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S.F. No. 863 - Fair and Clean Elections Act

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S.F.No. 863, the Fair and Clean Elections Act provides candidates for constitutional office or the Legislature with public money to cover most of their campaign spending limit in return for lower contribution limits. The public money would range from about 87 percent of the spending limit for legislative candidates to almost 97 percent for gubernatorial candidates.

Contribution Limits

Contribution limits would apply to the entire election cycle, instead of the current system of separate limits for election and nonelection years. The new contribution limit for candidates who participate in the public subsidy program would be \$50 per election cycle. They could not contribute more than \$500 to their own campaign. Contribution limits on nonparticipating candidates would be the same as the election year limits under current law, except that the contribution limit for candidates for secretary of state and state auditor would be doubled, to equal the limit for candidates for attorney general.

Candidates who do not accept a public subsidy would be prohibited from accepting contributions from a political party in excess of ten times the limit on contributions from an individual.

A political committee or political fund would be prohibited from accepting more than \$1,000 in a calendar year in aggregate contributions from an individual and would be prohibited from accepting any contributions from another political committee or political fund.

Political parties would be prohibited from accepting more than \$10,000 each election cycle in aggregate contributions from an individual or association. They would be

Political parties would be prohibited from accepting more than \$10,000 each election cycle in aggregate contributions from an individual or association. They would be prohibited from accepting money from any other party unit in another state or at the national level, unless the transfer were from a separate fund that contained only contributions from individuals and associations that would have been permitted under the law of Minnesota if they had been made directly to the political party unit.

An individual would be prohibited from making more than \$10,000 in an election cycle in aggregate contributions for any purpose to all candidates, and to all political committees, political funds, and party units.

Spending Limits

Spending limits would apply to the entire election cycle. The dollar amounts for most candidates would be similar to the current limits for the election year. The amount for candidates for secretary of state and state auditor would be more than double the current limit for the election year. A candidate would be permitted to spend a small amount of additional money during the qualifying period from private contributions to the candidate. The total of the base amount plus qualifying expenditures for candidates for state senator would be \$60,000 and for state representative would be \$30,000. A first-time candidate's spending limit would be increased by ten percent.

Issue Ads

There would be a rebuttable presumption that an expenditure in excess of certain limits for a communication close to election day that contained the name or picture of a candidate is a campaign expenditure.

Independent Expenditures

There would be a rebuttable presumption that a campaign expenditure that was made after certain contacts between the spender and a candidate was not "independent," and thus must be counted against the candidate's spending limit.

Disclosure

All candidates would have to report the name and address of all contributors of more than \$50 a year. Committees reporting contributions or expenditures of more than \$5,000 in a year would have to file electronically. The Campaign Finance and Public Disclosure Board would have to post all campaign finance reports on its Web site within seven days after they were due.

Conduit funds would have to register and file periodic reports with the Board.

Public Subsidy

To qualify for a public subsidy, a candidate would have to raise a certain amount in contributions, counting only the first \$5 from individuals eligible to vote in this state and, in the case of legislative candidates, at least one-half from individuals eligible to vote for the candidate.

Upon determining that the candidate had met all the requirements, the Board would designate the candidate as "participating" and pay the candidate a public subsidy equal to 20 percent of the candidate's public subsidy base. Within one week after the close of filings for office, a participating candidate who had an opponent in either the primary or general election would be paid a public subsidy equal to 20 percent of the candidate's public subsidy base. Within one week after results of the primary were known, a participating candidate with an opponent in the general election would be paid a public subsidy equal to 60 percent of the candidate's public subsidy base.

Upon receipt of a report that a nonparticipating opponent of a participating candidate had received contributions in excess of the participating candidate's spending limit, the Board would pay to the participating candidate a public subsidy equal to the participating candidate's public subsidy base. The additional public subsidy could be spent only in the amount that the nonparticipating candidate's contributions exceeded the participating candidate's spending limit.

Upon receipt of a notice that an individual or association had disseminated a communication paid for with independent expenditures that aggregated more than \$500 during an election cycle, the Board would pay to each participating candidate in the affected race a public subsidy equal to the candidate's public subsidy base. The additional public subsidy could be spent only in the amount of independent expenditures made to defeat the candidate or one-half the amount of independent expenditures made to elect the participating candidate's opponent, subject to certain additional limits.

Throwback Rule

To pay for the public subsidies, the corporate franchise tax would be changed by adding a throwback rule. If tangible personal property were shipped from this state to another state and the taxpayer were not taxable in the state of delivery, the sale would be taxable in this state.

Penalties

The penalty for exceeding contribution or spending limits would be up to ten times the amount of the excess.

In addition to the civil penalties, the Board would be authorized to bring a court action to have a candidate who had filed a false report or who had exceeded contribution or spending limits removed from office. If the court found the candidate had violated the law, the court could declare the office vacant, in the case of a constitutional officer, or would forward a transcript of its judgment to the

Senate or the House of Representatives for further consideration, in the case of a member of the Legislature.

Free Broadcast Time

Television and radio stations that receive a public subsidy from the State would be required to provide free broadcast time to participating candidates for constitutional officer and either broadcast time or archived audio or video clip time for participating legislative candidates. The amount of time would be 30 minutes each election cycle for candidates for constitutional officer and 60 seconds each election cycle for candidates for the Legislature. The broadcast would include only the candidate speaking in the candidate's own voice.

Filing Fees

Filing fees would be eliminated for participating candidates.

Voter's Guide

The Secretary of State would be required to publish a voters guide at least 21 days before the state primary and general election, mail it to every household in the state, and publish it on the Secretary of State's Web site.

Form of the Bill

The bill is in the form of a repeal and reenactment, repealing the campaign finance provisions of Minnesota Statutes, chapter 10A, and reenacting them, as amended, as a new chapter 10B. Chapter 10A retains the provisions establishing the Board, regulating lobbyists and principals, requiring disclosure of conflicts of interest, and providing remedies for violations of either chapter 10A or chapter 10B.

A section-by-section description of the bill follows.

Section 1 names the bill the "Fair and Clean Elections Act."

Sections 2 to 13 provide that the definitions and enforcement power of the Board in chapter 10A also apply to the campaign finance provisions in chapter 10B.

Section 6 prohibits the Board from publishing an individual's home street address or telephone number on its Web site.

Section 10 adds a civil penalty of up to ten times the amount of the error for filing a false report. It also authorizes the Board to order a violator to return any public subsidy the violator has received. It authorizes the Board to bring a court action to have the nomination or election declared forfeited.

The forfeiture would occur upon the judgment of the court, in the case of a constitutional officer, or upon action by the Senate or House of Representatives, in the case of a legislator.

Section 12 limits the civil penalties imposed by the Board to \$1,000, unless otherwise provided.

Section 14 reenacts the definitions relating to campaign finance formerly coded in section 10A.01 in chapter 10B, with the following substantive changes:

Subdivision 7, paragraph (b) includes the cost of sham "issue ads" as campaign expenditures.

Paragraph (c) creates a rebuttable presumption that an expenditure in excess of certain limits for a communication close to election day that contains the name or picture of a candidate is a campaign expenditure.

Paragraph (f), clause (3), limits the exemption from the definition of "expenditure" for news items to those published by news media not owned by or affiliated with a candidate.

Paragraph (f), clause (4), adds an exemption for in-house newsletters, as defined in **paragraphs (g) to (k)**.

Subdivision 9 adds a definition of "conduit fund."

Subdivision 16, paragraph (a), omits the sentence that used to say a political party could not make independent expenditures on behalf of its own candidates, which was struck down by U.S. District Judge Ann D. Montgomery in the case of *Republican Party of Minnesota v. Pauly*, 63 F. Supp.2d 1008 (D. Minn. 1999). Rather, **paragraph (b)** creates a rebuttable presumption that various subtle methods of coordinating spending are not "independent."

Section 15 is a reenactment of section 10A.105, requiring a candidate to have a principal campaign committee.

Section 16 is a reenactment of section 10A.11, requiring political committees and party units to have a chair and treasurer.

Section 17 is a reenactment of section 10A.12, requiring political funds to have a treasurer.

Section 18 is new, requiring conduit funds to have a treasurer and not be commingled with other funds.

Section 19 is a reenactment of section 10A.13, requiring regulated committees and funds, to keep certain accounts, but amended to include conduit funds.

Section 20 is a reenactment of section 10A.14, requiring committees and funds to register with the Board when they have received contributions or made expenditures of more than \$100, amended to include conduit funds.

Subdivision 2, clause (4), is amended to require a principal campaign committee to register with the Board the name and address of any individual authorized to accept contributions on behalf of the principal campaign committee.

Section 21 is a reenactment of section 10A.15, imposing record-keeping requirements for contributions received by a committee or fund, amended to include conduit funds.

Section 22 is a reenactment of section 10A.16, prohibiting earmarking of contributions.

Section 23 is a reenactment of section 10A.17, requiring certain records to be kept of expenditures by a committee or fund, amended to include conduit funds.

Section 24 is a reenactment of section 10A.18, requiring bills for materials or services to be submitted to a committee or fund within 60 days after the materials or services were provided.

Section 25 is a reenactment of section 10A.20, requiring committees and funds to file various reports with the Board, amended to include conduit funds and further amended as follows:

Subdivision 2, paragraph (b), requires principal campaign committees to file additional reports on April 30, July 31, and November 30 in a year in which the candidate's name is on the ballot.

Paragraph (c) requires political committees, political funds, conduit funds, and party units to file reports each election year at the same times as principal campaign committees.

Paragraph (d) requires committees and funds that make expenditures related to a special election to file reports seven days before the special primary and special election and ten days after the special election cycle.

Subdivision 3 requires committees that report contributions or expenditures of more than \$5,000 in a year to file electronically. It requires the Board to post all campaign finance reports on its Web site within seven days after they are due.

Subdivision 4, paragraphs (b) and (d), require candidates to report the name and address of each individual who contributes or loans more than \$50 a year.

Paragraph (c) requires every political committee, political fund, principal campaign committee, and party unit to disclose the sum of all contributions received through each conduit fund and through all conduit funds.

Subdivision 5 requires conduit funds to disclose the sum of all contributions received by the fund and the sum of contributions given to each political committee, political fund, principal campaign committee, and party unit and to all of them together during the reporting period.

Subdivision 7 requires a nonparticipating candidate to report to the Board any contributions the candidate has received in excess of the spending limit of the candidate's participating opponent. Additional reports are due each Monday for any excess contributions received during the week ending the previous Friday and within 48 hours during the last three weeks before a primary or general election and the last two weeks before a special primary or special election.

Subdivision 10 requires an individual or association to report to the Board and notify each candidate in the affected race within 48 hours after disseminating a communication paid for by an independent expenditure of more than \$500 during an election cycle. During the last three weeks before the primary or general election and the last two weeks before a special primary or special election, the notice must be filed within 24 hours. The notice must also include a copy or transcript of the advertisement purchased with the independent expenditure.

(The current law requiring reports of independent expenditures of more than \$100 to be filed with the Board within 24 hours was held unconstitutional in *Day v. Holahan*, 34 F.3d 1356 (8th Cir. 1994).)

Subdivision 14 increases the penalty for late filing of a report due January 31 from \$5 to \$10 a day and increases the maximum penalty from \$100 to \$500.

Section 26 is a reenactment of section 10A.27, imposing contribution limits, amended as follows:

Subdivision 1 applies contribution limits to the entire election cycle, instead of the current system of separate limits for election and nonelection years. It makes contribution limits on nonparticipating candidates the same as the election year limits under current law, except that the contribution limit for candidates for secretary of state and state auditor would be doubled, to equal the limit for candidates for attorney general. It prohibits a participating candidate from accepting more than \$50 per election cycle. It also limits the delivery of contributions to a candidate to members of the principal campaign committee registered with the Board for that purpose.

Subdivision 2 prohibits a candidate who does not accept a public subsidy from accepting contributions from a political party in excess of ten times the limit on contributions from an individual.

Subdivision 5 prohibits a candidate who accepts a public subsidy from contributing more than \$500 to the candidate's own campaign.

Subdivision 8 prohibits a political committee or political fund from accepting more than \$1,000 each year in aggregate contributions from an individual and from accepting any contributions from another political committee or political fund. (The previous limit of \$100 on contributions by an individual to a political committee or political fund was held unconstitutional in *Day v. Holahan*, 34 F.3d 1356 (8th Cir. 1994), and stricken by Laws 1999, chapter 220, section 34.)

Subdivision 9, paragraph (a), prohibits political parties from accepting more than \$10,000 each election cycle in aggregate contributions from an individual, or from an association that makes contributions to candidates.

Paragraph (b) prohibits political parties from accepting money from any other party unit in another state or at the national level, unless the transfer is from a separate fund that contains only contributions from individuals and associations that would have been permitted under the law of Minnesota if they had been made directly to the political party unit.

Subdivision 10 prohibits an individual from making more than \$10,000 in aggregate contributions for any purpose to all candidates, and to all political committees, political funds, and party units, in an election cycle.

Section 27 is a reenactment of section 10A.273, prohibiting certain fund-raising during a session of the Legislature.

Section 28 is a reenactment of section 10A.29, prohibiting circumvention of contribution limits by making a contribution through another.

Section 29 is a reenactment of section 290.06, subdivision 23, the political contribution refund program, amended in **subdivision 2** to eliminate the political contribution refund for contributions to candidates and to require a political party to agree not to make independent expenditures if it wants to be eligible for the refund program. A party unit's claim for a refund may not be made before March 4 in each odd-numbered year, since parties will be required to file their agreement not to make independent expenditures before March 1 and allowed until March 4 to rescind their agreement (which they may want to do if an opposing party does not file an agreement).

Section 30 is a reenactment of section 10A.25, providing for voluntary spending limits, amended as follows:

Subdivision 1 applies the prohibition on making independent expenditures to a political party that has signed and not rescinded a spending limit agreement.

Subdivision 2 applies spending limits to the entire election cycle. The dollar amounts for candidates for governor, attorney general, and the legislature would be less than the current limits for an election year. The amount for candidates for secretary of state and state auditor would be more than the current limit for an election year.

	<i>2002 Limit</i>	<i>New Limit/Cycle</i>
Governor and Lieutenant Governor	\$2,188,090	\$1,570,000
Attorney General	\$364,690	\$325,000
Secretary of State, State Auditor	\$182,350	\$325,000
State Senator	\$54,740	\$60,000
State Representative	\$27,380	\$30,000

As part of the spending limit, a candidate is permitted to raise and spend the following amounts during the election cycle before qualifying for public money:

Governor	\$50,000
Attorney General, Secretary of State, State Auditor	\$25,000
Senate	\$8,000
House	\$4,000

A first-time candidate will continue to receive a ten percent increase in spending limit and public subsidy.

Subdivision 3 requires a candidate who runs for more than one statewide office during an election cycle to count expenditures for the several offices against the spending limit for each office.

Subdivision 5 prohibits a candidate from making independent expenditures.

Subdivision 6 permits a participating candidate to be released from a spending limit agreement if the candidate's nonparticipating opponent receives contributions in excess of the amounts the participating candidate has received from contributors and the public subsidy through that part of the election cycle.

Subdivision 7 prohibits political parties from making independent expenditures.

Section 31 is a reenactment of section 10A.275, exempting multicandidate expenditures by political parties from a candidate's contribution and spending limits, amended to omit spending for telephone conversations, fund-raising efforts, and party staff services.

Section 32 is a reenactment of section 10A.322, providing the terms of the spending limit agreement, amended as follows:

Subdivision 2 requires the spending limit agreement to be filed no sooner than January 1 of the election year and no later than one day after the candidate files the affidavit of candidacy for the office.

Subdivision 3 requires a political party to agree not to make independent expenditures as a condition of receiving a public subsidy in the form of a political contribution refund. The agreement must be filed by the first March 1 of a general election cycle and may not be rescinded after the first March 4 of a general election cycle.

Section 33 is a reenactment of section 10A.323, requiring candidates to raise a certain amount in qualifying contributions in order to be eligible to receive a public subsidy, amended as follows: The qualifying contributions count only the first \$5, rather than \$50 under current law; contributors must be eligible to vote in this state, and one-half the contributors to a legislative candidate must be eligible to vote for the candidate. Threshold amounts are changed, as follows:

	<i>Old</i>	<i>New</i>
Governor	\$35,000	\$22,000
Attorney General, Secretary of State, or State Auditor	\$15,000	\$12,500
Senate	\$3,000	\$1,800
House	\$1,500	\$900

A statewide candidate will have to raise at least five percent of the qualifying amount in each congressional district. The dollar amounts for legislative candidates will be adjusted following each decennial census to represent the ideal population of a senate or house district, respectively, times .025, (or \$5 times .05 percent of the population of the ideal district) rounded to the nearest \$100.

Subdivision 2 requires a candidate who intends to participate in the public subsidy program to file with the Board a statement of intent to participate.

Subdivision 3 requires a participating candidate to get a signed receipt from each contributor of a qualifying contribution and to file with the Board a list of the name and home address of each contributor, indicating those who are eligible to vote for the candidate.

Subdivision 4 provides that the deadline for qualifying is the day after the candidate files for office.

Subdivision 5 provides that qualifying amounts for a special election are one-third of those for a general election.

Section 34 is a reenactment of section 10A.30, creating the state elections campaign fund, amended to provide a new method of balancing the amount in the fund with the amount of subsidies paid out to candidates.

Subdivision 2 imposes a spending cap for each calendar year of \$5 times the number of Minnesota residents who filed personal income tax returns during the previous calendar year.

Subdivision 3 requires the commissioner of finance to transfer excess balances in the state elections campaign fund to the general fund. The amount transferred is appropriated to the board of public defense.

Subdivision 4 authorizes the Campaign Finance and Public Disclosure Board to reduce first the public subsidy paid to match excess expenditures and the public subsidy paid to match independent expenditures, and second the percentage of the candidate's spending limit that is paid as a public subsidy, if the Board determines there is not enough money in the state elections campaign fund to pay subsidies at the full rate.

Subdivision 5 provides that, in an emergency, the Board may reduce all public subsidy payments proportionately.

Section 35 is new. It provides for payment of the public subsidy from the state elections campaign fund. Candidates for state office who agree to lower contribution limits will receive a public subsidy from the general fund equal to about 80 percent of their campaign spending limit.

Subdivision 1 provides that, upon determining that the candidate has met all the requirements, the Board must designate the candidate as "participating."

Subdivision 2, paragraph (a), sets forth the dollar amount of each candidate's public subsidy base:

	<i>Base</i>
Governor and Lieutenant Governor	\$1,520,000
Attorney General	\$300,000
Secretary of State, State Auditor	\$300,000
State Senator	\$52,000
State Representative	\$26,000

Subdivision 2, paragraph (b), provides an increase of ten percent for a first-time candidate.

Subdivision 3 provides for adjustment of the dollar amounts by the increase in the Consumer Price Index.

Subdivision 4 requires the Board to pay the candidate a public subsidy equal to 20 percent of the candidate's public subsidy base within one week after designating the candidate as "participating."

Subdivision 5 provides that, within one week after the close of filings for office, a participating candidate with an opponent in either the primary or general election will be sent a check for 20 percent of the public subsidy base.

Subdivision 6 provides that 60 percent of the candidate's public subsidy base will be paid immediately following the primary. A candidate with no general election opponent will receive six percent.

Subdivision 7 provides that, upon receipt of a report that a nonparticipating opponent of a participating candidate has received contributions in excess of the participating candidate's spending limit, the Board must pay to the participating candidate a public subsidy equal to the participating candidate's public subsidy base. The additional public subsidy may be spent only in the amount that the nonparticipating candidate's contributions exceeded the participating candidate's spending limit.

Subdivision 8 provides that a participating candidate will receive an additional public subsidy, and increase in spending limit, to match independent expenditures made to defeat the candidate or elect the participating candidate's opponent. Upon receipt of a notice that an individual or association intends to make independent expenditures of more than \$500, the Board must pay to each participating candidate in the affected race a public subsidy equal to the candidate's public subsidy base. The additional public subsidy may be spent only in the amount of independent expenditures made to defeat the candidate or one-half the amount

of independent expenditures made to elect the participating candidate's opponent, subject to certain additional limits.

Subdivision 9 provides a public subsidy in special elections on the same terms as in the general election, except that the entire subsidy is paid when the candidate qualifies. The candidate may spend the money only 20 percent upon being designated as participating, 20 percent upon filing for office, and 60 percent upon being certified to appear on the ballot in the general election.

Subdivision 10 authorizes the Board to withhold payment of a public subsidy to a candidate who has not filed a required report or who owes money to the Board.

Section 36 reenacts section 10A.324, which requires return of any part of the public subsidy not used for campaign expenditures.

Section 37 reenacts section 10A.257, which restricts the amount a candidate may carry forward from one election cycle to the next.

Section 38 reenacts section 10A.28, which imposes penalties for exceeding contribution or expenditure limits, with several amendments. The criminal penalties are removed and the amount of the civil penalty that may be imposed is increased from four times to ten times the amount of the excess. The Board may bring a court action to vacate the nomination or election of a candidate who has violated contribution or spending limits. If the court finds the candidate has violated the limits, the court may judge the candidate to have forfeited the nomination or election, in the case of a constitutional officer, or may forward a transcript of the judgment to the Senate or House of Representatives for further consideration.

Section 39 reenacts section 10A.242, which requires inactive committees to dissolve.

Section 40 reenacts section 10A.24, which requires committees to settle their debts before they dissolve.

Section 41 reenacts section 10A.241, which allows a candidate to transfer unpaid debts from a dissolving committee to a continuing one.

Section 42 requires public television stations that receive a public subsidy from the State to provide free time to participating candidates. The free time could be broadcast time for candidates, for constitutional officer, and video clip time for legislative candidates. The amount of time would be 30 minutes each election cycle for candidates for constitutional officer and 60 seconds each election cycle for candidates for the Legislature. The broadcast would include only the candidate speaking in the candidate's own voice.

