committees of the congressional candidate will not exceed the expenditure limits in section 10A.44. The expenditure limits apply only to congressional candidates who have agreed to be bound by the limits as a condition of receiving an incentive for their campaigns.

**Subd. 3. Submission of agreement.** (a) Before the first day of filing for office, the board shall forward agreement forms to all filing officers. The board shall also make agreement forms available to congressional candidates on request at any time.

(b) The congressional candidate may sign an agreement and submit it, along with a copy of the candidate's federal designation of a principal campaign committee, to the filing officer on the day of filing an affidavit of candidacy or petition to appear on the ballot, in which case the filing officer shall without delay forward signed agreements to the board. Alternatively, for a general election the congressional candidate may obtain an agreement form from the board and submit the agreement, along with a copy of the candidate's federal designation of a principal campaign committee, directly to the board at any time before September 1 preceding the general election.

(c) An agreement may not be signed or rescinded after September 1 preceding the general election.

(d) The board shall forward a copy of any agreement signed under this subdivision to the commissioner of revenue.

(e) Notwithstanding any provisions of this section, when a vacancy in a congressional office occurs that will be filled by means of a special election, and the filing period does not coincide with the filing period for the general election, a congressional candidate may sign and submit a spending limit agreement at any time before one day after the candidate files an affidavit of candidacy or nominating petition for the office.

**Subd. 4. How long agreement is effective.** The agreement, insofar as it relates to the expenditure limits in section 10A.44, remains effective for congressional candidates until the termination of the authorized committees of the congressional candidate, as provided under United States Code, title 2, section 433(d), the day filings open for the next succeeding election to the office held or sought at the time of agreement, or the agreement is rescinded by the candidate within the time limits provided by law, whichever occurs first.

**Subd. 5. Credit receipt forms; penalty.** The board shall make available to a political party on request and to any congressional candidate signing an agreement under this section a supply of official credit receipt forms that state in boldface type that (1) a contributor who is given a receipt form is eligible to claim a credit as provided in section 290.06, subdivision 23, and (2) if the contribution is to a congressional candidate, that candidate has signed an agreement to limit campaign expenditures as provided in this section. A congressional candidate who does not sign an agreement under this section and who willfully issues an official credit receipt form or a facsimile of one to any of the candidate's contributors is guilty of a misdemeanor.

**History:** 1990 c 608 art 4 s 4; 1991 c 291 art 6 s 3,4; 1991 c 349 s 22-24

**10A.44 CONGRESSIONAL CAMPAIGN SPENDING LIMITS.**

Subdivision 1. **Limits.** During the calendar year in which an election is held for an office sought by a congressional candidate, no expenditures may be made by the authorized committees of that congressional candidate that result in an aggregate amount in excess of the following:

- (1) for United States senator, \$3,400,000; and
- (2) for representative in Congress, \$425,000.

A congressional candidate whose name will appear on the ballot in more than one general or special election in a year is subject to a separate spending limit for each election. For a candidate for representative in Congress in a special election, the expenditure limits apply during the ten months before and the two months after the special election. For purposes of calculating aggregate expenditure amounts under this section, an expenditure by an authorized committee of a congressional candidate does not include an expenditure from an authorized committee of a congressional candidate to a state political party.

Subd. 2. **Adjustment by consumer price index.** (a) The dollar amounts provided in subdivision 1 must be adjusted for general election years as provided in this subdivision. By June 1 of the general election year, the executive director of the board shall determine the percentage increase in the consumer price index from December of the year preceding the last general election year to December of the year preceding the year in which the determination is made. The dollar amounts used for the last general election year must be multiplied by that percentage. The product of the calculation must be added to each dollar amount to produce the dollar limitations to be in effect for the next general election and any special elections for which filings open before a new limit is set. The product must be rounded up to the next highest whole dollar. The index used must be the revised consumer price index for all urban consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States Department of Labor with 1982 as a base year.

(b) The dollar amounts in subdivision 1 must be adjusted for races in years subsequent to 1990 in the manner provided in paragraph (a), and the last general election year must be considered to be 1990 and the dollar amounts used for the last general election year for the offices of United States senator and representative in Congress must be \$3,400,000 and \$425,000 respectively.

(c) By June 15 of each year, the board shall publish in the State Register the expenditure limit for each office for that calendar year as adjusted under this subdivision.

Subd. 3. **Contested primary races.** Notwithstanding the limits imposed by subdivisions 1 and 2, the winning congressional candidate in a contested race in a primary who receives less than twice as many votes as any one of the candidate's opponents in that primary may make aggregate expenditures equal to 120 percent of the applicable amount under subdivisions 1 and 2.

Subd. 4. **Postelection year expenditures.** In any year preceding or following an election year for the office held or sought, the aggregate amount of expenditures on behalf of a congressional candidate for or holder of that office must not exceed 20 percent of the expenditure limit in subdivisions 1 and 2.

Subd. 5. **Limitation conditional.** (a) The expenditure limits imposed by this section apply as provided by this subdivision.

(b) If all the congressional candidates seeking an office agree to be bound by the limits, no candidate may receive an incentive, but all candidates are bound by the limits.

(c) If all major political party congressional candidates seeking an office agree to be bound by the limits, no such candidate of a major political party may receive an incentive, but all such candidates are bound by the limits.

(d) If a candidate of a major political party, minor political party or new political party, or an independent candidate, (i) agrees to be bound by the limits, and (ii) has an opponent who is a candidate of a major political party and who declines to be bound

by the limits, the candidate who agrees to limits is eligible to receive an incentive and is not bound by the limits.