Section 43 applies the same requirements to public radio stations.

Section 44 eliminates filing fees for all candidates eligible to participate in the public subsidy program.

Section 45 requires the Secretary of State to publish a voters guide at least 21 days before the state primary and general election, mail it to every household in the state, and publish it on the Secretary of State's Web site. The cost of the voter's guide must be paid from the state elections campaign fund.

Sections 46 and 47 update cross-references from chapter 10A to chapter 10B.

Section 48 creates a cross-reference in the Fair Campaign Practices Act to the new definition of "conduit fund" in chapter 10B.

Section 49 restricts use of the term "participating candidate" in campaign material to a candidate who has been so designated by the Board.

Section 50 enacts a throwback rule for the corporate franchise tax. If tangible personal property is shipped from this state to another state and the taxpayer is not taxable in the state of delivery, the sale is taxable in this state.

Sections 51 to 53 update cross-references from chapter 10A to chapter 10B.

Section 54 provides for the transition from the old campaign finance law to the new one, starting a new election cycle the day the new limits become effective but permitting contributions and expenditures that were legal when made to remain legal.

Section 55 contains the repealers. The sections in chapter 10A are all those relating to campaign finance. Section 290.06, subdivision 23, is the political contribution refund program.

Section 56 instructs the Revisor of Statutes to note in Minnesota Statutes the sections of chapter 10A that the sections in chapter 10B were derived from.

Section 58 makes the act effective August 1, 2005.

PSW:ph

cc: Kelly Wolfe ✓

Senators Hottinger, Scheid, Murphy and Moua introduced—

S. F. No. 863 Referred to the Committee on Elections

1 A bill for an act
 2 relating to elections; providing for fair and clean
 3 elections; increasing disclosure of campaign
 4 contributions to candidates; encouraging candidates to
 5 accept only clean money for their political campaigns;
 6 limiting campaign contributions and expenditures;
 7 increasing public subsidies for state candidates who
 8 agree to limit the sources and amounts of
 9 contributions to their campaigns; providing a
 10 throwback rule for the corporate franchise tax;
 11 appropriating money; amending Minnesota Statutes 2004,
 12 sections 10A.01, subdivision 1; 10A.02, subdivisions
 13 8, 10, 11, 11a, 12, 13; 10A.025, subdivisions 1, 2;
 14 10A.071, subdivision 3; 10A.34; 10A.37; 129D.13, by
 15 adding a subdivision; 129D.14, by adding a
 16 subdivision; 204B.11, subdivision 1; 211A.13; 211B.12;
 17 211B.15, subdivision 16; 290.191, subdivision 5;
 18 340A.404, subdivision 10; 353.03, subdivision 1;
 19 383B.042, subdivision 5; proposing coding for new law
 20 in Minnesota Statutes, chapters 204B; 211B; proposing
 21 coding for new law as Minnesota Statutes, chapter 10B;
 22 repealing Minnesota Statutes 2004, sections 10A.01,
 23 subdivisions 3, 4, 6, 7, 9, 10, 11, 12, 13, 15, 16,
 24 17, 18, 20, 23, 25, 26, 27, 28, 29, 30, 32, 34, 36;
 25 10A.105; 10A.11; 10A.12; 10A.13; 10A.14; 10A.15;
 26 10A.16; 10A.17; 10A.18; 10A.20; 10A.24; 10A.241;
 27 10A.242; 10A.25; 10A.255; 10A.257; 10A.27; 10A.273;
 28 10A.275; 10A.28; 10A.29; 10A.30; 10A.31; 10A.315;
 29 10A.321; 10A.322; 10A.323; 10A.324; 290.06,
 30 subdivision 23.

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

32 Section 1. [FAIR AND CLEAN ELECTIONS ACT.]

33 This act may be cited as the Fair and Clean Elections Act.

34 Sec. 2. Minnesota Statutes 2004, section 10A.01,

35 subdivision 1, is amended to read:

36 Subdivision 1. [APPLICATION.] For the purposes of this

37 chapter and chapter 10B, the terms defined in this section have

38 the meanings given them unless the context clearly indicates

1 otherwise.

2 Sec. 3. Minnesota Statutes 2004, section 10A.02,
3 subdivision 8, is amended to read:

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

12 (b) The board must prescribe forms for statements and
13 reports required to be filed under this chapter or chapter 10B
14 and make the forms available to individuals required to file
15 them.

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

20 (d) The board must develop a filing, coding, and
21 cross-indexing system consistent with the purposes of this
22 chapter and chapter 10B.

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

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

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

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

1 Sec. 4. Minnesota Statutes 2004, section 10A.02,
2 subdivision 10, is amended to read:

3 Subd. 10. [AUDITS AND INVESTIGATIONS.] The board may make
4 audits and investigations with respect to statements and reports
5 that are filed or that should have been filed under this chapter
6 or chapter 10B. In all matters relating to its official duties,
7 the board has the power to issue subpoenas and cause them to be
8 served. If a person does not comply with a subpoena, the board
9 may apply to the District Court of Ramsey County for issuance of
10 an order compelling obedience to the subpoena. A person failing
11 to obey the order is punishable by the court as for contempt.

12 Sec. 5. Minnesota Statutes 2004, section 10A.02,
13 subdivision 11, is amended to read:

14 Subd. 11. [VIOLATIONS; ENFORCEMENT.] (a) The board may
15 investigate any alleged violation of this chapter or chapter
16 10B. The board must investigate any violation that is alleged
17 in a written complaint filed with the board and must within 30
18 days after the filing of the complaint make a public finding of
19 whether there is probable cause to believe a violation has
20 occurred, except that if the complaint alleges a violation of
21 ~~section 10A.25 or 10A.27~~ 10B.13 or 10B.17, the board must either
22 enter a conciliation agreement or make a public finding of
23 whether there is probable cause, within 60 days after the filing
24 of the complaint. The deadline for action on a written
25 complaint may be extended by majority vote of the board.

26 (b) Within a reasonable time after beginning an
27 investigation of an individual or association, the board must
28 notify the individual or association of the fact of the
29 investigation. The board must not make a finding of whether
30 there is probable cause to believe a violation has occurred
31 without notifying the individual or association of the nature of
32 the allegations and affording an opportunity to answer those
33 allegations.

34 (c) A hearing or action of the board concerning a complaint
35 or investigation other than a finding concerning probable cause
36 or a conciliation agreement is confidential. Until the board

1 makes a public finding concerning probable cause or enters a
2 conciliation agreement:

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

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

11 Sec. 6. Minnesota Statutes 2004, section 10A.02,
12 subdivision 11a, is amended to read:

13 Subd. 11a. [DATA PRIVACY.] (a) If, after making a public
14 finding concerning probable cause or entering a conciliation
15 agreement, the board determines that the record of the
16 investigation contains statements, documents, or other matter
17 that, if disclosed, would unfairly injure the reputation of an
18 innocent individual, the board may:

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

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

24 (b) When publishing reports or statements on its Web site,
25 the board must not publish the home street address or telephone
26 number of an individual.

27 Sec. 7. Minnesota Statutes 2004, section 10A.02,
28 subdivision 12, is amended to read:

29 Subd. 12. [ADVISORY OPINIONS.] (a) The board may issue and
30 publish advisory opinions on the requirements of this chapter or
31 chapter 10B based upon real or hypothetical situations. An
32 application for an advisory opinion may be made only by an
33 individual or association who wishes to use the opinion to guide
34 the individual's or the association's own conduct. The board
35 must issue written opinions on all such questions submitted to
36 it within 30 days after receipt of written application, unless a

1 majority of the board agrees to extend the time limit.

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

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

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

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

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

24 Sec. 8. Minnesota Statutes 2004, section 10A.02,
25 subdivision 13, is amended to read:

26 Subd. 13. [RULES.] Chapter 14 applies to the board. The
27 board may adopt rules to carry out the purposes of this
28 chapter or chapter 10B.

29 Sec. 9. Minnesota Statutes 2004, section 10A.025,
30 subdivision 1, is amended to read:

31 Subdivision 1. [FILING DATE.] If a scheduled filing date
32 under this chapter or chapter 10B falls on a Saturday, Sunday,
33 or legal holiday, the filing date is the next regular business
34 day.

35 Sec. 10. Minnesota Statutes 2004, section 10A.025,
36 subdivision 2, is amended to read:

1 Subd. 2. [PENALTY FOR FALSE STATEMENTS.] (a) A report or
2 statement required to be filed under this chapter must be signed
3 and certified as true by the individual required to file the
4 report. The signature may be an electronic signature consisting
5 of a password assigned by the board. An individual who signs
6 and certifies to be true a report or statement knowing it
7 contains false information or who knowingly omits required
8 information is guilty of a gross misdemeanor and subject to a
9 civil penalty imposed by the board of up to \$3,000.

10 (b) If a report of campaign contributions or expenditures
11 under section 10B.12 is in error, or if a person knowingly fails
12 to file a report of excess contributions under section 10B.12,
13 subdivision 7, or a notice of independent expenditures under
14 section 10B.12, subdivision 10, the board may impose a civil
15 penalty of up to ten times the amount of the error, or up to ten
16 times the amount that should have been reported, respectively.

17 (c) The board may order a candidate to return to the board
18 any public subsidy the candidate has received. The board must
19 deposit the amount returned in the state treasury and credit it
20 to the general fund.

21 (d) After making a public finding that it has probable
22 cause to believe a candidate has violated this subdivision, the
23 board must bring an action, or transmit the finding to a county
24 attorney who must bring an action, in the district court of
25 Ramsey county or, in the case of a legislative candidate, the
26 district court of a county within the legislative district, to
27 collect a civil penalty imposed by the board, to demand the
28 return of any public subsidy paid to the candidate, or to have
29 the nomination or office declared forfeited. If a candidate is
30 judged to have violated this subdivision, the court, after
31 entering the judgment, may enter a supplemental judgment
32 declaring that the candidate has forfeited the nomination or
33 office, except as provided in paragraph (e). If the court
34 enters the supplemental judgment, it must transmit to the filing
35 officer a transcript of the supplemental judgment, the
36 nomination or office becomes vacant, and the vacancy must be

1 filled as provided by law.

2 (e) If the candidate has been elected to the legislature,
3 the court, after entering the judgment that the candidate has
4 violated this subdivision, must transmit a transcript of the
5 judgment to the secretary of the senate or the chief clerk of
6 the house of representatives, as appropriate, for further
7 consideration by the house to which the candidate was elected.

8 Sec. 11. Minnesota Statutes 2004, section 10A.071,
9 subdivision 3, is amended to read:

10 Subd. 3. [EXCEPTIONS.] (a) The prohibitions in this
11 section do not apply if the gift is:

12 (1) a contribution as defined in section ~~10A.017~~
13 ~~subdivision 10B.01~~, subdivision 10;

14 (2) services to assist an official in the performance of
15 official duties, including but not limited to providing advice,
16 consultation, information, and communication in connection with
17 legislation, and services to constituents;

18 (3) services of insignificant monetary value;

19 (4) a plaque or similar memento recognizing individual
20 services in a field of specialty or to a charitable cause;

21 (5) a trinket or memento of insignificant value;

22 (6) informational material of unexceptional value; or

23 (7) food or a beverage given at a reception, meal, or

24 meeting away from the recipient's place of work by an
25 organization before whom the recipient appears to make a speech
26 or answer questions as part of a program.

27 (b) The prohibitions in this section do not apply if the
28 gift is given:

29 (1) because of the recipient's membership in a group, a
30 majority of whose members are not officials, and an equivalent
31 gift is given to the other members of the group; or

32 (2) by a lobbyist or principal who is a member of the
33 family of the recipient, unless the gift is given on behalf of
34 someone who is not a member of that family.

35 Sec. 12. Minnesota Statutes 2004, section 10A.34, is
36 amended to read:

1 10A.34 [REMEDIES.]

2 Subdivision 1. [PERSONAL LIABILITY.] A person charged with
3 a duty under this chapter or chapter 10B is personally liable
4 for the penalty for failing to discharge it.

5 Subd. 1a. [RECOVERING FEES AND PENALTIES.] The board may
6 bring an action in the district court in Ramsey County to
7 recover a fee, late filing fee, or penalty imposed under this
8 chapter or chapter 10B. Money recovered must be deposited in
9 the general fund of the state.

10 Subd. 2. [INJUNCTION.] The board or a county attorney may
11 seek an injunction in the district court to enforce this chapter
12 or chapter 10B.

13 Subd. 3. [NOT A CRIME.] Unless otherwise provided, a
14 violation of this chapter or chapter 10B is not a crime.

15 Subd. 4. [CIVIL PENALTIES.] Unless otherwise provided, a
16 civil penalty imposed by the board under this chapter or chapter
17 10B may not exceed \$1,000. The penalty may be collected by the
18 board in a civil action brought in the district court in Ramsey
19 county or in the county where the defendant resides.

20 Sec. 13. Minnesota Statutes 2004, section 10A.37, is
21 amended to read:

22 10A.37 [FREEDOM TO ASSOCIATE AND COMMUNICATE.]

23 Nothing in this chapter or chapter 10B may be construed to
24 abridge the right of an association to communicate with its
25 members.

26 Sec. 14. [10B.01] [DEFINITIONS.]

27 Subdivision 1. [APPLICATION.] The definitions in this
28 section apply to this chapter and chapter 10A.

29 Subd. 2. [ADVANCE OF CREDIT.] "Advance of credit" means
30 any money owed for goods provided or services rendered.
31 "Advance of credit" does not mean a loan as defined in
32 subdivision 17.

33 Subd. 3. [APPROVED EXPENDITURE.] "Approved expenditure"
34 means an expenditure made on behalf of a candidate by an entity
35 other than the principal campaign committee of the candidate if
36 the expenditure is made with the authorization or expressed or

1 implied consent of, or in cooperation or in concert with, or at
2 the request or suggestion of the candidate, the candidate's
3 principal campaign committee, or the candidate's agent. An
4 approved expenditure is a contribution to that candidate.

5 Subd. 4. [ASSOCIATION.] "Association" means a group of two
6 or more persons, who are not all members of an immediate family,
7 acting in concert.

8 Subd. 5. [BALLOT QUESTION.] "Ballot question" means a
9 question or proposition that is placed on the ballot and that
10 may be voted on by all voters of the state. "Promoting or
11 defeating a ballot question" includes activities related to
12 qualifying the question for placement on the ballot.

13 Subd. 6. [BOARD.] "Board" means the state campaign finance
14 and public disclosure board.

15 Subd. 7. [CAMPAIGN EXPENDITURE OR EXPENDITURE.] (a)
16 "Campaign expenditure" or "expenditure" means a purchase or
17 payment of money or anything of value, or an advance of credit,
18 made or incurred for the purpose of influencing the nomination
19 or election of a candidate or for the purpose of promoting or
20 defeating a ballot question.

21 (b) "Expenditure" includes a cost incurred to design,
22 produce, or disseminate a communication if the communication
23 contains words such as "vote for," "reelect," "(name of
24 candidate) for (office)," "vote against," "defeat," or another
25 phrase or campaign slogan that in context can have no reasonable
26 meaning other than to advocate support for or opposition to the
27 nomination or election of one or more clearly identified
28 candidates.

29 (c) "Expenditure" is presumed to include a cost incurred to
30 design, produce, or disseminate a communication if the
31 communication names or depicts one or more clearly identified
32 candidates; is disseminated during the 45 days before a primary
33 election, during the 60 days before a general election, or
34 during a special election cycle until election day; and the cost
35 exceeds the following amounts for a communication naming or
36 depicting a candidate for the following offices:

1 (1) \$500 for a candidate for governor, lieutenant governor,
2 attorney general, secretary of state, or state auditor; or

3 (2) \$100 for a candidate for state senator or
4 representative.

5 An individual or association presumed under this paragraph
6 to have made an expenditure may rebut the presumption by an
7 affidavit signed by the spender and filed with the board stating
8 that the cost was not incurred with intent to influence the
9 nomination, election, or defeat of any candidate, supported by
10 any additional evidence the spender chooses to submit. The
11 board may consider any additional evidence it deems relevant and
12 material and must determine by a preponderance of the evidence
13 whether the cost was incurred with intent to influence the
14 nomination, election, or defeat of a candidate.

15 (d) An expenditure is considered to be made in the year in
16 which the candidate made the purchase of goods or services or
17 incurred an obligation to pay for goods or services.

18 (e) An expenditure made for the purpose of defeating a
19 candidate is considered made for the purpose of influencing the
20 nomination or election of that candidate or any opponent of that
21 candidate.

22 (f) Except as provided in clause (1), "expenditure"
23 includes the dollar value of a donation in kind.

24 "Expenditure" does not include:

25 (1) noncampaign disbursements as defined in subdivision 20;

26 (2) services provided without compensation by an individual
27 volunteering personal time on behalf of a candidate, ballot
28 question, political committee, political fund, principal
29 campaign committee, or party unit;

30 (3) the publishing or broadcasting of news items or
31 editorial comments by the news media, if the news medium is not
32 owned by or affiliated with any candidate or principal campaign
33 committee; or

34 (4) a cost incurred for a communication by a membership
35 organization, including a labor organization, to its members, or
36 a cost incurred for a communication by a corporation to its

1 executive or administrative personnel.

2 (g) For purposes of paragraph (f), clause (4), "labor
3 organization" means an organization of any kind, or any agency
4 or employee representative committee or plan, in which employees
5 participate and which exists for the purpose, in whole or in
6 part, of dealing with employers concerning grievances, labor
7 disputes, wages, rates of pay, hours of employment, or
8 conditions of work. A local, national, or international union,
9 or a local or state central body of a federation of unions, is
10 each considered a separate labor organization for purposes of
11 paragraph (f), clause (4).

12 (h) For purposes of paragraph (f), clause (4), "executive
13 or administrative personnel" means individuals employed by a
14 corporation who are paid on a salary rather than an hourly basis
15 and who have policymaking, managerial, professional, or
16 supervisory responsibilities.

17 This definition includes individuals who run the
18 corporation's business, such as officers, other executives, and
19 plant, division, and section managers; and individuals following
20 the recognized professions, such as lawyers and engineers.

21 This definition does not include:

22 (1) professionals who are represented by a labor
23 organization;

24 (2) salaried foremen and other salaried lower-level
25 supervisors having direct supervision over hourly employees;

26 (3) former or retired personnel; or

27 (4) individuals who may be paid by the corporation, such as
28 consultants, but who are not employees of the corporation for
29 the purpose of the collection of, and liability for, employee
30 taxes.

31 Individuals on commission may be considered executive or
32 administrative personnel if they have policymaking, managerial,
33 professional, or supervisory responsibility and if the
34 individuals are employees of the corporation for the purpose of
35 the collection of, and liability for, employee taxes.

36 The Fair Labor Standards Act, United States Code, title 29,

1 chapter 8, and the regulations issued under the act may serve as
2 a guideline in determining whether individuals have
3 policymaking, managerial, professional, or supervisory
4 responsibilities.

5 (i) For purposes of paragraph (f), clause (4), "membership
6 organization" means an unincorporated association, trade
7 association, cooperative, corporation without capital stock, or
8 a local, national, or international labor organization that:

9 (1) is composed of members, some or all of whom are vested
10 with the power and authority to operate or administer the
11 organization, under the organization's articles, bylaws,
12 constitution, or other formal organizational documents;

13 (2) expressly states the qualifications and requirements
14 for membership in its articles, bylaws, constitution, or other
15 formal organizational documents;

16 (3) makes its articles, bylaws, constitution, or other
17 formal organizational documents available to its members;

18 (4) expressly solicits persons to become members;

19 (5) expressly acknowledges the acceptance of membership,
20 such as by sending a membership card or including the member's
21 name on a membership newsletter list; and

22 (6) is not organized primarily for the purpose of
23 influencing the nomination for election, or election, of any
24 individual for elected office.

25 (j) For purposes of paragraph (f), clause (4), the term
26 "members" includes all persons who are currently satisfying the
27 requirements for membership in a membership organization,
28 affirmatively accept the membership organization's invitation to
29 become a member, and either:

30 (1) have some significant financial attachment to the
31 membership organization, such as a significant investment or
32 ownership stake;

33 (2) pay membership dues at least annually of a specific
34 amount predetermined by the organization; or

35 (3) have a significant organizational attachment to the
36 membership organization that includes affirmation of membership

1 on at least an annual basis and direct participatory rights in
2 the governance of the organization. For example, the rights
3 could include the right to vote directly or indirectly for at
4 least one individual on the membership organization's highest
5 governing board; the right to vote on policy questions where the
6 highest governing body of the membership organization is
7 obligated to abide by the results; the right to approve the
8 organization's annual budget; or the right to participate
9 directly in similar aspects of the organization's governance.

10 The board may determine, on a case-by-case basis, that
11 persons who do not precisely meet the definition of member but
12 have a relatively enduring and independently significant
13 financial or organizational attachment to the organization may
14 be considered members. For example, student members who pay a
15 lower amount of dues while in school, long-term dues-paying
16 members who qualify for lifetime membership status with little
17 or no dues obligation, and retired members may be considered
18 members of the organization.

19 Members of a local union are considered to be members of
20 any national or international union of which the local union is
21 a part and of any federation with which the local, national, or
22 international union is affiliated.

23 In the case of a membership organization that has a
24 national federation structure or has several levels, including,
25 for example, national, state, regional, or local affiliates, a
26 person who qualifies as a member of any entity within the
27 federation or of any affiliate also qualifies as a member of all
28 affiliates.

29 (k) The status of a membership organization, and of
30 members, for purposes of paragraph (f), clause (4), must be
31 determined under paragraphs (i) and (j) and not by provisions of
32 state law governing unincorporated associations, trade
33 associations, cooperatives, corporations without capital stock,
34 or labor organizations.

35 Subd. 8. [CANDIDATE.] "Candidate" means an individual who
36 seeks nomination or election as a state constitutional officer,

1 legislator, or judge. An individual is deemed to seek
2 nomination or election if the individual has taken the action
3 necessary under the law of this state to qualify for nomination
4 or election, has received contributions or made expenditures in
5 excess of \$100, or has given implicit or explicit consent for
6 any other person to receive contributions or make expenditures
7 in excess of \$100, for the purpose of bringing about the
8 individual's nomination or election. A candidate remains a
9 candidate until the candidate's principal campaign committee is
10 dissolved under section 10B.27.

11 Subd. 9. [CONDUIT FUND.] "Conduit fund" means money, a
12 negotiable instrument, or a donation in kind collected by an
13 association from its employees and contributed to a candidate or
14 political committee only as directed by the employee from whom
15 the money was collected.

16 Subd. 10. [CONTRIBUTION.] (a) "Contribution" means money,
17 a negotiable instrument, or a donation in kind that is given to
18 a political committee, political fund, conduit fund, principal
19 campaign committee, or party unit.

20 (b) "Contribution" includes a loan or advance of credit to
21 a political committee, political fund, principal campaign
22 committee, or party unit, if the loan or advance of credit is:
23 (1) forgiven; or (2) repaid by an individual or an association
24 other than the political committee, political fund, principal
25 campaign committee, or party unit to which the loan or advance
26 of credit was made. If an advance of credit or a loan is
27 forgiven or repaid as provided in this paragraph, it is a
28 contribution in the year in which the loan or advance of credit
29 was made.

30 (c) "Contribution" does not include services provided
31 without compensation by an individual volunteering personal time
32 on behalf of a candidate, ballot question, political committee,
33 political fund, principal campaign committee, or party unit, or
34 the publishing or broadcasting of news items or editorial
35 comments by the news media.

36 Subd. 11. [DEPOSITORY.] "Depository" means a bank, savings

1 association, or credit union organized under federal or state
2 law and transacting business within this state.

3 Subd. 12. [DONATION IN KIND.] "Donation in kind" means
4 anything of value that is given, other than money or negotiable
5 instruments. An approved expenditure is a donation in kind.

6 Subd. 13. [ELECTION.] "Election" means a primary, special
7 primary, general, or special election.

8 Subd. 14. [ELECTION CYCLE.] "Election cycle" means the
9 period from January 1 following a general election for an office
10 to December 31 following the next general election for that
11 office, except that "election cycle" for a special election
12 means the period from the date the special election writ is
13 issued to 60 days after the special election is held.

14 Subd. 15. [FINANCIAL INSTITUTION.] "Financial institution"
15 means a lending institution chartered by an agency of the
16 federal government or regulated by the commissioner of commerce.

17 Subd. 16. [INDEPENDENT EXPENDITURE.] (a) "Independent
18 expenditure" means an expenditure that is made without the
19 express or implied consent, authorization, or cooperation of,
20 and not in concert with or at the request or suggestion of, any
21 candidate or any candidate's principal campaign committee or
22 agent. An independent expenditure is not a contribution to a
23 candidate.

24 (b) An expenditure is presumed to be not independent if,
25 for example:

26 (1) in the same election cycle in which the expenditure
27 occurs, the spender or the spender's agent retains the
28 professional services of an individual or entity that, in a
29 nonministerial capacity, provides or has provided
30 campaign-related service, including polling or other campaign
31 research, media consulting or production, direct mail, or
32 fund-raising, to a candidate supported by the spender for
33 nomination or election to the same office as any candidate whose
34 nomination or election the expenditure is intended to influence
35 or to a political party working in coordination with the
36 supported candidate;

1 (2) the expenditure pays for a communication that
2 disseminates, in whole or in substantial part, a broadcast or
3 written, graphic, or other form of campaign material designed,
4 produced, or distributed by the candidate or the candidate's
5 principal campaign committee or their agents;

6 (3) the expenditure is based on information about the
7 candidate's electoral campaign plans, projects, or needs that is
8 provided by the candidate or the candidate's principal campaign
9 committee or their agents directly or indirectly to the spender
10 or the spender's agent, with an express or tacit understanding
11 that the spender is considering making the expenditure;

12 (4) before the election, the spender or the spender's agent
13 informs a candidate or the principal campaign committee or agent
14 of a candidate for the same office as a candidate clearly
15 identified in a communication paid for by the expenditure about
16 the communication's contents; timing, location, mode, or
17 frequency of dissemination; or intended audience; or

18 (5) in the same election cycle in which the expenditure
19 occurs, the spender or the spender's agent is serving or has
20 served in an executive, policymaking, fund-raising, or advisory
21 position with the candidate's campaign or has participated in
22 strategic or policymaking discussions with the candidate's
23 campaign relating to the candidate's pursuit of nomination or
24 election to office and the candidate is pursuing the same office
25 as a candidate whose nomination or election the expenditure is
26 intended to influence.

27 An individual or association presumed under this paragraph
28 to have made an expenditure that was not independent may rebut
29 the presumption by an affidavit signed by the spender and filed
30 with the board stating that the expenditure was made without the
31 express or implied consent, authorization, or cooperation of,
32 and not in concert with or at the request or suggestion of, any
33 candidate or any candidate's principal campaign committee or
34 agent, supported by any additional evidence the spender chooses
35 to submit. The board may consider any additional evidence it
36 deems relevant and material and must determine by a

1 preponderance of the evidence whether the expenditure was
2 independent.

3 (c) An expenditure by anyone other than a principal
4 campaign committee that does not qualify as an independent
5 expenditure under this subdivision is deemed to be an approved
6 expenditure under subdivision 3.

7 Subd. 17. [LOAN.] "Loan" means an advance of money or
8 anything of value made to a political committee, political fund,
9 principal campaign committee, or party unit.

10 Subd. 18. [MAJOR POLITICAL PARTY.] "Major political party"
11 means a major political party as defined in section 200.02,
12 subdivision 7.

13 Subd. 19. [MINOR POLITICAL PARTY.] "Minor political party"
14 means a minor political party as defined in section 200.02,
15 subdivision 23.

16 Subd. 20. [NONCAMPAIGN DISBURSEMENT.] "Noncampaign
17 disbursement" means a purchase or payment of money or anything
18 of value made, or an advance of credit incurred, or a donation
19 in kind received, by a principal campaign committee for any of
20 the following purposes:

21 (1) payment for accounting and legal services;

22 (2) return of a contribution to the source;

23 (3) repayment of a loan made to the principal campaign
24 committee by that committee;

25 (4) return of a public subsidy;

26 (5) payment for food, beverages, entertainment, and
27 facility rental for a fund-raising event;

28 (6) services for a constituent by a member of the
29 legislature or a constitutional officer in the executive branch,
30 performed from the beginning of the term of office to
31 adjournment sine die of the legislature in the election year for
32 the office held, and one-half the cost of services for a
33 constituent by a member of the legislature or a constitutional
34 officer in the executive branch performed from adjournment sine
35 die to 60 days after adjournment sine die;

36 (7) payment for food and beverages provided to campaign

- 1 volunteers while they are engaged in campaign activities;
2 (8) payment of expenses incurred by elected or appointed
3 leaders of a legislative caucus in carrying out their leadership
4 responsibilities;
5 (9) payment by a principal campaign committee of the
6 candidate's expenses for serving in public office, other than
7 for personal uses;
8 (10) costs of child care for the candidate's children when
9 campaigning;
10 (11) fees paid to attend a campaign school;
11 (12) costs of a postelection party during the election year
12 when a candidate's name will no longer appear on a ballot or the
13 general election is concluded, whichever occurs first;
14 (13) interest on loans paid by a principal campaign
15 committee on outstanding loans;
16 (14) filing fees;
17 (15) notes or advertisements in the news media expressing
18 gratitude after the general election;
19 (16) the cost of campaign material purchased to replace
20 defective campaign material, if the defective material is
21 destroyed without being used;
22 (17) contributions to a party unit; and
23 (18) other purchases or payments specified in board rules
24 or advisory opinions as being for any purpose other than to
25 influence the nomination or election of a candidate or to
26 promote or defeat a ballot question.
27 The board must determine whether an activity involves a
28 noncampaign disbursement within the meaning of this subdivision.
29 A noncampaign disbursement is considered to be made in the
30 year in which the candidate made the purchase of goods or
31 services or incurred an obligation to pay for goods or services.
32 Subd. 21. [POLITICAL COMMITTEE.] "Political committee"
33 means an association a major purpose of which is to influence
34 the nomination or election of a candidate or to promote or
35 defeat a ballot question, other than a principal campaign
36 committee or a political party unit.

1 Subd. 22. [POLITICAL FUND.] "Political fund" means an
2 accumulation of dues or voluntary contributions by an
3 association other than a political committee, principal campaign
4 committee, or party unit, if the accumulation is collected or
5 expended to influence the nomination or election of a candidate
6 or to promote or defeat a ballot question.

7 Subd. 23. [POLITICAL PARTY.] "Political party" means a
8 major political party or a minor political party. A political
9 party is the aggregate of all its political party units in this
10 state.

11 Subd. 24. [POLITICAL PARTY UNIT OR PARTY UNIT.] "Political
12 party unit" or "party unit" means the state committee or the
13 party organization within a house of the legislature,
14 congressional district, county, legislative district,
15 municipality, or precinct.

16 Subd. 25. [POPULATION.] "Population" means the population
17 established by the most recent federal census, by a special
18 census taken by the United States Bureau of the Census, by an
19 estimate made by the Metropolitan Council, or by an estimate
20 made by the state demographer under section 4A.02, whichever has
21 the latest stated date of count or estimate.

22 Subd. 26. [PRINCIPAL CAMPAIGN COMMITTEE.] "Principal
23 campaign committee" means a principal campaign committee formed
24 under section 10B.02.

25 Subd. 27. [STATE COMMITTEE.] "State committee" means the
26 organization that, by virtue of the bylaws of a political party,
27 is responsible for the day-to-day operation of the political
28 party at the state level.

29 Sec. 15. [10B.02] [PRINCIPAL CAMPAIGN COMMITTEE.]

30 Subdivision 1. [SINGLE COMMITTEE.] A candidate must not
31 accept contributions from a source, other than self, in
32 aggregate in excess of \$100 or accept a public subsidy unless
33 the candidate designates and causes to be formed a single
34 principal campaign committee for each office sought. A
35 candidate may not authorize, designate, or cause to be formed
36 any other political committee bearing the candidate's name or

1 title or otherwise operating under the direct or indirect
2 control of the candidate. However, a candidate may be involved
3 in the direct or indirect control of a party unit.

4 Subd. 2. [REPLACEMENT OF OFFICERS.] A candidate may at any
5 time without cause remove and replace the chair, treasurer,
6 deputy treasurer, or any other officer of the candidate's
7 principal campaign committee.

8 Sec. 16. [10B.03] [ORGANIZATION OF COMMITTEES AND PARTY
9 UNITS.]

10 Subdivision 1. [CHAIR AND TREASURER.] A political
11 committee, principal campaign committee, or party unit must have
12 a chair and a treasurer. The chair and treasurer may be the
13 same individual.

14 Subd. 2. [TREASURER VACANCY.] A political committee,
15 principal campaign committee, or party unit may not accept a
16 contribution or make an expenditure or permit an expenditure to
17 be made on its behalf while the office of treasurer is vacant.

18 Subd. 3. [DEPUTY TREASURERS.] The treasurer of a political
19 committee, principal campaign committee, or party unit may
20 appoint as many deputy treasurers as necessary and is
21 responsible for their accounts.

22 Subd. 4. [DEPOSITORIES.] The treasurer of a political
23 committee, principal campaign committee, or party unit may
24 designate one or two depositories in each county in which a
25 campaign is conducted.

26 Subd. 5. [COMMINGLING PROHIBITED.] A political committee,
27 principal campaign committee, or party unit may not commingle
28 its funds with personal funds of officers, members, or
29 associates of the committee.

30 Subd. 6. [PENALTY.] A person who knowingly violates this
31 section is subject to a civil penalty imposed by the board of up
32 to \$3,000.

33 Sec. 17. [10B.04] [POLITICAL FUNDS.]

34 Subdivision 1. [WHEN REQUIRED.] An association other than
35 a political committee or party unit may not contribute more than
36 \$100 in aggregate in any one year to candidates, political

1 committees, or party units or make any approved or independent
2 expenditure or expenditure to promote or defeat a ballot
3 question unless the contribution or expenditure is made from a
4 political fund.

5 Subd. 2. [COMMINGLING PROHIBITED.] The contents of a
6 political fund may not be commingled with other funds or with
7 the personal funds of an officer or member of the fund.

8 Subd. 3. [TREASURER.] An association that has a political
9 fund must elect or appoint a treasurer of the political fund.

10 Subd. 4. [TREASURER VACANCY.] A political fund may not
11 accept a contribution or make an expenditure or contribution
12 from the political fund while the office of treasurer of the
13 political fund is vacant.

14 Subd. 5. [DUES OR MEMBERSHIP FEES.] An association may, if
15 not prohibited by other law, deposit in its political fund money
16 derived from dues or membership fees. Under section 10B.12, the
17 treasurer of the fund must disclose the name of any member whose
18 dues, membership fees, and contributions deposited in the
19 political fund together exceed \$100 in a year.

20 Subd. 6. [PENALTY.] A person who knowingly violates this
21 section is subject to a civil penalty imposed by the board of up
22 to \$3,000.

23 Sec. 18. [10B.05] [CONDUIT FUNDS.]

24 Subdivision 1. [COMMINGLING PROHIBITED.] The contents of a
25 conduit fund may not be commingled with other funds or with the
26 personal funds of an officer or member of the fund.

27 Subd. 2. [TREASURER.] An association that has a conduit
28 fund must elect or appoint a treasurer of the fund.

29 Subd. 3. [TREASURER VACANCY.] A conduit fund may not
30 accept a contribution or make an expenditure or contribution
31 from the fund while the office of treasurer of the fund is
32 vacant.

33 Subd. 4. [PENALTY.] A person who knowingly violates this
34 section is subject to a civil penalty imposed by the board of up
35 to \$3,000.

36 Sec. 19. [10B.06] [ACCOUNTS THAT MUST BE KEPT.]

1 Subdivision 1. [ACCOUNTS; PENALTY.] The treasurer of a
 2 political committee, political fund, conduit fund, principal
 3 campaign committee, or party unit must keep an account of:

4 (1) the sum of all contributions, except any donation in
 5 kind valued at \$20 or less, made to the committee, fund, or
 6 party unit;

7 (2) the name and address of each source of a contribution
 8 made to the committee, fund, or party unit in excess of \$20,
 9 together with the date and amount of each;

10 (3) each expenditure made by the committee, fund, or party
 11 unit, together with the date and amount;

12 (4) each approved expenditure made on behalf of the
 13 committee, fund, or party unit, together with the date and
 14 amount; and

15 (5) the name and address of each political committee,
 16 political fund, principal campaign committee, or party unit to
 17 which contributions in excess of \$20 have been made, together
 18 with the date and amount.

19 A person who knowingly violates this subdivision is subject
 20 to a civil penalty imposed by the board of up to \$3,000.

21 Subd. 2. [RECEIPTS.] The treasurer must obtain a receipted
 22 bill, stating the particulars, for every expenditure over \$100
 23 made by, or approved expenditure over \$100 made on behalf of,
 24 the committee, fund, or party unit, and for any expenditure or
 25 approved expenditure in a lesser amount if the aggregate amount
 26 of lesser expenditures and approved expenditures made to the
 27 same individual or association during the same year exceeds \$100.

28 Sec. 20. [10B.07] [REGISTRATION.]

29 Subdivision 1. [FIRST REGISTRATION.] The treasurer of a
 30 political committee, political fund, conduit fund, principal
 31 campaign committee, or party unit must register with the board
 32 by filing a statement of organization no later than 14 days
 33 after the committee, fund, or party unit has received
 34 contributions or made contributions or expenditures in excess of
 35 \$100.

36 Subd. 2. [FORM.] The statement of organization must

1 include:

2 (1) the name and address of the committee, fund, or party
3 unit;

4 (2) the name and address of the chair of a political
5 committee, principal campaign committee, or party unit;

6 (3) the name and address of any supporting association of a
7 political fund or conduit fund;

8 (4) the name and address of the treasurer and any deputy
9 treasurers and, for a principal campaign committee, any other
10 individual authorized to accept contributions on behalf of the
11 principal campaign committee;

12 (5) a listing of all depositories or safe deposit boxes
13 used; and

14 (6) for the state committee of a political party only, a
15 list of its party units.

16 Subd. 3. [FAILURE TO FILE; PENALTY.] The board must send a
17 notice by certified mail to any individual who fails to file a
18 statement required by this section. If the individual fails to
19 file a statement within ten business days after the notice was
20 sent, the board may impose a late filing fee of \$5 per day, not
21 to exceed \$100, commencing with the 11th day after the notice
22 was sent.

23 The board must send an additional notice by certified mail
24 to any individual who fails to file a statement within 14 days
25 after the first notice was sent by the board that the individual
26 may be subject to a civil penalty for failure to file the
27 report. An individual who fails to file the statement within
28 seven days after the second notice was sent by the board is
29 subject to a civil penalty imposed by the board of up to \$3,000.

30 Sec. 21. [10B.08] [CONTRIBUTIONS.]

31 Subdivision 1. [ANONYMOUS CONTRIBUTIONS.] A political
32 committee, political fund, conduit fund, principal campaign
33 committee, or party unit may not retain an anonymous
34 contribution in excess of \$20, but must forward it to the board
35 for deposit in the general fund.

36 Subd. 2. [SOURCE; AMOUNT; DATE.] An individual who

1 receives a contribution in excess of \$20 for a political
2 committee, political fund, conduit fund, principal campaign
3 committee, or party unit must, on demand of the treasurer,
4 inform the treasurer of the name and, if known, the address of
5 the source of the contribution, the amount of the contribution,
6 and the date it was received.

7 Subd. 3. [DEPOSIT.] All contributions received by or on
8 behalf of a candidate, principal campaign committee, political
9 committee, political fund, conduit fund, or party unit must be
10 deposited in an account designated "Campaign Fund of
11 (name of candidate, committee, fund, or party unit)." All
12 contributions must be deposited promptly upon receipt and,
13 except for contributions received during the last three days of
14 a reporting period as described in section 10B.12, must be
15 deposited during the reporting period in which they were
16 received. A contribution received during the last three days of
17 a reporting period must be deposited within 72 hours after
18 receipt and must be reported as received during the reporting
19 period whether or not it was deposited within that period. A
20 candidate, principal campaign committee, political committee,
21 political fund, conduit fund, or party unit may refuse to accept
22 a contribution. A deposited contribution may be returned to the
23 contributor within 60 days after deposit. A contribution
24 deposited and not returned within 60 days after that deposit
25 must be reported as accepted.

26 Subd. 4. [EXCESS.] A treasurer of a principal campaign
27 committee of a candidate may not deposit a contribution that on
28 its face exceeds the limit on contributions to the candidate
29 prescribed by section 10B.13 unless, at the time of deposit, the
30 treasurer issues a check to the source for the amount of the
31 excess.

32 Subd. 5. [ATTRIBUTABLE CONTRIBUTIONS.] Contributions made
33 to a candidate or principal campaign committee that are directed
34 to the candidate or principal campaign committee by a political
35 fund, committee, or party unit must be reported as attributable
36 to the political fund, committee, or party unit and count toward

1 the contribution limits of that fund, committee, or political
2 party specified in section 10B.13, if the fund, committee, or
3 party was organized or is operated primarily to direct
4 contributions other than from its own money to one or more
5 candidates or principal campaign committees. The treasurer of
6 the political fund, committee, or party unit must advise the
7 candidate or the candidate's principal campaign committee if the
8 contribution or contributions are not from the money of the
9 fund, committee, or party unit and the original source of the
10 money. As used in this subdivision, "direct" includes, but is
11 not limited to, order, command, control, or instruct. A
12 violation of this subdivision is a violation of section 10B.15.

13 Subd. 6. [RELATED COMMITTEES.] An individual, association,
14 political committee, political fund, or party unit may
15 establish, finance, maintain, or control a political committee,
16 political fund, or party unit. One who does this is a
17 "parent." The political committee, fund, or party unit so
18 established, financed, maintained, or controlled is a
19 "subsidiary." If the parent is an association, the association
20 must create a political committee or political fund to serve as
21 the parent for reporting purposes. A subsidiary must report its
22 contribution to a candidate or principal campaign committee as
23 attributable to its parent, and the contribution is counted
24 toward the contribution limits in section 10B.13 of the parent
25 as well as of the subsidiary.

26 Subd. 7. [PENALTY.] A person who knowingly violates this
27 section is subject to a civil penalty imposed by the board of up
28 to \$3,000.

29 Subd. 8. [REGISTRATION NUMBER ON CHECKS.] A contribution
30 made to a candidate by a lobbyist, political committee,
31 political fund, conduit fund, or party unit must show the name
32 of the lobbyist, political committee, political fund, conduit
33 fund, or party unit and the number under which it is registered
34 with the board.

35 Sec. 22. [10B.09] [EARMARKING CONTRIBUTIONS PROHIBITED.]
36 An individual, political committee, political fund,

1 principal campaign committee, or party unit may not solicit or
2 accept a contribution from any source with the express or
3 implied condition that the contribution or any part of it be
4 directed to a particular candidate other than the initial
5 recipient. A person who knowingly accepts an earmarked
6 contribution is guilty of a gross misdemeanor and subject to a
7 civil penalty imposed by the board of up to \$3,000.

8 Sec. 23. [10B.10] [EXPENDITURES.]

9 Subdivision 1. [AUTHORIZATION.] A political committee,
10 political fund, conduit fund, principal campaign committee, or
11 party unit may not expend money unless the expenditure is
12 authorized by the treasurer or deputy treasurer of that
13 committee, fund, or party unit.

14 Subd. 2. [WRITTEN AUTHORIZATION.] An individual or
15 association may not make an approved expenditure of more than
16 \$20 without receiving written authorization from the treasurer
17 of the principal campaign committee of the candidate who
18 approved the expenditure stating the amount that may be spent
19 and the purpose of the expenditure.