Subd. 6. **Certain postelection costs.** After the election, a congressional candidate who is not a congressional incumbent and has been elected to Congress may spend an amount up to ten percent of the limits under subdivision 1 or 2 to defray transition costs, unless restricted by federal law. This money may be spent only for the costs of the transition that are incurred between the election and the date on which the elected candidate begins congressional service and cannot be used to retire debts remaining from the primary or general election campaign.

*History: 1990 c 608 art 4 s 5; 1991 c 291 art 6 s 5; 1991 c 349 s 25-27*

#### 10A.45 CONTRIBUTION AND LOAN LIMITS.

Contributions by or to a congressional candidate and loans to a congressional candidate are governed by United States Code, title 2, chapter 14.

*History: 1990 c 608 art 4 s 6*

#### 10A.46 MULTICANDIDATE POLITICAL PARTY EXPENDITURES.

Multicandidate political party expenditures with respect to congressional candidates are governed by United States Code, title 2, section 431, paragraph (9).

*History: 1990 c 608 art 4 s 7*

#### 10A.47 PENALTY FOR EXCEEDING LIMITS.

Subdivision 1. **Expenditure limits.** A congressional candidate subject to the expenditure limits in section 10A.44 who permits the candidate's authorized committees to make aggregate expenditures on the candidate's behalf in excess of the limits imposed by section 10A.44 is subject to a civil fine of up to four times the amount by which the expenditures exceed the limit.

Subd. 2. **Contribution limits.** A congressional candidate who permits the candidate's authorized committees to accept contributions in excess of the limits imposed under United States Code, title 2, chapter 14, is subject to the penalties imposed by United States Code, title 2, section 437g.

Subd. 3. **Conciliation agreements.** If the board finds that there is reason to believe that excess expenditures have been made contrary to subdivision 1, the board shall make every effort for not less than 14 days after its finding to correct the matter by informal methods of conference and conciliation and to enter a conciliation agreement with the person involved. A conciliation agreement made under this subdivision is a matter of public record. Unless violated, a conciliation agreement bars any civil proceeding under subdivision 4.

Subd. 4. **Civil action.** If the board is unable after a reasonable time to correct by informal methods any matter that constitutes probable cause to believe that excess expenditures have been made contrary to subdivision 1, the board shall make a public finding of probable cause in the matter. After making a public finding, the board shall bring an action or transmit the finding to a county attorney who shall bring an action to impose a civil fine as prescribed by the board under subdivision 1. An action filed against a congressional candidate for United States senator must be brought in the district court of Ramsey county. An action filed against a congressional candidate for representative in Congress may be brought in the district court of a county within the congressional candidate's congressional district or in the district court in Ramsey county. All money recovered under this section must be deposited in the state treasury and credited to the general fund.

*History: 1990 c 608 art 4 s 8*

#### 10A.48 MATCHING REQUIREMENTS.

In order to be eligible to receive a financial incentive, a congressional candidate

must provide evidence to the board of contributions equal to the financial incentive. Except as otherwise provided by section 10A.49, when a candidate submits an affidavit to the board showing contributions equal to at least one-fourth of the incentive amount, that amount will be paid to the candidate. A candidate may receive the incentive at any time during the calendar year in which the election is held, after the certification of primary results, and may receive it in quarters, or in larger portions if the candidate submits an affidavit showing that a larger amount of contributions has been made.

**History:** 1990 c 608 art 4 s 9

#### 10A.49 CERTIFICATION AND DISTRIBUTION.

**Subdivision 1. Certification of eligible candidates.** Within one week after certification by the state canvassing board of the results of the primary, the ethical practices board shall certify to the state treasurer the name of each major political party or minor political party congressional candidate who is eligible to receive a financial incentive.

**Subd. 2. Distribution of money after primary.** Within two weeks after certification by the state canvassing board of the results of the primary, the state treasurer shall pay an incentive to each major political party or minor political party congressional candidate who has signed an agreement as required under section 10A.44 and is eligible to receive an incentive.

**Subd. 3. Independent and new party candidates.** Within two weeks after certification by the state canvassing board of the results of the state general election, the state treasurer shall pay an incentive to each independent or new political party congressional candidate who has signed an agreement as required under section 10A.44 and is eligible to receive an incentive. To be eligible to receive an incentive, an independent or new party congressional candidate must receive at least three percent of the vote cast at the general election for the office sought.

**Subd. 4. Appropriation.** The amount necessary to pay the incentives under this section is appropriated from the general fund to the state treasurer.

**History:** 1990 c 608 art 4 s 10

#### 10A.50 RETURN OF FINANCIAL INCENTIVE.

**Subdivision 1. When required.** A congressional candidate shall return all or a portion of the financial incentive received under the circumstances in this subdivision. To the extent that the incentive received exceeds the aggregate of actual expenditures made by the authorized committees of the congressional candidate, the treasurer of the congressional candidate's principal campaign committee shall return an amount equal to the difference to the board.

**Subd. 2. How return determined.** Whether a congressional candidate is required under subdivision 1 to return all or a portion of the incentive received must be determined from the report required to be filed with the secretary of state by that congressional candidate by January 31 of the year following an election. Any amount required to be returned must be submitted in the form of a check or money order and must accompany the report filed under section 10A.51. The secretary of state shall forward the check or money order to the state treasurer for deposit in the general fund. The amount returned must not exceed the amount of incentive received by the congressional candidate.

**History:** 1990 c 608 art 4 s 11

#### 10A.51 CAMPAIGN REPORTS.

A congressional candidate who agrees to be bound by the expenditure limits in section 10A.44, as a condition of receiving an incentive for the candidate's campaign, shall file with the secretary of state all reports that the candidate or the candidate's principal campaign committee treasurer acting for the candidate is required to file under United States Code, title 2, chapter 14. The secretary of state shall forward copies of the reports, within 30 days after they are received, to the board.

**History:** 1990 c 608 art 4 s 12