20 Subd. 3. [PETTY CASH.] The treasurer or deputy treasurer
21 of a political committee, principal campaign committee, or party
22 unit may sign vouchers for petty cash of up to \$100 per week for
23 statewide elections or \$20 per week for legislative elections,
24 to be used for miscellaneous expenditures.

25 Subd. 4. [PERSONAL LOANS.] A principal campaign committee,
26 political committee, political fund, or party unit may not lend
27 money it has raised to anyone for purposes not related to the
28 conduct of a campaign.

29 Subd. 5. [INDEPENDENT EXPENDITURES.] An individual,
30 political committee, political fund, principal campaign
31 committee, or party unit that independently solicits or accepts
32 contributions or makes independent expenditures on behalf of a
33 candidate must publicly disclose that the expenditure is an
34 independent expenditure. All written communications with those
35 from whom contributions are independently solicited or accepted
36 or to whom independent expenditures are made on behalf of a

1 candidate must contain a statement in conspicuous type that the
2 activity is an independent expenditure and is not approved by
3 the candidate nor is the candidate responsible for it. Similar
4 language must be included in all oral communications, in
5 conspicuous type on the front page of all literature and
6 advertisements published or posted, and at the end of all
7 broadcast advertisements made by that individual, political
8 committee, political fund, principal campaign committee, or
9 party unit on the candidate's behalf.

10 Subd. 6. [PENALTY.] A person who knowingly violates
11 subdivision 2 is subject to a civil penalty imposed by the board
12 of up to \$3,000.

13 Sec. 24. [10B.11] [TIME FOR RENDERING BILLS, CHARGES, OR
14 CLAIMS; PENALTY.]

15 A person who has a bill, charge, or claim against a
16 political committee, political fund, principal campaign
17 committee, or party unit for an expenditure must render in
18 writing to the treasurer of the committee, fund, or party unit
19 the bill, charge, or claim within 60 days after the material or
20 service is provided. A person who knowingly violates this
21 section is subject to a civil penalty imposed by the board of up
22 to \$3,000.

23 Sec. 25. [10B.12] [CAMPAIGN REPORTS.]

24 Subdivision 1. [FIRST FILING; DURATION.] The treasurer of
25 a political committee, political fund, conduit fund, principal
26 campaign committee, or party unit must begin to file the reports
27 required by this section in the first year it receives
28 contributions or makes contributions or expenditures in excess
29 of \$100 and must continue to file until the committee, fund, or
30 party unit is terminated. If the position of treasurer of a
31 principal campaign committee, political committee, political
32 fund, or party unit is vacant, the candidate, chair of a
33 political committee or party unit, or association officer of a
34 political fund is responsible for filing reports required by
35 this section.

36 Subd. 2. [TIME FOR FILING.] (a) The reports must be filed

1 with the board on or before January 31 of each year and
2 additional reports must be filed as required and in accordance
3 with paragraphs (b) to (d).

4 (b) In each year in which the name of the candidate is on
5 the ballot, the reports of the principal campaign committee must
6 be filed by April 30, July 31, and November 30, and 15 days
7 before a primary and ten days before a general election, seven
8 days before a special primary and a special election, and ten
9 days after a special election cycle.

10 (c) In each general election year, a political committee,
11 political fund, conduit fund, or party unit must file reports by
12 April 30, July 31, and November 30, and 15 days before a primary
13 and ten days before a general election.

14 (d) A political committee, political fund, conduit fund, or
15 party unit that makes contributions or expenditures related to a
16 special election must file reports on the contributions or
17 expenditures seven days before the special primary and special
18 election and ten days after the special election cycle.

19 Subd. 3. [ELECTRONIC FILING; PUBLICATION.] When
20 contributions or expenditures exceed \$5,000 in a year, the
21 report must be filed with the board in an electronic format
22 approved by the board. Regardless of whether the report is
23 filed electronically, the board must publish the report on its
24 Web site within seven days after the date it was due. The
25 publication must be in a form that permits a user of the Web
26 site to search the reports and prepare comparisons and
27 cross-tabulations among the various candidates, contributors,
28 vendors, and committees.

29 Subd. 4. [CONTENTS OF REPORT; POLITICAL COMMITTEES AND
30 POLITICAL FUNDS.] (a) The report by a political committee or
31 political fund must disclose the amount of liquid assets on hand
32 at the beginning of the reporting period.

33 (b) The report must disclose the name, address, and
34 employer, or occupation if self-employed, of each individual or
35 association that has made one or more contributions to the
36 reporting entity, including the purchase of tickets for a

1 fund-raising effort, that in aggregate within the year exceed
2 \$50, together with the amount and date of each contribution, and
3 the aggregate amount of contributions within the year from each
4 source so disclosed. A donation in kind must be disclosed at
5 its fair market value. An approved expenditure must be listed
6 as a donation in kind. A donation in kind is considered
7 consumed in the reporting period in which it is received. The
8 names of contributors must be listed in alphabetical order.
9 Contributions from the same contributor must be listed under the
10 same name. When a contribution received from a contributor in a
11 reporting period is added to previously reported unitemized
12 contributions from the same contributor and the aggregate
13 exceeds the disclosure threshold of this paragraph, the name,
14 address, and employer, or occupation if self-employed, of the
15 contributor must then be listed on the report.

16 (c) The report must disclose the sum of contributions to
17 the reporting entity and the sum of all contributions received
18 through each conduit fund and through all conduit funds during
19 the reporting period. The report must include the name and
20 registration number of each conduit fund from which a
21 contribution was received.

22 (d) The report must disclose each loan made or received by
23 the reporting entity within the year in aggregate in excess of
24 \$50, continuously reported until repaid or forgiven, together
25 with the name, address, occupation, and principal place of
26 business, if any, of the lender and any endorser, and the date
27 and amount of the loan. If a loan made to the principal
28 campaign committee of a candidate is forgiven or is repaid by an
29 entity other than that principal campaign committee, it must be
30 reported as a contribution for the year in which the loan was
31 made.

32 (e) The report must disclose each receipt over \$50 during
33 the reporting period not otherwise listed under paragraphs (b)
34 to (d).

35 (f) The report must disclose the sum of all receipts of the
36 reporting entity during the reporting period.

1 (g) The report must disclose the name and address of each
2 individual or association to whom aggregate expenditures,
3 including approved expenditures, have been made by or on behalf
4 of the reporting entity within the year in excess of \$100,
5 together with the amount, date, and purpose of each expenditure
6 and the name and address of, and office sought by, each
7 candidate on whose behalf the expenditure was made,
8 identification of the ballot question that the expenditure was
9 intended to promote or defeat, and in the case of independent
10 expenditures made in opposition to a candidate, the candidate's
11 name, address, and office sought. A reporting entity making an
12 expenditure on behalf of more than one candidate for state or
13 legislative office must allocate the expenditure among the
14 candidates on a reasonable cost basis and report the allocation
15 for each candidate.

16 (h) The report must disclose the sum of all expenditures
17 made by or on behalf of the reporting entity during the
18 reporting period.

19 (i) The report must disclose the amount and nature of an
20 advance of credit incurred by the reporting entity, continuously
21 reported until paid or forgiven. If an advance of credit
22 incurred by the principal campaign committee of a candidate is
23 forgiven by the creditor or paid by an entity other than that
24 principal campaign committee, it must be reported as a donation
25 in kind for the year in which the advance of credit was made.

26 (j) The report must disclose the name and address of each
27 political committee, political fund, principal campaign
28 committee, or party unit to which contributions have been made
29 that aggregate in excess of \$100 within the year and the amount
30 and date of each contribution.

31 (k) The report must disclose the sum of all contributions
32 made by the reporting entity during the reporting period.

33 (l) The report must disclose the name and address of each
34 individual or association to whom noncampaign disbursements have
35 been made that aggregate in excess of \$100 within the year by or
36 on behalf of the reporting entity and the amount, date, and

1 purpose of each noncampaign disbursement.

2 (m) The report must disclose the sum of all noncampaign
3 disbursements made within the year by or on behalf of the
4 reporting entity.

5 (n) The report must disclose the name and address of a
6 nonprofit corporation that provides administrative assistance to
7 a political committee or political fund as authorized by section
8 211B.15, subdivision 17, the type of administrative assistance
9 provided, and the aggregate fair market value of each type of
10 assistance provided to the political committee or political fund
11 during the reporting period.

12 Subd. 5. [CONTENTS OF REPORT; CONDUIT FUNDS.] A report by
13 a conduit fund under this section must disclose the sum of all
14 contributions received by the fund and the sum of all
15 contributions made to each political committee, political fund,
16 principal campaign committee, or party unit and to all of them
17 together during the reporting period. The report must include
18 the registration number of each recipient of contributions from
19 the conduit fund.

20 Subd. 6. [PERIOD OF REPORT.] A report must cover the
21 period from the last day covered by the previous report to seven
22 days before the filing date, except that the report due on
23 January 31 must cover the period from the last day covered by
24 the previous report to December 31.

25 Subd. 7. [REPORT OF EXCESS CONTRIBUTIONS.] (a) The
26 treasurer of the principal campaign committee of a candidate who
27 has not signed a spending limit agreement under section 10B.20
28 must file with the board within seven days after the committee
29 has received aggregate contributions in excess of the
30 expenditure limit for any participating opponent of the
31 candidate a report disclosing the sum of the excess
32 contributions. The treasurer must file an additional report
33 each Monday if the committee received additional contributions
34 during the week ending the previous Friday.

35 (b) During the last three weeks before the primary or
36 general election, and during the last two weeks before a special

1 primary or special election, the treasurer must file the report
2 within 48 hours after the aggregate contributions received since
3 the last report exceed the limit for a single contribution to
4 the candidate.

5 Subd. 8. [REPORT WHEN NO COMMITTEE.] A candidate who does
6 not designate and cause to be formed a principal campaign
7 committee and an individual who makes independent expenditures
8 or expenditures expressly advocating the approval or defeat of a
9 ballot question in aggregate in excess of \$100 in a year must
10 file with the board a report containing the information required
11 by subdivision 4. Reports required by this subdivision must be
12 filed on the dates on which reports by committees, funds, and
13 party units are filed.

14 Subd. 9. [AFFIDAVIT OF INDEPENDENCE.] An individual,
15 political committee, political fund, or party unit filing a
16 report or statement disclosing an independent expenditure under
17 subdivision 4, 8, or 10 must file with the report an affidavit
18 naming the candidate whose nomination, election, or defeat the
19 independent expenditure was intended to advocate and stating
20 that the disclosed expenditures were not made with the
21 authorization or expressed or implied consent of, or in
22 cooperation or in concert with, or at the request or suggestion
23 of any candidate or any candidate's principal campaign committee
24 or agent.

25 Subd. 10. [INDEPENDENT EXPENDITURES; NOTICE; REPORT.] (a)
26 Within 48 hours after an individual, political committee,
27 political fund, or party unit causes to be disseminated a
28 communication that has been or will be paid for in whole or in
29 part by one or more independent expenditures that in aggregate
30 within the election cycle exceed \$500, the individual, political
31 committee, political fund, or party unit must file with the
32 board a notice of the intent to make the independent expenditure.

33 (b) The notice must contain the information with respect to
34 the expenditures that is required to be reported under
35 subdivision 4, paragraph (g), except that if an expenditure is
36 reported before it is made, the notice must include a reasonable

1 estimate of the anticipated amount. Each additional expenditure
2 requires a new notice.

→ 3 (c) The notice must also include a description of the
4 content of the communication for which the expenditure was or
5 will be made, including a copy of any printed advertisement or a
6 transcript of any broadcast advertisement. If the advertisement
7 was printed or broadcast more than once in the same form, the
8 description must include a list of the date, time, and location
9 of each printing or broadcast. If the advertisement was printed
10 or broadcast in substantially the same form for more than one
11 candidate, the description need include only a copy of the
12 standard form, a description of the content that was different
13 for different candidates, and a list of the candidates on whose
14 behalf it was printed or broadcast. A complaint alleging a
15 violation of this paragraph must be brought no later than three
16 months after the notice was due.

17 (d) During the last three weeks before the primary or
18 general election, and during the last two weeks before a special
19 primary or special election, the notice must be filed within 24
20 hours after the communication is disseminated.

21 (e) An individual or association may file a complaint with
22 the board that a required notice was not filed or that a notice
23 filed under this subdivision was false. The board must
24 determine the complaint promptly. If the board determines that
25 a notice was false and the board has distributed a public
26 subsidy to a candidate based on the false notice, the candidate
27 must return the subsidy to the board.

28 Subd. 11. [STATEMENT OF INACTIVITY.] If a reporting entity
29 has no receipts or expenditures during a reporting period, the
30 treasurer must file with the board at the time required by this
31 section a statement to that effect.

32 Subd. 12. [EXEMPTION FROM DISCLOSURE.] The board must
33 exempt a member of or contributor to an association, or any
34 other individual, from the requirements of this section if the
35 member, contributor, or other individual demonstrates by clear
36 and convincing evidence that disclosure would expose the member

1 or contributor to economic reprisals, loss of employment, or
2 threat of physical coercion.

3 An association may seek an exemption for all of its members
4 or contributors if it demonstrates by clear and convincing
5 evidence that a substantial number of its members or
6 contributors would suffer a restrictive effect on their freedom
7 of association if members were required to seek exemptions
8 individually.

9 Subd. 13. [EXEMPTION PROCEDURE.] An individual or
10 association seeking an exemption under subdivision 12 must
11 submit a written application for exemption to the board. The
12 board, without hearing, must grant or deny the exemption within
13 30 days after receiving the application and must issue a written
14 order stating the reasons for its action. The board must
15 publish its order in the State Register and give notice to all
16 parties known to the board to have an interest in the matter.
17 If the board receives a written objection to its action from any
18 party within 20 days after publication of its order and
19 notification of interested parties, the board must hold a
20 contested case hearing on the matter. Upon the filing of a
21 timely objection from the applicant, an order denying an
22 exemption is suspended pending the outcome of the contested
23 case. If no timely objection is received, the exemption
24 continues in effect until a written objection is filed with the
25 board in a succeeding election year. The board must adopt rules
26 establishing a procedure so that an individual seeking an
27 exemption may proceed anonymously if the individual would be
28 exposed to the reprisals listed in subdivision 12 if the
29 individual's identity were to be revealed for the purposes of
30 the notice or a hearing.

31 Subd. 14. [FAILURE TO FILE; PENALTY.] The board must send
32 a notice by certified mail to any individual who fails to file a
33 report required by this section. If an individual fails to file
34 a report due January 31 within ten business days after the
35 notice was sent, the board may impose a late filing fee of \$10
36 per day, not to exceed \$500, commencing on the 11th day after

1 the notice was sent. If an individual fails to file any other
2 report due during an election year within three days after the
3 date due, regardless of whether the individual has received any
4 notice, the board may impose a late filing fee of \$50 per day,
5 not to exceed \$500, commencing on the fourth day after the date
6 the report was due.

7 The board must send an additional notice by certified mail
8 to an individual who fails to file a statement within 14 days
9 after the first notice was sent by the board that the individual
10 may be subject to a civil penalty for failure to file a
11 statement. An individual who fails to file the statement within
12 seven days after the second notice was sent by the board is
13 subject to a civil penalty imposed by the board of up to \$3,000.

14 Subd. 15. [THIRD-PARTY REIMBURSEMENT.] An individual or
15 association filing a report disclosing an expenditure or
16 noncampaign disbursement that must be reported and itemized
17 under subdivision 4, paragraph (g) or (l), that is a
18 reimbursement to a third party must report the purpose of each
19 expenditure or disbursement for which the third party is being
20 reimbursed. An expenditure or disbursement is a reimbursement
21 to a third party if it is for goods or services that were not
22 directly provided by the individual or association to whom the
23 expenditure or disbursement is made. Third-party reimbursements
24 include payments to credit card companies and reimbursement of
25 individuals for expenses they have incurred.

26 Subd. 16. [REPORTS BY SOLICITORS.] An individual or
27 association, other than a candidate or the members of a
28 candidate's principal campaign committee, that directly solicits
29 and causes others to make contributions to candidates or a party
30 unit in a house of the legislature, that aggregate more than
31 \$5,000 between January 1 of a general election year and the end
32 of the reporting period must file with the board a report
33 disclosing the amount of each contribution, the names of the
34 contributors, and to whom the contributions were given. The
35 report must be filed 15 days before a primary and ten days
36 before a general election. The report for each calendar year

1 must be filed with the board by January 31 of the following year.

2 Subd. 17. [EQUITABLE RELIEF.] A candidate whose opponent
 3 does not timely file the report due 15 days before the primary,
 4 the report due ten days before the general election, or the
 5 notice required under section 10B.17, subdivision 6, may
 6 petition the district court for immediate equitable relief to
 7 enforce the filing requirement. A prevailing party under this
 8 subdivision may be awarded attorney fees and costs by the court.

9 Sec. 26. [10B.13] [CONTRIBUTION LIMITS.]

10 Subdivision 1. [CONTRIBUTION LIMITS.] (a) Except as
 11 provided in paragraph (b), a candidate must not permit the
 12 candidate's principal campaign committee to accept aggregate
 13 contributions made or delivered by an individual, political
 14 committee, or political fund in excess of the following:

15 (1) to candidates for governor and lieutenant governor
 16 running together, \$2,000 in an election cycle;

17 (2) to a candidate for attorney general, secretary of
 18 state, or state auditor, \$1,000 in an election cycle;

19 (3) to a candidate for state senator, \$500 in an election
 20 cycle; and

21 (4) to a candidate for state representative, \$500 in an
 22 election cycle.

23 (b) A candidate who accepts a public subsidy must not
 24 permit the candidate's principal campaign committee to accept
 25 aggregate contributions made or delivered by an individual,
 26 political committee, or political fund in excess of \$50 in an
 27 election cycle.

28 (c) The following deliveries are not subject to the
 29 bundling limitation in this subdivision:

30 (1) delivery of contributions collected by a member of the
 31 candidate's principal campaign committee who was registered with
 32 the board to accept contributions on behalf of the committee
 33 before the contributions were accepted; and

34 (2) a delivery made by an individual on behalf of the
 35 individual's spouse.

36 (d) A political committee or political fund must not make a

1 contribution a candidate is prohibited from accepting.

2 Subd. 2. [POLITICAL PARTY AND DISSOLVING PRINCIPAL
3 CAMPAIGN COMMITTEE LIMIT.] A nonparticipating candidate must not
4 permit the candidate's principal campaign committee to accept
5 contributions, including approved expenditures, from any
6 political party units in aggregate in excess of ten times the
7 amount that may be contributed to that candidate under
8 subdivision 1.

9 Subd. 3. [EXCESS LOANS PROHIBITED.] A candidate must not
10 permit the candidate's principal campaign committee to accept a
11 loan from other than a financial institution for an amount in
12 excess of the contribution limits imposed by this section. A
13 candidate must not permit the candidate's principal campaign
14 committee to accept a loan from a financial institution for
15 which the financial institution may hold an endorser of the loan
16 liable to pay an amount in excess of the amount that the
17 endorser may contribute to that candidate.

18 Subd. 4. [CONTRIBUTIONS TO AND FROM OTHER CANDIDATES.] (a)
19 A candidate or the treasurer of a candidate's principal campaign
20 committee must not accept a contribution from another
21 candidate's principal campaign committee or from any other
22 committee bearing the contributing candidate's name or title or
23 otherwise authorized by the contributing candidate, unless the
24 contributing candidate's principal campaign committee is being
25 dissolved. A candidate's principal campaign committee must not
26 make a contribution to another candidate's principal campaign
27 committee, except when the contributing committee is being
28 dissolved.

29 (b) A principal campaign committee that makes a
30 contribution to another principal campaign committee must
31 provide with the contribution a written statement of the
32 committee's intent to dissolve and terminate its registration
33 within 12 months after the contribution was made. If the
34 committee fails to dissolve and terminate its registration by
35 that time, the board may levy a civil penalty up to four times
36 the size of the contribution against the contributing

1 committee. A contribution from a terminating principal campaign
2 committee that is not accepted by another principal campaign
3 committee must be forwarded to the board for deposit in the
4 state treasury and credit to the general fund.

5 (c) A candidate's principal campaign committee must not
6 accept a contribution from, or make a contribution to, a
7 committee associated with a person who seeks nomination or
8 election to the office of president, senator, or representative
9 in Congress of the United States.

10 (d) A candidate or the treasurer of a candidate's principal
11 campaign committee must not accept a contribution from a
12 candidate for political subdivision office in any state, unless
13 the contribution is from the personal funds of the candidate for
14 political subdivision office. A candidate or the treasurer of a
15 candidate's principal campaign committee must not make a
16 contribution from the principal campaign committee to a
17 candidate for political subdivision office in any state.

18 Subd. 5. [LIMITED PERSONAL CONTRIBUTIONS.] A participating
19 candidate may not contribute to the candidate's own campaign
20 more than \$500 in an election cycle.

21 Subd. 6. [CONTRIBUTIONS FROM CERTAIN TYPES OF
22 CONTRIBUTORS.] A candidate must not permit the candidate's
23 principal campaign committee to accept a contribution from a
24 political committee, political fund, lobbyist, or large
25 contributor, if the contribution will cause the aggregate
26 contributions from those types of contributors to exceed an
27 amount equal to 20 percent of the expenditure limits for the
28 office sought by the candidate, provided that the 20 percent
29 limit must be rounded to the nearest \$100. For purposes of this
30 subdivision, "large contributor" means an individual, other than
31 the candidate, who contributes an amount that is more than \$100
32 and more than one-half the amount an individual may contribute.

33 Subd. 7. [UNREGISTERED ASSOCIATION LIMIT; STATEMENT;
34 PENALTY.] (a) The treasurer of a political committee, political
35 fund, principal campaign committee, or party unit must not
36 accept a contribution of more than \$100 from an association not

1 registered under this chapter unless the contribution is
2 accompanied by a written statement that meets the disclosure and
3 reporting period requirements imposed by section 10B.12. This
4 statement must be certified as true and correct by an officer of
5 the contributing association. The committee, fund, or party
6 unit that accepts the contribution must include a copy of the
7 statement with the report that discloses the contribution to the
8 board.

9 (b) An unregistered association may provide the written
10 statement required by this subdivision to no more than three
11 committees, funds, or party units in a calendar year. Each
12 statement must cover at least the 30 days immediately preceding
13 and including the date on which the contribution was made. An
14 unregistered association or an officer of it is subject to a
15 civil penalty imposed by the board of up to \$3,000 if the
16 association or its officer:

17 (1) fails to provide a written statement as required by
18 this subdivision; or

19 (2) fails to register after giving the written statement
20 required by this subdivision to more than three committees,
21 funds, or party units in a calendar year.

22 (c) The treasurer of a political committee, political fund,
23 principal campaign committee, or party unit who accepts a
24 contribution in excess of \$100 from an unregistered association
25 without the required written disclosure statement is subject to
26 a civil penalty up to four times the amount in excess of \$100.

27 Subd. 8. [CONTRIBUTIONS TO POLITICAL COMMITTEES OR FUNDS.]
28 The treasurer of a political committee or political fund must
29 not permit the political committee or political fund to accept
30 aggregate contributions from an individual in an amount more
31 than \$1,000 in a calendar year or from another political
32 committee or political fund in any amount.

33 Subd. 9. [CONTRIBUTIONS TO POLITICAL PARTIES.] (a) An
34 individual or association must not give and the treasurer of the
35 state committee of a political party must not permit the
36 political party to accept aggregate contributions for any

1 purpose from an individual, or from an association that makes
2 contributions to candidates, in an amount more than \$10,000 in
3 an election cycle.

4 (b) A political party unit may not accept a transfer from
5 its national party organization, nor from a party unit in any
6 other state, unless the transfer is from a separate and
7 segregated fund that contains only contributions from
8 individuals and associations that would have been permitted
9 under the law of this state if they had been made directly to
10 the political party unit.

11 Subd. 10. [AGGREGATE LIMIT ON INDIVIDUALS.] An individual
12 may not contribute more than \$10,000 in aggregate contributions
13 for any purpose to all candidates, political parties, political
14 committees, and political funds in an election cycle.

15 Sec. 27. [10B.14] [CONTRIBUTIONS AND SOLICITATIONS DURING
16 LEGISLATIVE SESSION.]

17 Subdivision 1. [CONTRIBUTIONS DURING LEGISLATIVE SESSION.]

18 (a) A candidate for the legislature or for constitutional
19 office, the candidate's principal campaign committee, or a
20 political committee or party unit established by all or a part
21 of the party organization within a house of the legislature,
22 must not solicit or accept a contribution from a registered
23 lobbyist, political committee, political fund, or dissolving
24 principal campaign committee, or from a party unit established
25 by the party organization within a house of the legislature,
26 during a regular session of the legislature.

27 (b) A registered lobbyist, political committee, political
28 fund, or dissolving principal campaign committee, or a party
29 unit established by the party organization within a house of the
30 legislature, must not make a contribution to a candidate for the
31 legislature or for constitutional office, the candidate's
32 principal campaign committee, or a political committee or party
33 unit established by all or a part of the party organization
34 within a house of the legislature during a regular session of
35 the legislature.

36 Subd. 2. [PARTY UNIT SOLICITATIONS.] A political party

1 unit must not solicit or receive at an event hosted by a
 2 candidate for the legislature or by a candidate for
 3 constitutional office a contribution from a lobbyist, political
 4 committee, political fund, or party unit during a regular
 5 session of the legislature.

6 Subd. 3. [DEFINITION.] For purposes of this section,
 7 "regular session" does not include a special session or the
 8 interim between the two annual sessions of a biennium.

9 Subd. 4. [CIVIL PENALTY.] A candidate, political
 10 committee, party unit, political fund, principal campaign
 11 committee, or registered lobbyist that violates this section is
 12 subject to a civil penalty imposed by the board of up to
 13 \$3,000. If the board makes a public finding that there is
 14 probable cause to believe a violation of this section has
 15 occurred, the board must bring an action, or transmit the
 16 finding to a county attorney who must bring an action, in the
 17 district court of Ramsey county, to collect the civil penalty as
 18 imposed by the board. Penalties paid under this section must be
 19 deposited in the general fund in the state treasury.

20 Subd. 5. [SPECIAL ELECTION.] This section does not apply
 21 in a legislative special election during the period beginning
 22 when the person becomes a candidate in the special election and
 23 ending on the day of the special election.

24 Sec. 28. [10B.15] [CIRCUMVENTION PROHIBITED.]

25 An individual or association that attempts to circumvent
 26 this chapter by redirecting a contribution through, or making a
 27 contribution on behalf of, another individual or association is
 28 guilty of a gross misdemeanor and subject to a civil penalty
 29 imposed by the board of up to \$3,000.

30 Sec. 29. [10B.16] [POLITICAL CONTRIBUTION REFUND.]

31 Subdivision 1. [DEFINITION.] (a) The definition in this
 32 subdivision applies to this section.

33 (b) "Contribution" means a gift of money.

34 Subd. 2. [CLAIM; RECEIPT FORM.] (a) A taxpayer may claim a
 35 refund equal to the amount of the taxpayer's contributions made
 36 in the calendar year to a political party or party unit, if the

1 state chair of the political party has signed and filed with the
2 board an agreement not to make independent expenditures as
3 provided in section 10B.19, and the agreement has not been
4 rescinded. The refund for an individual must not exceed \$50 and
5 for a married couple, filing jointly, must not exceed \$100.

6 (b) A refund of a contribution is allowed only if the
7 taxpayer files a form required by the commissioner of revenue
8 and attaches to the form a copy of an official refund receipt
9 form issued by the party and signed by the party chair, after
10 the contribution was received. For a taxpayer who files a claim
11 for refund via the Internet or other electronic means, the
12 commissioner may accept the number on the official receipt as
13 documentation that a contribution was made rather than the
14 actual receipt. The board must make available to a political
15 party, on request, a supply of official refund receipt forms
16 that state in boldface type that a contributor who is given a
17 receipt form is eligible to claim a refund as provided in this
18 section and that the political party has signed an agreement not
19 to make independent expenditures. The forms must provide
20 duplicate copies of the receipt to be attached to the
21 contributor's claim. The receipt forms must be numbered, and
22 the data on the receipt that are not public must be made
23 available to the board upon its request. A party unit must
24 return to the board with its termination report or destroy any
25 official receipt forms that have not been issued.

26 (c) If the state chair of a political party has not signed
27 an agreement under section 10B.19, or has rescinded the
28 agreement, and the chair or treasurer of a party unit willfully
29 issues an official refund receipt form or a facsimile of one to
30 any of the party's contributors, the issuer of the receipt is
31 guilty of a misdemeanor.

32 (d) A claim must be filed with the commissioner of revenue
33 no sooner than March 4 of each odd-numbered year in which the
34 contribution was made and no sooner than January 1 of each
35 even-numbered year in which the contribution was made and no
36 later than April 15 of the calendar year following the calendar

1 year in which the contribution was made. A taxpayer may file
2 only one claim per calendar year. Amounts paid by the
3 commissioner after June 15 of the calendar year following the
4 calendar year in which the contribution was made must include
5 interest at the rate specified in section 270.76.

6 Subd. 3. [COPIES OF FORM.] The commissioner shall make
7 copies of the form available to political party units upon
8 request.

9 Subd. 4. [DATA PRIVACY.] The following data collected or
10 maintained by the commissioner under this subdivision are
11 private: the identities of individuals claiming a refund and
12 the amount of each contribution.

13 Subd. 5. [REPORT.] The commissioner shall report to the
14 campaign finance and public disclosure board by each August 1 a
15 summary showing the total number and aggregate amount of
16 political contribution refunds made on behalf of each political
17 party. These data are public.

18 Subd. 6. [APPROPRIATION.] The amount necessary to pay
19 claims for the refund provided in this section is appropriated
20 from the general fund to the commissioner of revenue.

21 Sec. 30. [10B.17] [SPENDING LIMITS.]

22 Subdivision 1. [LIMITS ARE VOLUNTARY.] The expenditure
23 limits imposed by this section on a candidate apply only to a
24 candidate who has signed an agreement under section 10B.19 to be
25 bound by them as a condition of receiving a public subsidy for
26 the candidate's campaign. The prohibition imposed by this
27 section on a political party applies only to a political party
28 that has signed and not rescinded an agreement under section
29 10B.19 to be bound by it as a condition of receiving a public
30 subsidy for the party's activities.

31 Subd. 2. [AMOUNTS.] (a) The principal campaign committee
32 of a candidate must not make campaign expenditures nor permit
33 approved expenditures to be made on behalf of the candidate
34 during an election cycle that result in aggregate expenditures
35 in excess of the sums authorized in this subdivision.

36 (b) The principal campaign committee of a candidate may

1 make expenditures or permit approved expenditures to be made on
2 behalf of the candidate during an election cycle and before the
3 candidate files an affidavit of qualifying contributions under
4 section 10B.20 in the following amounts:

5 (1) for governor and lieutenant governor, running together,
6 \$50,000;

7 (2) for attorney general, secretary of state, and state
8 auditor, separately, \$25,000;

9 (3) for state senator, \$8,000; and

10 (4) for state representative, \$4,000.

11 (c) The principal campaign committee of a candidate may
12 spend the public subsidy as authorized under section 10B.24.

13 (d) If a special election cycle occurs during a general
14 election cycle, expenditures by or on behalf of a candidate in
15 the special election do not count as expenditures by or on
16 behalf of the candidate in the general election.

17 Subd. 3. [AGGREGATED EXPENDITURES.] If a candidate makes
18 expenditures from more than one principal campaign committee for
19 nomination or election to statewide office in the same election
20 cycle, the amount of expenditures from all of the candidate's
21 principal campaign committees for statewide office for that
22 election cycle must be aggregated for purposes of applying the
23 limits on expenditures under subdivision 2.

24 Subd. 4. [GOVERNOR AND LIEUTENANT GOVERNOR AS A SINGLE
25 CANDIDATE.] For the purposes of this chapter, a candidate for
26 governor and a candidate for lieutenant governor, running
27 together, are considered a single candidate. All expenditures
28 made by or all approved expenditures made on behalf of the
29 candidate for lieutenant governor are considered to be
30 expenditures by or approved expenditures on behalf of the
31 candidate for governor.

32 Subd. 5. [INDEPENDENT EXPENDITURES.] The principal
33 campaign committee of a candidate must not make independent
34 expenditures.

35 Subd. 6. [RELEASE FROM EXPENDITURE LIMITS.] (a) After the
36 deadline for filing a spending limit agreement under section

1 10B.19, a candidate who has agreed to be bound by the
2 expenditure limits imposed by this section as a condition of
3 receiving a public subsidy for the candidate's campaign may
4 choose to be released from the expenditure limits but remain
5 eligible to receive a public subsidy if the candidate has an
6 opponent who has not agreed to be bound by the limits and who
7 has received contributions during that election cycle in excess
8 of the sum of:

9 (1) the amounts listed in subdivision 2, paragraph (b),
10 that the candidate is allowed to spend before filing an
11 affidavit of contributions;

12 (2) the limit set in section 10B.13, subdivision 2,
13 paragraph (a), for contributions from political party units to
14 the candidate; and

15 (3) the public subsidy the participating candidate has
16 received through that part of the election cycle.

17 Before the primary election, a candidate's "opponents" are
18 only those who will appear on the ballot of the same party in
19 the primary election.

20 (b) A candidate who has not agreed to be bound by
21 expenditure limits, or the candidate's principal campaign
22 committee, must file written notice with the board and provide
23 written notice to any opponent of the candidate for the same
24 office within seven days after exceeding the limit in paragraph
25 (a). The notice must state only that the candidate or
26 candidate's principal campaign committee has received
27 contributions in excess of the limit in paragraph (a).

28 (c) Upon receipt of the notice, the candidate who had
29 agreed to be bound by the limits may file with the board a
30 notice that the candidate chooses to be no longer bound by the
31 expenditure limits. A notice of a candidate's choice not to be
32 bound by the expenditure limits that is based on the conduct of
33 an opponent in the state primary election may not be filed more
34 than one day after the state canvassing board has declared the
35 results of the state primary.

36 (d) A candidate who has agreed to be bound by the

1 expenditure limits imposed by this section and whose opponent in
2 the general election has chosen, as provided in paragraph (c),
3 not to be bound by the expenditure limits because of the conduct
4 of an opponent in the primary election is no longer bound by the
5 limits but remains eligible to receive a public subsidy.

6 Subd. 7. [INDEPENDENT EXPENDITURES BY POLITICAL
7 PARTIES.] A political party or party unit must not make an
8 independent expenditure.

9 Sec. 31. [10B.18] [MULTICANDIDATE POLITICAL PARTY
10 EXPENDITURES.]

11 Notwithstanding other provisions of this chapter, the
12 following expenditures by a party unit, or two or more party
13 units acting together, with at least one party unit being either
14 the state committee or the party organization within a
15 congressional district, county, or legislative district, are not
16 considered contributions to or expenditures on behalf of a
17 candidate for the purposes of section 10B.13 or 10B.17 and must
18 not be allocated to candidates under section 10B.12, subdivision
19 4, paragraph (g):

20 (1) expenditures not on behalf of any candidate;

21 (2) expenditures on behalf of candidates of that party
22 generally without referring to any of them specifically by name
23 or image in a published, posted, or broadcast advertisement; or

24 (3) expenditures for the preparation, display, mailing, or
25 other distribution of an official party sample ballot listing
26 the names of three or more individuals whose names are to appear
27 on the ballot.

28 Sec. 32. [10B.19] [SPENDING LIMIT AGREEMENT.]

29 Subdivision 1. [AGREEMENT BY CANDIDATE.] (a) As a
30 condition of receiving a public subsidy, a candidate must sign
31 and file with the board a written agreement in which the
32 candidate agrees that the candidate will comply with sections
33 10B.13, subdivisions 1, 2, and 5; 10B.17; and 10B.23.

34 (b) Before the first day of filing for office, the board
35 must forward agreement forms to all filing officers. The board
36 must also provide agreement forms to candidates on request at

1 any time. The candidate must file the agreement with the board
2 no sooner than January 1 in the general election year and no
3 later than the day after the candidate files the affidavit of
4 candidacy for the office. An agreement may not be filed with
5 the board after that date. An agreement once filed may not be
6 rescinded.

7 (c) The board must notify the commissioner of revenue of
8 any agreement filed under this subdivision.

9 Subd. 2. [HOW LONG AGREEMENT IS EFFECTIVE.] The agreement,
10 insofar as it relates to the expenditure limits in section
11 10B.17 and the contribution limit in section 10B.13, subdivision
12 5, remains effective for candidates until the dissolution of the
13 principal campaign committee of the candidate or the end of the
14 first election cycle completed after the agreement was filed,
15 whichever occurs first.

16 Subd. 3. [AGREEMENT BY POLITICAL PARTY.] (a) As a
17 condition of receiving a public subsidy, the chair of the state
18 committee of a political party must sign and file with the board
19 before the first March 1 of a general election cycle a written
20 agreement in which the state committee agrees that the political
21 party and all its party units will comply with section 10B.17.
22 An agreement once filed may not be rescinded after the first
23 March 4 of a general election cycle.

24 (b) The board must provide agreement forms to political
25 parties on request at any time.

26 (c) The agreement not to make independent expenditures
27 remains in effect until it is rescinded, or the end of the first
28 general election cycle completed after the agreement was filed,
29 or the dissolution of the political party, whichever occurs
30 first.

31 (d) The board must notify the commissioner of revenue of
32 any agreement filed or rescinded under this subdivision.

33 Sec. 33. [10B.20] [QUALIFYING CONTRIBUTIONS.]

34 Subdivision 1. [AMOUNTS.] In addition to the requirements
35 of section 10B.19, to be eligible to receive a public subsidy
36 under section 10B.24, a candidate must receive qualifying

1 contributions from individuals eligible to vote in this state
2 and, in the case of a legislative candidate, at least one-half
3 from individuals eligible to vote for the candidate, in the
4 amount indicated for the office sought, counting only the first
5 \$5 received from each contributor:

6 (1) candidates for governor and lieutenant governor,
7 running together, \$22,000;

8 (2) candidates for attorney general, secretary of state,
9 and state auditor, separately, \$12,500;

10 (3) candidates for the senate, \$1,800; and

11 (4) candidates for the house of representatives, \$900.

12 A candidate for statewide office must receive at least five
13 percent of the qualifying amount from residents of each
14 congressional district.

15 The amounts in clauses (3) and (4) must be adjusted
16 following each decennial federal census to represent the ideal
17 population of a senate or house district, respectively, times
18 .025, rounded to the nearest \$100.

19 Subd. 2. [STATEMENT OF INTENT TO PARTICIPATE.] A candidate
20 who intends to participate in the public subsidy program must
21 file with the board, in a form approved by the board, a
22 statement of intent to participate. The statement may not be
23 filed before the beginning of the election cycle.

24 Subd. 3. [RECEIPT.] The board must make available to each
25 candidate who has filed a statement of intent to participate in
26 the public subsidy program copies of the official contribution
27 receipt form designed by the board. The receipt must state that
28 the contributor understands that the purpose of the contribution
29 is to help the candidate qualify for a public subsidy. The form
30 must include space for the contributor's printed name,
31 signature, and home address, and the name of the candidate on
32 whose behalf the contribution was made. The candidate or the
33 treasurer of the candidate's principal campaign committee must
34 provide to the contributor a receipt, which must be properly
35 completed and signed by the contributor and returned to the
36 candidate. The candidate must keep one copy of the receipt and

1 file a second copy with the board, along with the affidavit of
2 contributions required by subdivision 4 and a list, in an
3 electronic format approved by the board, of the names and home
4 addresses of the contributors and indicating whether the
5 contributor is eligible to vote for the candidate.

6 Subd. 4. [AFFIDAVIT.] No sooner than January 1 in the
7 general election year and no later than the day after the
8 candidate files the affidavit of candidacy for the office, a
9 candidate who intends to participate in the public subsidy
10 program, or the treasurer of the candidate's principal campaign
11 committee, must file with the board an affidavit stating that,
12 since January 1 in the year before the general election year,
13 the candidate's principal campaign committee has received
14 qualifying contributions in the amount specified in subdivision
15 1.

16 Subd. 5. [SPECIAL ELECTIONS.] A candidate for a vacancy to
17 be filled at a special election must receive qualifying
18 contributions in one-third the amounts specified in subdivision
19 1. If the filing period for the special election does not
20 coincide with the filing period for the general election, the
21 candidate must submit the affidavit required by this section to
22 the board within five days after filing the affidavit of
23 candidacy.

24 Sec. 34. [10B.21] [STATE ELECTIONS CAMPAIGN FUND.]

25 Subdivision 1. [ESTABLISHED.] An account is established in
26 the special revenue fund of the state known as the "state
27 elections campaign fund."

28 Subd. 2. [SPENDING CAP.] The board must not spend from the
29 state elections campaign fund during a calendar year more than
30 \$5 times the number of Minnesota residents who filed personal
31 income tax returns during the previous calendar year. The board
32 may exceed this limit during a calendar year, provided it is
33 offset by an equal reduction of the limit during another
34 calendar year during the same gubernatorial election cycle.

35 Subd. 3. [EXCESS MONEY.] At least once each year the
36 commissioner of finance must forecast the amount of revenue the

1 state elections campaign fund will collect over the next four
2 years and the time the revenue will be available. Whenever the
3 commissioner determines that the balance in the fund is greater
4 than will be needed to meet current debts plus anticipated
5 expenses, taking into account the revenue forecast, the
6 commissioner must transfer the excess balance to the general
7 fund. The amount transferred is appropriated from the general
8 fund to the Board of Public Defense.

9 Subd. 4. [DEFICIENCY.] At least once each year, the board
10 must forecast the amount of public subsidy from the state
11 elections campaign fund for which all candidates will qualify
12 for the following calendar year. By the end of each year, the
13 board must announce whether the amount that will be needed the
14 following year for public subsidies from the state elections
15 campaign fund will exceed the amount that will be available. If
16 the board determines that the fund will be deficient, the board
17 may include in the announcement decreases in the amounts of
18 public subsidies that will be paid, in the following order:

19 (1) first, the board may announce a decrease in the rate at
20 which a public subsidy will be paid to match excess
21 contributions under section 10B.24, subdivision 7, and
22 independent expenditures under section 10B.24, subdivision 8;
23 and

24 (2) second, the board may announce a reduction in the
25 percentage of a candidate's spending limit that will be paid as
26 a public subsidy under section 10B.24, subdivisions 4 to 6.

27 Subd. 5. [EMERGENCY.] If a deficiency arises in the state
28 elections campaign fund that cannot be met by reductions under
29 subdivision 4, the board must declare an emergency and reduce
30 public subsidy payments proportionately among all candidates
31 entitled to them.

32 Sec. 35. [10B.22] [PUBLIC SUBSIDY.]

33 Subdivision 1. [PAYMENT TO PARTICIPATING CANDIDATES.] Upon
34 determining that a candidate has met all the requirements for
35 receiving a public subsidy, the board must designate the
36 candidate as "participating." The board must pay each

1 participating candidate a public subsidy as provided in this
2 section. The payment must be in the form of a check made
3 "payable to the campaign fund of (name of candidate)."
4 An amount sufficient to make the payment is appropriated to the
5 board from the state elections campaign fund.

6 Subd. 2. [PUBLIC SUBSIDY BASE.] (a) The public subsidy
7 base for each candidate is as follows:

8 (1) for governor and lieutenant governor, running together,
9 \$1,520,000;

10 (2) for attorney general, secretary of state, and state
11 auditor, separately, \$300,000;

12 (3) for state senator, \$52,000; and

13 (4) for state representative, \$26,000.

14 (b) The public subsidy base in paragraph (a) is increased
15 by ten percent for a candidate who is running for that office
16 for the first time and who has not run previously for any other
17 office whose territory now includes a population that is more
18 than one-third of the population in the territory of the new
19 office.

20 Subd. 3. [ADJUSTMENT BY CONSUMER PRICE INDEX.] (a) The
21 dollar amounts in subdivision 2 must be adjusted for general
22 election years as provided in this subdivision. In the year
23 before each general election year, the executive director of the
24 board must determine the percentage increase in the Consumer
25 Price Index from December of the second preceding general
26 election year to December of the last general election year.
27 The dollar amounts used for the preceding general election year
28 must be multiplied by that percentage. The product of the
29 calculation, rounded up to the next highest \$100 increment, must
30 be added to each dollar amount to produce the dollar limitations
31 to be in effect for the next general election. The index used
32 must be the revised Consumer Price Index for all urban consumers
33 for the St. Paul-Minneapolis metropolitan area prepared by the
34 United States Department of Labor.

35 (b) By April 1 of the year before each election year, the
36 board must publish in the State Register the public subsidy base

1 for each office for that calendar year under subdivision 2 as
2 adjusted by this subdivision. The revisor of statutes must code
3 the adjusted amounts of the public subsidy base in the next
4 edition of Minnesota Statutes.

5 Subd. 4. [PAYMENT UPON QUALIFYING.] Within one week after
6 it has designated a candidate as participating, the board must
7 pay to the participating candidate an amount equal to 20 percent
8 of the participating candidate's public subsidy base.

9 Subd. 5. [PAYMENT UPON FILING FOR OFFICE.] Within one week
10 after the close of filings for office, the board must pay a
11 participating candidate who has an opponent in either the
12 primary or the general election an amount equal to 20 percent of
13 the candidate's public subsidy base.

14 Subd. 6. [PAYMENT FOR GENERAL ELECTION.] As soon as the
15 board has obtained from the secretary of state the results of
16 the primary election, but no later than one week after the state
17 canvassing board has certified the results of the primary, the
18 board must pay to each participating candidate whose name will
19 appear on the ballot in the general election an amount equal to
20 60 percent of the candidate's public subsidy base, except that a
21 candidate who has no opponent in the general election must be
22 paid an amount equal to six percent of the candidate's public
23 subsidy base.

24 Subd. 7. [PAYMENT TO MATCH EXCESS CONTRIBUTIONS.] Upon
25 receipt of a report of excess contributions under section
26 10B.12, subdivision 7, the board must notify any participating
27 opponent of the nonparticipating candidate of the amount of the
28 excess. Upon receipt of the first report, the board must pay
29 the participating candidate an additional public subsidy equal
30 to the participating candidate's public subsidy base. The
31 additional subsidy may only be spent in an amount equal to the
32 excess contributions reported for that election cycle.

33 Subd. 8. [PAYMENT TO MATCH INDEPENDENT EXPENDITURES.] (a)
34 Within 24 hours after receipt of a notice of independent
35 expenditures under section 10B.12, subdivision 10, the board
36 must notify each participating candidate in the affected race of

1 the amount of the independent expenditure. Along with the first
2 notice under this subdivision, the board must pay to each
3 participating candidate who is adversely affected by the
4 independent expenditure an additional public subsidy in an
5 amount equal to the participating candidate's public subsidy
6 base, to be spent only as provided in this subdivision. A
7 candidate is "adversely affected" if the independent expenditure
8 is made to defeat the candidate or to nominate or elect an
9 opponent of the candidate. Before the primary election, an
10 "opponent" includes the candidates whose names are on the ballot
11 for the primary of the same major party or, if there is none,
12 the candidates whose names will be on the ballot for the general
13 election.

14 (b) If the independent expenditure is made to defeat a
15 participating candidate, the additional subsidy may be spent in
16 an amount equal to the independent expenditures made to defeat
17 the participating candidate reported for that election cycle.

18 (c) If the independent expenditure is made to nominate or
19 elect a candidate and the sum of assets carried forward,
20 contributions received as of the last reporting date, public
21 subsidy received, and independent expenditures made to elect the
22 candidate exceeds 120 percent of the spending limit for a
23 participating opponent candidate for the legislature or 110
24 percent of the spending limit for a participating opponent
25 candidate for constitutional officer, the participating opponent
26 may spend the additional public subsidy in an amount equal to
27 one-half the excess independent expenditures to nominate or
28 elect the candidate reported for that election cycle.

29 (d) If an individual, political committee, political fund,
30 or party unit has made expenditures to nominate or elect a
31 candidate, any expenditure by the spender during the same
32 election cycle to defeat the candidate or to nominate or elect
33 an opponent of the candidate does not authorize the candidate to
34 spend matching money under paragraph (b) or (c).

35 Subd. 9. [PAYMENT FOR SPECIAL ELECTION.] The board must
36 pay each participating candidate for legislative office in a

1 special election an amount equal to the candidate's public
2 subsidy base within 48 hours after the candidate has been
3 designated as participating, but the candidate may spend only an
4 amount equal to 20 percent of the candidate's public subsidy
5 base upon being designated as participating. A candidate who
6 has an opponent in either the primary or general election may
7 spend an additional amount equal to 20 percent of the
8 participating candidate's public subsidy base upon filing for
9 office, and a candidate whose name has been certified to appear
10 on the ballot for the general election may spend an additional
11 amount equal to 60 percent of the candidate's public subsidy
12 base. Any amount not spent by the candidate must be returned to
13 the board under section 10B.23.

14 Subd. 10. [PAYMENT WITHHELD.] If a candidate has not yet
15 filed a campaign finance report required by section 10B.12, or
16 the candidate owes money to the board, the board must withhold
17 the candidate's public subsidy until the report has been filed
18 or the debt has been paid, whichever applies. If the report has
19 not been filed or the debt has not been paid to the board by the
20 end of the fiscal year, the subsidy must be applied to the debts
21 owed by the candidate to the board and any remaining amount must
22 be canceled to the general fund.

23 Sec. 36. [10B.23] [RETURN OF PUBLIC SUBSIDY.]

24 Subdivision 1. [WHEN RETURN REQUIRED.] A candidate must
25 return all or a portion of the public subsidy received under
26 section 10B.22 under the circumstances in this section or
27 section 10B.24, subdivision 1.

28 To the extent that the amount of public subsidy received
29 exceeds the actual expenditures made by the principal campaign
30 committee of the candidate, the treasurer of the candidate's
31 principal campaign committee must return an amount equal to the
32 difference to the board. The cost of postage that was not used
33 during an election cycle and payments that created credit
34 balances at vendors at the close of an election cycle are not
35 considered expenditures for purposes of determining the amount
36 to be returned. Expenditures in excess of the candidate's

1 spending limit do not count in determining aggregate
2 expenditures under this paragraph.

3 Subd. 2. [HOW RETURN DETERMINED.] Whether or not a
4 candidate is required under subdivision 1 to return all or a
5 portion of the public subsidy must be determined from the report
6 required to be filed with the board by that candidate by January
7 31 of the year following an election. An amount required to be
8 returned must be submitted in the form of a check or money order
9 and must accompany the report filed with the board. The board
10 must deposit the check or money order in the state treasury for
11 credit to the general fund. The amount returned must not exceed
12 the amount of public subsidy received by the candidate.

13 Sec. 37. [10B.24] [CARRYFORWARD.]

14 Subdivision 1. [UNUSED FUNDS.] After all campaign
15 expenditures and noncampaign disbursements for an election cycle
16 have been made, a principal campaign committee may carry forward
17 assets equal to the amount that the candidate may spend in the
18 next election cycle before being designated a participating
19 candidate for the same office, as set forth in section 10B.17,
20 subdivision 2, paragraph (b). Any remaining assets up to the
21 total amount of the public subsidy received under section 10B.22
22 must be returned to the state treasury for credit to the general
23 fund under section 10B.23. Any remaining assets in excess of
24 the total public subsidy must be contributed to the general
25 fund, a public school, or a charity, or to a political party.

26 Subd. 2. [UNUSED POSTAGE AND CREDIT BALANCES CARRIED
27 FORWARD.] Postage that is purchased but not used during an
28 election cycle and credit balances at vendors that exceed a
29 combined total of \$500 must be carried forward and counted as
30 expenditures during the election cycle during which they are
31 used.

32 Sec. 38. [10B.25] [PENALTY FOR EXCEEDING LIMITS.]

33 Subdivision 1. [EXCEEDING CONTRIBUTION LIMITS.] (a) A
34 candidate who permits the candidate's principal campaign
35 committee, or the treasurer of a political committee, political
36 fund, or party unit who permits the committee, fund, or party

1 unit to accept contributions in excess of the limits imposed by
2 section 10B.13, is subject to a civil penalty of up to ten times
3 the amount by which the contribution exceeds the limits.

4 (b) The board may order a candidate who has permitted the
5 candidate's principal campaign committee to accept contributions
6 in excess of the limits imposed by section 10B.13 to return any
7 public subsidy the candidate has received. The board must
8 deposit the amount returned in the state treasury and credit it
9 to the general fund.

10 (c) The board may recommend that a candidate who was
11 nominated or elected to office after violating section 10B.13
12 should forfeit the nomination or office.

13 (d) A political committee, political fund, or principal
14 campaign committee that makes a contribution in excess of the
15 limits imposed by section 10B.13 is subject to a civil penalty
16 of up to ten times the amount by which the contribution exceeds
17 the limits.

18 Subd. 2. [EXCEEDING EXPENDITURE LIMITS.] (a) A candidate
19 subject to the expenditure limits in section 10B.17 who permits
20 the candidate's principal campaign committee to make
21 expenditures or permits approved expenditures to be made on the
22 candidate's behalf in excess of the limits imposed by section
23 10B.17 is subject to a civil penalty imposed by the board of up
24 to ten times the amount by which the expenditures exceed the
25 limit.

26 (b) The board may order a candidate subject to the
27 expenditure limits in section 10B.17 who has permitted the
28 candidate's principal campaign committee to make expenditures or
29 has permitted approved expenditures to be made on the
30 candidate's behalf in excess of the limits imposed by section
31 10B.17 to return to the board any public subsidy the candidate
32 has received. The board must deposit the amount returned in the
33 state treasury and credit it to the general fund.

34 (c) The board may recommend that a candidate who was
35 nominated or elected after violating the limits in section
36 10B.17 should forfeit the nomination or office.

1 (d) The chair of a political party or party unit subject to
2 the prohibition in section 10B.17 that makes expenditures in
3 violation of section 10B.17 is subject to a civil fine of up to
4 ten times the amount of the expenditures.

5 Subd. 3. [CONCILIATION AGREEMENT.] If the board finds that
6 there is reason to believe that excess contributions have been
7 accepted contrary to section 10B.13 or excess expenditures made
8 contrary to section 10B.17, the board must make every effort for
9 a period of at least 14 days after its finding to correct the
10 matter by informal methods of conference and conciliation and to
11 enter a conciliation agreement with the person involved. A
12 conciliation agreement under this subdivision is a matter of
13 public record. Unless violated, a conciliation agreement is a
14 bar to any civil proceeding under subdivision 4.

15 Subd. 4. [CIVIL ACTION.] (a) If the board is unable after
16 a reasonable time to correct by informal methods a matter that
17 constitutes probable cause to believe that excess contributions
18 have been accepted contrary to section 10B.13 or excess
19 expenditures made contrary to section 10B.17, the board must
20 make a public finding of probable cause in the matter. After
21 making a public finding, the board must bring an action, or
22 transmit the finding to a county attorney who must bring an
23 action, in the district court of Ramsey county or, in the case
24 of a legislative candidate, the district court of a county
25 within the legislative district, to collect a civil penalty
26 imposed by the board, to demand the return of any public subsidy
27 paid to the candidate, or to have the nomination or office
28 declared forfeited. All money recovered under this section must
29 be deposited in the state treasury and credited to the general
30 fund.

31 (b) If a candidate is judged to have violated section
32 10B.13 or 10B.17, the court, after entering the judgment, may
33 enter a supplemental judgment declaring that the candidate has
34 forfeited the nomination or office, except as provided in
35 paragraph (c). If the court enters the supplemental judgment,
36 it must transmit to the filing officer a transcript of the

1 supplemental judgment, the nomination or office becomes vacant,
2 and the vacancy must be filled as provided by law.

3 (c) If the candidate has been elected to the legislature,
4 the court, after entering the judgment that the candidate has
5 violated section 10B.13 or 10B.17, must transmit a transcript of
6 the judgment to the secretary of the senate or the chief clerk
7 of the house of representatives, as appropriate, for further
8 consideration by the house to which the candidate was elected.

9 Sec. 39. [10B.26] [DISSOLUTION OF INACTIVE COMMITTEES AND
10 FUNDS.]

11 Subdivision 1. [DISSOLUTION REQUIRED.] A political
12 committee, political fund, or principal campaign committee must
13 be dissolved within 60 days after receiving notice from the
14 board that the committee or fund has become inactive. The
15 assets of the committee or fund must be spent for the purposes
16 authorized by section 211B.12 and other applicable law or
17 liquidated and deposited in the general fund within 60 days
18 after the board notifies the committee or fund that it has
19 become inactive.

20 Subd. 2. [INACTIVITY DEFINED.] (a) A principal campaign
21 committee becomes inactive on the later of the following dates:

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

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

29 (b) A political committee or fund becomes inactive when two
30 years have elapsed since the end of a reporting period during
31 which the political committee or fund made an expenditure or
32 disbursement requiring disclosure under this chapter.

33 Subd. 3. [REMAINING DEBTS.] If a committee or fund becomes
34 inactive when it still has unpaid debts, the committee or fund
35 must liquidate available assets to pay the debts. If
36 insufficient assets exist to pay the debts, the board may set up

1 a payment schedule and allow the committee or fund to defer
2 dissolution until all debts are paid. This section does not
3 extinguish debts incurred by the committee or fund.

4 Sec. 40. [10B.27] [DISSOLUTION OR TERMINATION.]

5 Subdivision 1. [TERMINATION REPORT.] A political
6 committee, political fund, principal campaign committee, or
7 party unit may not dissolve until it has settled all of its
8 debts and disposed of all its assets in excess of \$100 and filed
9 a termination report. "Assets" include credit balances at
10 vendors and physical assets such as computers and postage
11 stamps. Physical assets must be listed at their fair market
12 value. The termination report may be made at any time and must
13 include all information required in periodic reports.

14 Subd. 2. [TERMINATION ALLOWED.] Notwithstanding
15 subdivision 1, a committee, fund, or party unit that has debts
16 incurred more than six years previously, has disposed of all its
17 assets, and has met the requirements of section 10B.12,
18 subdivision 11, may notify any remaining creditors by certified
19 mail and then file a termination report.

20 Sec. 41. [10B.28] [TRANSFER OF DEBTS.]

21 Notwithstanding section 10B.27, a candidate may terminate
22 the candidate's principal campaign committee for one state
23 office by transferring any debts of that committee to the
24 candidate's principal campaign committee for another state
25 office if all outstanding unpaid bills or loans from the
26 committee being terminated are assumed and continuously reported
27 by the committee to which the transfer is being made until paid
28 or forgiven. A loan that is forgiven is covered by section
29 10B.12 and, for purposes of section 10B.23, is a contribution to
30 the principal campaign committee from which the debt was
31 transferred under this section.

32 Sec. 42. Minnesota Statutes 2004, section 129D.13, is
33 amended by adding a subdivision to read:

34 Subd. 5. [FREE TIME FOR POLITICAL CANDIDATES.] A station
35 that receives a grant under this section must make available
36 free time to each political candidate who has been designated by

1 the campaign finance and public disclosure board as
2 participating in the public subsidy program under section
3 10B.22. The amount of free time is 30 minutes each election
4 cycle for a candidate for state constitutional officer and 60
5 seconds each election cycle for a candidate for the
6 legislature. The free time for a candidate for state
7 constitutional officer or video clip must be broadcast time.
8 The free time for a candidate for the legislature may be either
9 broadcast time or an archived video clip on the station's Web
10 site. The broadcast or video clip must include only the
11 candidate speaking in the candidate's own voice.

12 Sec. 43. Minnesota Statutes 2004, section 129D.14, is
13 amended by adding a subdivision to read:

14 Subd. 7. [FREE TIME FOR POLITICAL CANDIDATES.] A station
15 that receives a grant under this section must make available
16 free time to each political candidate who has been designated by
17 the campaign finance and public disclosure board as
18 participating in the public subsidy program under section
19 10B.22. The amount of free time is 30 minutes each election
20 cycle for a candidate for state constitutional officer and 60
21 seconds each election cycle for a candidate for the
22 legislature. The free time for a candidate for state
23 constitutional officer or audio clip must be broadcast time.
24 The free time for a candidate for the legislature may be either
25 broadcast time or an archived audio clip on the station's Web
26 site. The broadcast or audio clip must include only the
27 candidate speaking in the candidate's own voice.

28 Sec. 44. Minnesota Statutes 2004, section 204B.11,
29 subdivision 1, is amended to read:

30 Subdivision 1. [AMOUNT; DISHONORED CHECKS; CONSEQUENCES.]
31 Except as provided by subdivision 2, a filing fee shall be paid
32 by each candidate who files an affidavit of candidacy. The fee
33 shall be paid at the time the affidavit is filed. The amount of
34 the filing fee shall vary with the office sought as follows:

35 (a) for the office of governor, lieutenant governor,
36 attorney general, state auditor, secretary of state,

1 representative in Congress, judge of the Supreme Court, judge of
2 the Court of Appeals, or judge of the district court, \$300;

3 (b) for the office of senator in Congress, \$400;

4 (c) for office of senator or representative in the
5 legislature, \$100;

6 (d) for a county office, \$50; and

7 (e) for the office of soil and water conservation district
8 supervisor, \$20.

9 For a candidate who has raised the necessary qualifying
10 contributions and been designated by the campaign finance and
11 public disclosure board under section 10B.22 as participating in
12 the public subsidy program, no filing fee is required.

13 For the office of presidential elector, and for those
14 offices for which no compensation is provided, no filing fee is
15 required.

16 The filing fees received by the county auditor shall
17 immediately be paid to the county treasurer. The filing fees
18 received by the secretary of state shall immediately be paid to
19 the commissioner of finance.

20 When an affidavit of candidacy has been filed with the
21 appropriate filing officer and the requisite filing fee has been
22 paid, the filing fee shall not be refunded. If a candidate's
23 filing fee is paid with a check, draft, or similar negotiable
24 instrument for which sufficient funds are not available or that
25 is dishonored, notice to the candidate of the worthless
26 instrument must be sent by the filing officer via registered
27 mail no later than immediately upon the closing of the filing
28 deadline with return receipt requested. The candidate will have
29 five days from the time the filing officer receives proof of
30 receipt to issue a check or other instrument for which
31 sufficient funds are available. The candidate issuing the
32 worthless instrument is liable for a service charge pursuant to
33 section 604.113. If adequate payment is not made, the name of
34 the candidate must not appear on any official ballot and the
35 candidate is liable for all costs incurred by election officials
36 in removing the name from the ballot.

1 Sec. 45. [204B.275] [VOTER'S GUIDE.]

2 Subdivision 1. [GUIDE REQUIRED.] At least 21 days before
3 the state primary and the state general election, the secretary
4 of state shall publish a voter's guide. The secretary of state
5 shall mail the voter's guide to every household in the state and
6 then publish the guide on the secretary of state's Web site.

7 Subd. 2. [GENERAL INFORMATION.] The voter's guide must
8 include general voter information, including: requirements for
9 voter eligibility; procedures for voter registration; day and
10 date of election and hours to vote; information on how to find
11 the location of the voter's correct polling place; information
12 on procedures for obtaining application forms for voting by
13 absentee ballot; information on assistance available to persons
14 with disabilities and the right to time off from work to vote;
15 maps of election districts and telephone numbers of state and
16 county election officials; information about the political
17 contribution refund program; and street address, telephone
18 number, and Web site for the campaign finance and public
19 disclosure board.

20 Subd. 3. [POLITICAL PARTY INFORMATION.] The voter's guide
21 must include political party information, including: the name
22 of each political party that has a candidate on the ballot in
23 any partisan state or federal race; a summary of each party's
24 basic purpose, written and authorized by the party in 250 words
25 or less; and mailing address, telephone number, and Web site of
26 each state party headquarters.

27 Subd. 4. [ELECTED OFFICE INFORMATION.] The voter's guide
28 must include elected office information, including: each state
29 and federal office to which candidates are to be nominated or
30 elected at the current election; requirements and procedures to
31 get on the ballot for each office; eligibility requirements and
32 salary for each office; duties and responsibilities of each
33 office; length of term for each office and number of terms
34 allowed; street address, telephone number, and Web site of the
35 office (if available); and name of current office holder and
36 number of terms served.

1 Subd. 5. [CANDIDATE INFORMATION.] The voter's guide must
2 include candidate information for all state and federal offices
3 to which candidates are to be nominated or elected, including
4 the following:

5 (1) candidates listed in alphabetical order after the
6 description of the office they are seeking;

7 (2) biographical information on each candidate provided by
8 the candidate, not to exceed 50 words, and including political
9 party affiliation (if running for partisan office), date of
10 birth, number of years living in this state, current city or
11 town of residence, current occupation, occupational background,
12 educational background, experience with civic organizations,
13 awards, and prior government experience;

14 (3) a candidate photo if provided by the candidate;

15 (4) a candidate statement for partisan offices only, if
16 provided by the candidate and not to exceed 250 words; and

17 (5) address, telephone number, and Web site for the
18 candidate's campaign.

19 Subd. 6. [CONSTITUTIONAL AMENDMENTS.] The voter's guide
20 must include proposed constitutional amendment information,
21 including: requirements and procedures to get an amendment on
22 the ballot; a summary of each proposed amendment written by the
23 chief house and senate authors of the legislation proposing the
24 amendment and not to exceed 100 words; the estimated cost of the
25 proposed amendment determined by an independent financial
26 analyst secured by the secretary of state; one statement in
27 favor of and one statement against the amendment, not to exceed
28 250 words each, and names of individuals or organizations
29 writing or supporting those arguments; and the full text of the
30 proposed amendment. To obtain arguments for and against an
31 amendment, the secretary of state shall request the arguments
32 from the public 120 days before the general election. The
33 amendment's legislative authors may write a statement in support
34 of their amendment, or may select from those submitted to the
35 secretary of state. The secretary of state shall select the
36 most persuasive statement against the amendment.

1 Subd. 7. [FORMS.] The secretary of state or county auditor
2 shall provide each person filing an affidavit of candidacy for
3 state or federal office with blank forms and instructions to be
4 used by the candidates to submit information for the voter's
5 guide. Candidates must submit information for the voter's guide
6 to the secretary of state no later than six weeks before the
7 state primary election. The secretary of state shall not edit
8 any of the material submitted by a candidate. The secretary of
9 state shall provide the candidates an opportunity to review
10 their own submitted material before publication.

11 Subd. 8. [REJECTION OF STATEMENT.] The secretary of state
12 must reject and immediately return to the candidate any
13 statement that exceeds the word limit provided in this section
14 or that contains obscene or defamatory language, or contains any
15 language that may not be legally circulated through the mail.
16 No later than five business days after the rejection of any
17 material submitted by a candidate, an appeal of the decision of
18 the secretary of state may be made to the board of review. The
19 board of review consists of one member appointed by each of the
20 following: the governor, speaker of the house, house minority
21 leader, senate majority leader, and senate minority leader. The
22 decision of the board in any appeal made as provided in this
23 subdivision is final. Nothing in this section exempts the
24 author of the material submitted to the secretary of state from
25 any civil or criminal action for defamation or fraud. The
26 person writing, signing, or offering a statement to the
27 secretary of state is deemed its author and publisher.

28 Subd. 9. [COST.] The cost of producing the voter's guide
29 must be paid from appropriations made to the secretary of state
30 from the state elections campaign fund.

31 Sec. 46. Minnesota Statutes 2004, section 211A.13, is
32 amended to read:

33 211A.13 [PROHIBITED TRANSFERS.]

34 A candidate for political subdivision office must not
35 accept contributions from the principal campaign committee of a
36 candidate as defined in section ~~10A.01~~ 10B.01, subdivision 34

1 8. A candidate for political subdivision office must not make
 2 contributions to a principal campaign committee, unless the
 3 contribution is made from the personal funds of the candidate
 4 for political subdivision office.

5 Sec. 47. Minnesota Statutes 2004, section 211B.12, is
 6 amended to read:

7 211B.12 [LEGAL EXPENDITURES.]

8 Use of money collected for political purposes is prohibited
 9 unless the use is reasonably related to the conduct of election
 10 campaigns, or is a noncampaign disbursement as defined in
 11 section ~~10A.01~~ 10B.01, subdivision ~~26~~ 20. The following are
 12 permitted expenditures when made for political purposes:

- 13 (1) salaries, wages, and fees;
 14 (2) communications, mailing, transportation, and travel;
 15 (3) campaign advertising;
 16 (4) printing;
 17 (5) office and other space and necessary equipment,
 18 furnishings, and incidental supplies;
 19 (6) charitable contributions of not more than \$50 to any
 20 charity annually; and
 21 (7) other expenses, not included in clauses (1) to (6),
 22 that are reasonably related to the conduct of election campaigns.
 23 In addition, expenditures made for the purpose of providing
 24 information to constituents, whether or not related to the
 25 conduct of an election, are permitted expenses. Money collected
 26 for political purposes and assets of a political committee or
 27 political fund may not be converted to personal use.

28 Sec. 48. Minnesota Statutes 2004, section 211B.15,
 29 subdivision 16, is amended to read:

30 Subd. 16. [EMPLOYEE POLITICAL FUND SOLICITATION.] Any
 31 solicitation of political contributions by an employee must be
 32 in writing, informational and nonpartisan in nature, and not
 33 promotional for any particular candidate or group of
 34 candidates. The solicitation must consist only of a general
 35 request on behalf of ~~an independent political committee~~ a
 36 conduit fund, and as defined in section 10B.01, subdivision 9,

1 and must state that there is no minimum contribution, that a
2 contribution or lack thereof will in no way impact the
3 employee's employment, that the employee must direct the
4 contribution to candidates of the employee's choice, and that
5 any response by the employee shall remain confidential and shall
6 not be directed to the employee's supervisors or managers.
7 Questions from an employee regarding a solicitation may be
8 answered orally or in writing consistent with the above
9 requirements. Nothing in this subdivision authorizes a
10 corporate donation of an employee's time prohibited under
11 subdivision 2.

12 Sec. 49. [211B.22] [PARTICIPATING CANDIDATE CAMPAIGN
13 MATERIAL.]

14 A candidate may not claim in any campaign material or
15 communication to be a "participating candidate" unless the
16 candidate has been designated a participating candidate by the
17 campaign finance and public disclosure board under section
18 10B.22 for participating in the public subsidy program.

19 Sec. 50. Minnesota Statutes 2004, section 290.191,
20 subdivision 5, is amended to read:

21 Subd. 5. [DETERMINATION OF SALES FACTOR.] For purposes of
22 this section, the following rules apply in determining the sales
23 factor.

24 (a) The sales factor includes all sales, gross earnings, or
25 receipts received in the ordinary course of the business, except
26 that the following types of income are not included in the sales
27 factor:

28 (1) interest;

29 (2) dividends;

30 (3) sales of capital assets as defined in section 1221 of
31 the Internal Revenue Code;

32 (4) sales of property used in the trade or business, except
33 sales of leased property of a type which is regularly sold as
34 well as leased;

35 (5) sales of debt instruments as defined in section
36 1275(a)(1) of the Internal Revenue Code or sales of stock; and

1 (6) royalties, fees, or other like income of a type which
2 qualify for a subtraction from federal taxable income under
3 section 290.01, subdivision 19d(10).

4 (b) Sales of tangible personal property are made within
5 this state if the property is received by a purchaser at a point
6 within this state, and the taxpayer is taxable in this state,
7 regardless of the f.o.b. point, other conditions of the sale, or
8 the ultimate destination of the property.

9 (c) Tangible personal property delivered to a common or
10 contract carrier or foreign vessel for delivery to a purchaser
11 in another state or nation is a sale in that state or nation,
12 regardless of f.o.b. point or other conditions of the sale. If
13 the taxpayer is not taxable in the state of the delivery and the
14 property is shipped from an office, factory, warehouse, or other
15 place of storage in this state, sales of tangible personal
16 property outside this state are attributed to this state
17 regardless of the terms of shipping, delivery, or other
18 conditions of sale.

19 (d) Notwithstanding paragraphs (b) and (c), when
20 intoxicating liquor, wine, fermented malt beverages, cigarettes,
21 or tobacco products are sold to a purchaser who is licensed by a
22 state or political subdivision to resell this property only
23 within the state of ultimate destination, the sale is made in
24 that state.

25 (e) Sales made by or through a corporation that is
26 qualified as a domestic international sales corporation under
27 section 992 of the Internal Revenue Code are not considered to
28 have been made within this state.

29 (f) Sales, rents, royalties, and other income in connection
30 with real property is attributed to the state in which the
31 property is located.

32 (g) Receipts from the lease or rental of tangible personal
33 property, including finance leases and true leases, must be
34 attributed to this state if the property is located in this
35 state and to other states if the property is not located in this
36 state. Receipts from the lease or rental of moving property

1 including, but not limited to, motor vehicles, rolling stock,
2 aircraft, vessels, or mobile equipment are included in the
3 numerator of the receipts factor to the extent that the property
4 is used in this state. The extent of the use of moving property
5 is determined as follows:

6 (1) A motor vehicle is used wholly in the state in which it
7 is registered.

8 (2) The extent that rolling stock is used in this state is
9 determined by multiplying the receipts from the lease or rental
10 of the rolling stock by a fraction, the numerator of which is
11 the miles traveled within this state by the leased or rented
12 rolling stock and the denominator of which is the total miles
13 traveled by the leased or rented rolling stock.

14 (3) The extent that an aircraft is used in this state is
15 determined by multiplying the receipts from the lease or rental
16 of the aircraft by a fraction, the numerator of which is the
17 number of landings of the aircraft in this state and the
18 denominator of which is the total number of landings of the
19 aircraft.

20 (4) The extent that a vessel, mobile equipment, or other
21 mobile property is used in the state is determined by
22 multiplying the receipts from the lease or rental of the
23 property by a fraction, the numerator of which is the number of
24 days during the taxable year the property was in this state and
25 the denominator of which is the total days in the taxable year.

26 (h) Royalties and other income not described in paragraph
27 (a), clause (6), received for the use of or for the privilege of
28 using intangible property, including patents, know-how,
29 formulas, designs, processes, patterns, copyrights, trade names,
30 service names, franchises, licenses, contracts, customer lists,
31 or similar items, must be attributed to the state in which the
32 property is used by the purchaser. If the property is used in
33 more than one state, the royalties or other income must be
34 apportioned to this state pro rata according to the portion of
35 use in this state. If the portion of use in this state cannot
36 be determined, the royalties or other income must be excluded

1 from both the numerator and the denominator. Intangible
2 property is used in this state if the purchaser uses the
3 intangible property or the rights therein in the regular course
4 of its business operations in this state, regardless of the
5 location of the purchaser's customers.

6 (i) Sales of intangible property are made within the state
7 in which the property is used by the purchaser. If the property
8 is used in more than one state, the sales must be apportioned to
9 this state pro rata according to the portion of use in this
10 state. If the portion of use in this state cannot be
11 determined, the sale must be excluded from both the numerator
12 and the denominator of the sales factor. Intangible property is
13 used in this state if the purchaser used the intangible property
14 in the regular course of its business operations in this state.

15 (j) Receipts from the performance of services must be
16 attributed to the state where the services are received. For
17 the purposes of this section, receipts from the performance of
18 services provided to a corporation, partnership, or trust may
19 only be attributed to a state where it has a fixed place of
20 doing business. If the state where the services are received is
21 not readily determinable or is a state where the corporation,
22 partnership, or trust receiving the service does not have a
23 fixed place of doing business, the services shall be deemed to
24 be received at the location of the office of the customer from
25 which the services were ordered in the regular course of the
26 customer's trade or business. If the ordering office cannot be
27 determined, the services shall be deemed to be received at the
28 office of the customer to which the services are billed. If the
29 taxpayer is not taxable in the state of the purchaser, the sale
30 is attributed to this state if the greater proportion of the
31 service is performed in this state.

32 [EFFECTIVE DATE.] This section is effective for taxable
33 years beginning after December 31, 2004.

34 Sec. 51. Minnesota Statutes 2004, section 340A.404,
35 subdivision 10, is amended to read:

36 Subd. 10. [TEMPORARY ON-SALE LICENSES.] The governing body

1 of a municipality may issue to (1) a club or charitable,
2 religious, or other nonprofit organization in existence for at
3 least three years, (2) a political committee registered under
4 section ~~10A.14~~ 10B.07, or (3) a state university, a temporary
5 license for the on-sale of intoxicating liquor in connection
6 with a social event within the municipality sponsored by the
7 licensee. The license may authorize the on-sale of intoxicating
8 liquor for not more than four consecutive days, and may
9 authorize on-sales on premises other than premises the licensee
10 owns or permanently occupies. The license may provide that the
11 licensee may contract for intoxicating liquor catering services
12 with the holder of a full-year on-sale intoxicating liquor
13 license issued by any municipality. The licenses are subject to
14 the terms, including a license fee, imposed by the issuing
15 municipality. Licenses issued under this subdivision are
16 subject to all laws and ordinances governing the sale of
17 intoxicating liquor except sections 340A.409 and 340A.504,
18 subdivision 3, paragraph (d), and those laws and ordinances
19 which by their nature are not applicable. Licenses under this
20 subdivision are not valid unless first approved by the
21 commissioner of public safety.

22 A county under this section may issue a temporary license
23 only to a premises located in the unincorporated or unorganized
24 territory of the county.

25 Sec. 52. Minnesota Statutes 2004, section 353.03,
26 subdivision 1, is amended to read:

27 Subdivision 1. [MANAGEMENT; COMPOSITION; ELECTION.] The
28 management of the public employees retirement fund is vested in
29 an 11-member board of trustees consisting of ten members and the
30 state auditor who may designate a deputy auditor with expertise
31 in pension matters as the auditor's representative on the
32 board. The governor shall appoint five trustees to four-year
33 terms, one of whom shall be designated to represent school
34 boards, one to represent cities, one to represent counties, one
35 who is a retired annuitant, and one who is a public member
36 knowledgeable in pension matters. The membership of the

1 association, including recipients of retirement annuities and
2 disability and survivor benefits, shall elect five trustees, one
3 of whom must be a member of the police and fire fund and one of
4 whom must be a former member who met the definition of public
5 employee under section 353.01, subdivisions 2 and 2a, for at
6 least five years prior to terminating membership or a member who
7 receives a disability benefit, for terms of four years. Except
8 as provided in this subdivision, trustees elected by the
9 membership of the association must be public employees and
10 members of the association. For seven days beginning October 1
11 of each year preceding a year in which an election is held, the
12 association shall accept at its office filings in person or by
13 mail of candidates for the board of trustees. A candidate shall
14 submit at the time of filing a nominating petition signed by 25
15 or more members of the fund. No name may be withdrawn from
16 nomination by the nominee after October 15. At the request of a
17 candidate for an elected position on the board of trustees, the
18 board shall mail a statement of up to 300 words prepared by the
19 candidate to all persons eligible to vote in the election of the
20 candidate. The board may adopt policies to govern form and
21 length of these statements, timing of mailings, and deadlines
22 for submitting materials to be mailed. These policies must be
23 approved by the secretary of state. The secretary of state
24 shall resolve disputes between the board and a candidate
25 concerning application of these policies to a particular
26 statement. A candidate who:

27 (1) receives contributions or makes expenditures in excess
28 of \$100; or

29 (2) has given implicit or explicit consent for any other
30 person to receive contributions or make expenditures in excess
31 of \$100 for the purpose of bringing about the candidate's
32 election, shall file a report with the campaign finance and
33 public disclosure board disclosing the source and amount of all
34 contributions to the candidate's campaign. The campaign finance
35 and public disclosure board shall prescribe forms governing
36 these disclosures. Expenditures and contributions have the

1 meaning defined in section ~~10A.01~~ 10B.01. These terms do not
2 include the mailing made by the association board on behalf of
3 the candidate. A candidate shall file a report within 30 days
4 from the day that the results of the election are announced.
5 The Campaign Finance and Public Disclosure Board shall maintain
6 these reports and make them available for public inspection in
7 the same manner as the board maintains and makes available other
8 reports filed with it. By January 10 of each year in which
9 elections are to be held the board shall distribute by mail to
10 the members ballots listing the candidates. No member may vote
11 for more than one candidate for each board position to be
12 filled. A ballot indicating a vote for more than one person for
13 any position is void. No special marking may be used on the
14 ballot to indicate incumbents. The last day for mailing ballots
15 to the fund is January 31. Terms expire on January 31 of the
16 fourth year, and positions are vacant until newly elected
17 members are qualified. The ballot envelopes must be so designed
18 and the ballots counted in a manner that ensures that each vote
19 is secret.

20 The secretary of state shall supervise the elections. The
21 board of trustees and the executive director shall undertake
22 their activities consistent with chapter 356A.

23 Sec. 53. Minnesota Statutes 2004, section 383B.042,
24 subdivision 5, is amended to read:

25 Subd. 5. "Candidate" means an individual, not within the
26 definition of candidate of section ~~10A.01~~ 10B.01, subdivision ~~10~~
27 8, who seeks nomination or election to any county office in
28 Hennepin County, to any city office in any home rule charter
29 city or statutory city located wholly within Hennepin County and
30 having a population of 75,000 or more or to the school board of
31 Special School District No. 1, Minneapolis.

32 Sec. 54. [TRANSITION.]

33 Subdivision 1. [ELECTION CYCLE.] Notwithstanding Minnesota
34 Statutes, section 10B.01, subdivision 14, the first election
35 cycle begins on the effective date of Minnesota Statutes,
36 section 10B.13, and concludes on December 31 following the next

1 general election for the office.

2 Subd. 2. [CONTRIBUTION LIMITS.] Contributions to a
3 candidate that were made before the effective date of Minnesota
4 Statutes, section 10B.13, and were lawful when made need not be
5 refunded, even though they exceed the new limits on
6 contributions in Minnesota Statutes, section 10B.13.

7 Subd. 3. [EXPENDITURE LIMITS.] All spending limit
8 agreements filed with the campaign finance and public disclosure
9 board before the effective date of Minnesota Statutes, section
10 10B.19, become void on that date and all eligibility for
11 continued public subsidies under Minnesota Statutes, chapter 10A
12 or 290, is ended on that date. The new expenditure limits and
13 eligibility for a public subsidy under this act apply to
14 candidates who sign and file with the campaign finance and
15 public disclosure board a new spending limit agreement under
16 Minnesota Statutes, section 10B.19, on or after its effective
17 date.

18 Subd. 4. [CARRYFORWARD.] The carryforward limitations in
19 Minnesota Statutes, section 10B.24, apply to assets on hand on
20 the effective date of that section, except that capital assets
21 of a principal campaign committee acquired more than 90 days
22 before the effective date of Minnesota Statutes, section 10B.24,
23 may be carried forward to the first election cycle under this
24 act without limit on their value.

25 Sec. 55. [REPEALER.]

26 Minnesota Statutes 2004, sections 10A.01, subdivisions 3,
27 4, 6, 7, 9, 10, 11, 12, 13, 15, 16, 17, 18, 20, 23, 25, 26, 27,
28 28, 29, 30, 32, 34, and 36; 10A.105; 10A.11; 10A.12; 10A.13;
29 10A.14; 10A.15; 10A.16; 10A.17; 10A.18; 10A.20; 10A.24; 10A.241;
30 10A.242; 10A.25; 10A.255; 10A.257; 10A.27; 10A.273; 10A.275;
31 10A.28; 10A.29; 10A.30; 10A.31; 10A.315; 10A.321; 10A.322;
32 10A.323; 10A.324; and 290.06, subdivision 23, are repealed.

33 Sec. 56. [INSTRUCTION TO REVISOR.]

34 In the next edition of Minnesota Statutes, the revisor of
35 statutes must note that the sections of Minnesota Statutes
36 listed in column A have been reenacted, as amended, as the

1 sections of Minnesota Statutes listed in column B, as follows:

	<u>Column A</u>	<u>Column B</u>
2		
3	<u>10A.01, subd. 3</u>	<u>10B.01, subd. 2</u>
4	<u>subd. 4</u>	<u>subd. 3</u>
5	<u>subd. 6</u>	<u>subd. 4</u>
6	<u>subd. 7</u>	<u>subd. 5</u>
7	<u>subd. 9</u>	<u>subd. 7</u>
8	<u>subd. 10</u>	<u>subd. 8</u>
9	<u>subd. 10a</u>	<u>subd. 9</u>
10	<u>subd. 11</u>	<u>subd. 10</u>
11	<u>subd. 12</u>	<u>subd. 11</u>
12	<u>subd. 13</u>	<u>subd. 12</u>
13	<u>subd. 15</u>	<u>subd. 13</u>
14	<u>subd. 16</u>	<u>subd. 14</u>
15	<u>subd. 17</u>	<u>subd. 15</u>
16	<u>subd. 18</u>	<u>subd. 16</u>
17	<u>subd. 20</u>	<u>subd. 17</u>
18	<u>subd. 23</u>	<u>subd. 18</u>
19	<u>subd. 25</u>	<u>subd. 19</u>
20	<u>subd. 26</u>	<u>subd. 20</u>
21	<u>subd. 27</u>	<u>subd. 21</u>
22	<u>subd. 28</u>	<u>subd. 22</u>
23	<u>subd. 29</u>	<u>subd. 23</u>
24	<u>subd. 30</u>	<u>subd. 24</u>
25	<u>subd. 32</u>	<u>subd. 25</u>
26	<u>subd. 34</u>	<u>subd. 26</u>
27	<u>subd. 36</u>	<u>subd. 27</u>
28	<u>10A.105</u>	<u>10B.02</u>
29	<u>10A.11</u>	<u>10B.03</u>
30	<u>10A.12</u>	<u>10B.04</u>
31	<u>10A.13</u>	<u>10B.06</u>
32	<u>10A.14</u>	<u>10B.07</u>
33	<u>10A.15</u>	<u>10B.08</u>
34	<u>10A.16</u>	<u>10B.09</u>
35	<u>10A.17</u>	<u>10B.10</u>
36	<u>10A.18</u>	<u>10B.11</u>

1	<u>10A.20</u>	<u>10B.12</u>
2	<u>10A.24</u>	<u>10B.27</u>
3	<u>10A.241</u>	<u>10B.28</u>
4	<u>10A.242</u>	<u>10B.26</u>
5	<u>10A.25</u>	<u>10B.17</u>
6	<u>10A.255</u>	<u>10B.22, subd. 3</u>
7	<u>10A.257</u>	<u>10B.24</u>
8	<u>10A.27</u>	<u>10B.13</u>
9	<u>10A.273</u>	<u>10B.14</u>
10	<u>10A.275</u>	<u>10B.19</u>
11	<u>10A.28, subd. 1</u>	<u>10B.25, subd. 2</u>
12	<u>subd. 2</u>	<u>subd. 1</u>
13	<u>subd. 3</u>	<u>subd. 3</u>
14	<u>subd. 4</u>	<u>subd. 4</u>
15	<u>10A.29</u>	<u>10B.15</u>
16	<u>10A.315</u>	<u>10B.22, subd. 6</u>
17	<u>10A.322</u>	<u>10B.19</u>
18	<u>10A.323</u>	<u>10B.20</u>
19	<u>10A.324</u>	<u>10B.23</u>
20	<u>290.06, subd. 23</u>	<u>10B.16</u>
21	Sec. 57. [EFFECTIVE DATE.]	
22	<u>Except as otherwise provided, this act is effective August</u>	
23	<u>1, 2005.</u>	

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10A.01 DEFINITIONS.

Subd. 3. **Advance of credit.** "Advance of credit" means any money owed for goods provided or services rendered. "Advance of credit" does not mean a loan as defined in subdivision 21.

Subd. 4. **Approved expenditure.** "Approved expenditure" means an expenditure made on behalf of a candidate by an entity other than the principal campaign committee of the candidate, if the 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 the candidate, the candidate's principal campaign committee, or the candidate's agent. An approved expenditure is a contribution to that candidate.

Subd. 6. **Association.** "Association" means a group of two or more persons, who are not all members of an immediate family, acting in concert.

Subd. 7. **Ballot question.** "Ballot question" means a question or proposition that is placed on the ballot and that 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. 9. **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 (1), "expenditure" includes the dollar value of a donation in kind.

"Expenditure" does not include:

- (1) noncampaign disbursements as defined in subdivision 26;
- (2) services provided without compensation by an individual volunteering personal time on behalf of a candidate, ballot question, political committee, political fund, principal campaign committee, or party unit; or
- (3) the publishing or broadcasting of news items or editorial comments by the news media.

Subd. 10. **Candidate.** "Candidate" means an individual who seeks nomination or election as a state constitutional officer, legislator, or judge. An individual is deemed to seek nomination or election if the individual has taken the action necessary under the law of this state 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. 11. **Contribution.** (a) "Contribution" means money, a negotiable instrument, or a donation in kind that is given to a political committee, political fund, principal

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campaign committee, or party unit.

(b) "Contribution" includes a loan or advance of credit to a political committee, political fund, principal campaign committee, or party unit, if the loan or advance of credit is: (1) forgiven; or (2) repaid by an individual or an association other than the political committee, political fund, principal campaign committee, or party unit to which the loan or advance of credit was made. If an advance of credit or a loan is forgiven or repaid as provided in this paragraph, it is a contribution in the year in which the loan or advance of credit was made.

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

Subd. 12. Depository. "Depository" means a bank, savings association, or credit union organized under federal or state law and transacting business within this state.

Subd. 13. Donation in kind. "Donation in kind" means anything of value that is given, other than money or negotiable instruments. An approved expenditure is a donation in kind.

Subd. 15. Election. "Election" means a primary, special primary, general, or special election.

Subd. 16. Election cycle. "Election cycle" means the period from January 1 following a general election for an office to December 31 following the next general election for that office, except that "election cycle" for a special election means the period from the date the special election writ is issued to 60 days after the special election is held.

Subd. 17. Financial institution. "Financial institution" means a lending institution chartered by an agency of the federal government or regulated by the commissioner of commerce.

Subd. 18. Independent expenditure. "Independent expenditure" means an expenditure expressly advocating the election or defeat of a clearly identified candidate, if the 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. An expenditure by a political party or political party unit in a race where the political party has a candidate on the ballot is not an independent expenditure.

Subd. 20. Loan. "Loan" means an advance of money or anything of value made to a political committee, political fund, principal campaign committee, or party unit.

Subd. 23. Major political party. "Major political party" means a major political party as defined in section 200.02, subdivision 7.

Subd. 25. Minor political party. "Minor political party" means a minor political party as defined in section 200.02, subdivision 23.

Subd. 26. Noncampaign disbursement. "Noncampaign disbursement" means a purchase or payment of money or anything of value made, or an advance of credit incurred, or a donation in kind received, by a principal campaign committee for any of

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the following purposes:

- (1) payment for accounting and legal services;
- (2) return of a contribution to the source;
- (3) repayment of a loan made to the principal campaign committee by that committee;
- (4) return of a public subsidy;
- (5) payment for food, beverages, entertainment, and facility rental for a fund-raising event;
- (6) 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 adjournment sine die of the legislature in the election year for the office held, and half the cost of services for a constituent by a member of the legislature or a constitutional officer in the executive branch performed from adjournment sine die to 60 days after adjournment sine die;
- (7) payment for food and beverages provided to campaign volunteers while they are engaged in campaign activities;
- (8) payment of expenses incurred by elected or appointed leaders of a legislative caucus in carrying out their leadership responsibilities;
- (9) payment by a principal campaign committee of the candidate's expenses for serving in public office, other than for personal uses;
- (10) costs of child care for the candidate's children when campaigning;
- (11) fees paid to attend a campaign school;
- (12) costs of a postelection party during the election year when a candidate's name will no longer appear on a ballot or the general election is concluded, whichever occurs first;
- (13) interest on loans paid by a principal campaign committee on outstanding loans;
- (14) filing fees;
- (15) post-general election thank-you notes or advertisements in the news media;
- (16) the cost of campaign material purchased to replace defective campaign material, if the defective material is destroyed without being used;
- (17) contributions to a party unit; and
- (18) other purchases or payments specified in board rules or advisory opinions as being for any purpose other than to influence the nomination or election of a candidate or to promote or defeat a ballot question.

The board must determine whether an activity involves a noncampaign disbursement within the meaning of this subdivision.

A noncampaign disbursement 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.

Subd. 27. Political committee. "Political committee" means an association whose major purpose is to influence the nomination or election of a candidate or to promote or defeat a ballot question, other than a principal campaign committee or a political party unit.

Subd. 28. Political fund. "Political fund" means an accumulation of dues or voluntary contributions by an association other than a political committee, principal campaign committee, or party unit, if the accumulation is collected or expended to influence the nomination or election of a candidate or to promote or defeat a ballot question.

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Subd. 29. **Political party.** "Political party" means a major political party or a minor political party. A political party is the aggregate of all its political party units in this state.

Subd. 30. **Political party unit or party unit.** "Political party unit" or "party unit" means the state committee or the party organization within a house of the legislature, congressional district, county, legislative district, municipality, or precinct.

Subd. 32. **Population.** "Population" means the population established by the most recent federal census, by a special census taken by the United States Bureau of the Census, by an estimate made by the Metropolitan Council, or by an estimate made by the state demographer under section 4A.02, whichever has the latest stated date of count or estimate.

Subd. 34. **Principal campaign committee.** "Principal campaign committee" means a principal campaign committee formed under section 10A.105.

Subd. 36. **State committee.** "State committee" means the organization that, 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.

10A.105 PRINCIPAL CAMPAIGN COMMITTEE.

Subdivision 1. **Single committee.** A candidate must not accept contributions from a source, other than self, in aggregate in excess of \$100 or accept a public subsidy unless the candidate designates and causes to be formed a single principal campaign committee for each office sought. A candidate may not authorize, designate, or cause to be formed any other political committee bearing the candidate's name or title or otherwise operating under the direct or indirect control of the candidate. However, a candidate may be involved in the direct or indirect control of a party unit.

Subd. 2. **Replacement of officers.** 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.

10A.11 ORGANIZATION OF COMMITTEES AND PARTY UNITS.

Subdivision 1. **Chair and treasurer.** A political committee, principal campaign committee, or party unit must have a chair and a treasurer. The chair and treasurer may be the same individual.

Subd. 2. **Treasurer vacancy.** A political committee, principal campaign committee, or party unit may not accept a contribution or make an expenditure or permit an expenditure to be made on its behalf while the office of treasurer is vacant.

Subd. 3. **Deputy treasurers.** The treasurer of a political committee, principal campaign committee, or party unit may appoint as many deputy treasurers as necessary and is responsible for their accounts.

Subd. 4. **Depositories.** The treasurer of a political committee, principal campaign committee, or party unit may designate one or two depositories in each county in which a campaign is conducted.

Subd. 5. **Commingle prohibited.** A political committee, principal campaign committee, or party unit may not commingle its funds with personal funds of officers, members, or associates of the committee.

Subd. 7. **Penalty.** A person who knowingly violates

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this section is subject to a civil penalty imposed by the board of up to \$1,000.

10A.12 POLITICAL FUNDS.

Subdivision 1. **When required.** An association other than a political committee or party unit may not contribute more than \$100 in aggregate in any one year to candidates, political committees, or party units or make any approved or independent expenditure or expenditure to promote or defeat a ballot question unless the contribution or expenditure is made from a political fund.

Subd. 2. **Commingling prohibited.** The contents of a political fund may not be commingled with other funds or with the personal funds of an officer or member of the fund.

Subd. 3. **Treasurer.** An association that has a political fund must elect or appoint a treasurer of the political fund.

Subd. 4. **Treasurer vacancy.** A political fund may not accept a contribution or make an expenditure or contribution from the political fund while the office of treasurer of the political fund is vacant.

Subd. 5. **Dues or membership fees.** An association may, if not prohibited by other law, deposit in its political fund money derived from dues or membership fees. Under section 10A.20, the treasurer of the fund must disclose the name of any member whose dues, membership fees, and contributions deposited in the political fund together exceed \$100 in a year.

Subd. 6. **Penalty.** A person who knowingly violates this section is subject to a civil penalty imposed by the board of up to \$1,000.

10A.13 ACCOUNTS THAT MUST BE KEPT.

Subdivision 1. **Accounts; penalty.** The treasurer of a political committee, political fund, principal campaign committee, or party unit must keep an account of:

(1) the sum of all contributions, except any donation in kind valued at \$20 or less, made to the committee, fund, or party unit;

(2) the name and address of each source of a contribution made to the committee, fund, or party unit in excess of \$20, together with the date and amount of each;

(3) each expenditure made by the committee, fund, or party unit, together with the date and amount;

(4) each approved expenditure made on behalf of the committee, fund, or party unit, together with the date and amount; and

(5) the name and address of each political committee, political fund, principal campaign committee, or party unit to which contributions in excess of \$20 have been made, together with the date and amount.

Any individual who knowingly violates this subdivision is subject to a civil penalty imposed by the board of up to \$1,000.

Subd. 2. **Receipts.** The treasurer must obtain a receipted bill, stating the particulars, for every expenditure over \$100 made by, or approved expenditure over \$100 made on behalf of, the committee, fund, or party unit, 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 the same year exceeds \$100.

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10A.14 REGISTRATION.

Subdivision 1. **First registration.** The treasurer of a political committee, political fund, principal campaign committee, or party unit must register with the board by filing a statement of organization no later than 14 days after the committee, fund, or party unit has made a contribution, received contributions, or made expenditures in excess of \$100.

Subd. 2. **Form.** The statement of organization must include:

- (1) the name and address of the committee, fund, or party unit;
- (2) the name and address of the chair of a political committee, principal campaign committee, or party unit;
- (3) the name and address of any supporting association of a political fund;
- (4) the name and address of the treasurer and any deputy treasurers;
- (5) a listing of all depositories or safety deposit boxes used; and
- (6) for the state committee of a political party only, a list of its party units.

Subd. 4. **Failure to file; penalty.** The board must send a notice by certified mail to any individual who fails to file a statement required by this section. If the individual fails to file a statement within ten business days after the notice was sent, the board may impose a late filing fee of \$5 per day, not to exceed \$100, commencing with the 11th day after the notice was sent.

The board must send an additional notice by certified mail to any individual who fails to file a statement within 14 days after the first notice was sent by the board that the individual may be subject to a civil penalty for failure to file the report. An individual who fails to file the statement within seven days after the second notice was sent by the board is subject to a civil penalty imposed by the board of up to \$1,000.

10A.15 CONTRIBUTIONS.

Subdivision 1. **Anonymous contributions.** A political committee, political fund, principal campaign committee, or party unit may not retain an anonymous contribution in excess of \$20, but must forward it to the board for deposit in the general account of the state elections campaign fund.

Subd. 2. **Source; amount; date.** An individual who receives a contribution in excess of \$20 for a political committee, political fund, principal campaign committee, or party unit must, on demand of the treasurer, inform the treasurer of the name and, if known, the address of the source of the contribution, the amount of the contribution, and the date it was received.

Subd. 3. **Deposit.** All contributions received by or on behalf of a candidate, principal campaign committee, political committee, political fund, or party unit must be deposited in an account designated "Campaign Fund of (name of candidate, committee, fund, or party unit)." All contributions must be deposited promptly upon receipt and, except for contributions received during the last three days of a reporting period as described in section 10A.20, must be deposited during the reporting period in which they were received. A contribution received during the last three days of a reporting period must be deposited within 72 hours after

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receipt and must be reported as received during the reporting period whether or not deposited within that period. A candidate, principal campaign committee, political committee, political fund, or party unit may refuse to accept a contribution. A deposited contribution may be returned to the contributor within 60 days after deposit. A contribution deposited and not returned within 60 days after that deposit must be reported as accepted.

Subd. 3a. **Excess.** A treasurer of a principal campaign committee of a candidate may not deposit a contribution that on its face exceeds the limit on contributions to the 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 the candidate or principal campaign committee by a political fund, committee, or party unit must be reported as attributable to the political fund, committee, or party unit and count toward the contribution limits of that fund, committee, or party unit specified in section 10A.27, if the fund, committee, or party unit was organized or is operated primarily to direct contributions other than from its own money to one or more candidates or principal campaign committees. The treasurer of the political fund, committee, or party unit must advise the candidate or the candidate's principal campaign committee if the contribution or contributions are not from the money of the fund, committee, or party unit and the original source of the money. 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. 3c. **Related committees.** An individual, association, political committee, political fund, or party unit may establish, finance, maintain, or control a political committee, political fund, or party unit. One who does this is a "parent." The political committee, fund, or party unit so established, financed, maintained, or controlled is a "subsidiary." If the parent is an association, the association must create a political committee or political fund to serve as the parent for reporting purposes. A subsidiary must report its contribution to a candidate or principal campaign committee as attributable to its parent, and the contribution is counted toward the contribution limits in section 10A.27 of the parent as well as of the subsidiary.

Subd. 4. **Penalty.** An individual violating this section is subject to a civil penalty imposed by the board of up to \$1,000.

Subd. 5. **Registration number on checks.** A contribution made to a candidate by a lobbyist, political committee, political fund, or party unit must show the name of the lobbyist, political committee, political fund, or party unit and the number under which it is registered with the board.

10A.16 EARMARKING CONTRIBUTIONS PROHIBITED.

An individual, political committee, political fund, principal campaign committee, or party unit may not solicit or accept 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 other than the initial recipient. An individual, political committee, political fund,

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principal campaign committee, or party unit that knowingly accepts any earmarked contribution is guilty of a gross misdemeanor and subject to a civil penalty imposed by the board of up to \$3,000.

10A.17 EXPENDITURES.

Subdivision 1. Authorization. A political committee, political fund, principal campaign committee, or party unit may not expend money unless the expenditure is authorized by the treasurer or deputy treasurer of that committee, fund, or party unit.

Subd. 2. Written authorization. An individual or association may not make an approved expenditure of more than \$20 without receiving written authorization from the treasurer of the principal campaign committee of the candidate who approved the expenditure stating the amount that may be spent and the purpose of the expenditure.

Subd. 3. Petty cash. The treasurer or deputy treasurer of a political committee, principal campaign committee, or party unit may sign vouchers for petty cash of up to \$100 per week for statewide elections or \$20 per week for legislative elections, to be used for miscellaneous expenditures.

Subd. 3a. Personal loans. A principal campaign committee, political committee, political fund, or party unit may not lend money it has raised to anyone for purposes not related to the conduct of a campaign.

Subd. 4. Independent expenditures. An individual, political committee, political fund, principal campaign committee, or party unit that independently solicits or accepts contributions or makes independent expenditures on behalf of a candidate must publicly disclose that the expenditure is an independent 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 must contain a statement in conspicuous type that the activity is an independent expenditure and is not approved by the candidate nor is the candidate responsible for it. Similar language must 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, political fund, principal campaign committee, or party unit on the candidate's behalf.

Subd. 5. Penalty. A person who violates subdivision 2 is subject to a civil penalty imposed by the board of up to \$1,000. A person who knowingly violates subdivision 3a or 4 or falsely claims that an expenditure was an independent expenditure is guilty of a gross misdemeanor and subject to a civil penalty imposed by the board of up to \$3,000.

**10A.18 TIME FOR RENDERING BILLS, CHARGES, OR CLAIMS;
PENALTY.**

A person who has a bill, charge, or claim against a political committee, political fund, principal campaign committee, or party unit for an expenditure must render in writing to the treasurer of the committee, fund, or party unit the bill, charge, or claim within 60 days after the material or service is provided. A person who violates this section is subject to a civil penalty imposed by the board of up to \$1,000.

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10A.20 CAMPAIGN REPORTS.

Subdivision 1. **First filing; duration.** The treasurer of a political committee, political fund, principal campaign committee, or party unit must begin to file the reports required by this section in the first year it receives contributions or makes expenditures in excess of \$100 and must continue to file until the committee, fund, or party unit is terminated.

Subd. 1a. **If treasurer position is vacant.** If the position of treasurer of a principal campaign committee, political committee, political fund, or party unit is vacant, the candidate, chair of a political committee or party unit, or association officer of a political fund is responsible for filing reports required by this section.

Subd. 2. **Time for filing.** (a) The reports must be filed with the board on or before January 31 of each year and additional reports must be filed as required and in accordance with paragraphs (b) and (c).

(b) In each year in which the name of the candidate is on the ballot, the report of the principal campaign committee must be filed 15 days before a primary and ten days before a general election, seven days before a special primary and a special election, and ten days after a special election cycle.

(c) In each general election year, a political committee, political fund, or party unit must file reports 15 days before a primary and ten days before a general election.

Subd. 3. **Contents of report.** (a) The report must disclose the amount of liquid assets on hand at the beginning of the reporting period.

(b) The report must disclose the name, address, and employer, or occupation if self-employed, of each individual or association that has made one or more contributions to the reporting entity, including the purchase of tickets for a fund-raising effort, that in aggregate within the year exceed \$100 for legislative or statewide candidates or ballot questions, together with the amount and date of each contribution, and the aggregate amount of contributions within the year from each source so disclosed. A donation in kind must be disclosed at its fair market value. An approved expenditure must be 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 must be listed in alphabetical order. Contributions from the same contributor must be listed under the same name. When a contribution received from a contributor in a reporting period is added to previously reported unitemized contributions from the same contributor and the aggregate exceeds the disclosure threshold of this paragraph, the name, address, and employer, or occupation if self-employed, of the contributor must then be listed on the report.

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

(d) The report must disclose each loan made or received by the reporting entity within the year in aggregate in excess of \$100, continuously reported until repaid or forgiven, together with the name, address, occupation, and principal place of business, if any, of the lender and any endorser and the date and amount of the loan. If a loan made to the principal campaign committee of a candidate is forgiven or is repaid by an entity other than that principal campaign committee, it must be

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reported as a contribution for the year in which the loan was made.

(e) The report must disclose each receipt over \$100 during the reporting period not otherwise listed under paragraphs (b) to (d).

(f) The report must disclose the sum of all receipts of the reporting entity during the reporting period.

(g) The report must disclose 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 reporting entity 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 that the expenditure was intended to promote or defeat, and in the case of independent expenditures made in opposition to a candidate, the candidate's name, address, and office sought. A reporting entity making an expenditure on behalf of more than one candidate for state or legislative office must allocate the expenditure among the candidates on a reasonable cost basis and report the allocation for each candidate.

(h) The report must disclose the sum of all expenditures made by or on behalf of the reporting entity during the reporting period.

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

(j) The report must disclose the name and address of each political committee, political fund, principal campaign committee, or party unit to which contributions have been made that aggregate in excess of \$100 within the year and the amount and date of each contribution.

(k) The report must disclose the sum of all contributions made by the reporting entity during the reporting period.

(l) The report must disclose the name and address of each individual or association to whom noncampaign disbursements have been made that aggregate in excess of \$100 within the year by or on behalf of the reporting entity and the amount, date, and purpose of each noncampaign disbursement.

(m) The report must disclose the sum of all noncampaign disbursements made within the year by or on behalf of the reporting entity.

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

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

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Subd. 5. Preelection reports. In a statewide election any loan, contribution, or contributions from any one source totaling \$2,000 or more, or in any judicial district or legislative election totaling more than \$400, received between the last day covered in the last report before an election and the election must 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 in which the statewide or legislative candidate is unopposed.

Subd. 6. Report when no committee. A candidate who does not designate and cause to be formed a principal campaign committee and an individual who makes independent expenditures or expenditures expressly advocating the approval or defeat of a ballot question in aggregate in excess of \$100 in a year must file with the board a report containing the information required by subdivision 3. Reports required by this subdivision must be filed on the dates on which reports by committees, funds, and party units are filed.

Subd. 6a. Statement of independence. An individual, political committee, political fund, or party unit filing a report or statement disclosing an independent expenditure under subdivision 3 or 6 must file with the report a sworn statement that the disclosed expenditures 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 or any candidate's principal campaign committee or agent.

Subd. 6b. Independent expenditures; notice. (a) Within 24 hours after an individual, political committee, or political fund makes or becomes obligated by oral or written agreement to make an independent expenditure in excess of \$100, other than an expenditure by an association targeted to inform solely its own dues-paying members of the association's position on a candidate, the individual, political committee, or political fund must file with the board an affidavit notifying the board of the intent to make the independent expenditure and serve a copy of the affidavit on each candidate in the affected race and on the treasurer of the candidate's principal campaign committee. The affidavit must contain the information with respect to the expenditure that is required to be reported under subdivision 3, paragraph (g); except that if an expenditure is reported before it is made, the notice must include a reasonable estimate of the anticipated amount. Each new expenditure requires a new notice.

(b) An individual or the treasurer of a political committee or political fund who fails to give notice as required by this subdivision, or who files a false affidavit of notice, is guilty of a gross misdemeanor and is subject to a civil fine of up to four times the amount of the independent expenditure stated in the notice or of which notice was required, whichever is greater.

Subd. 7. Statement of inactivity. If a reporting

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entity has no receipts or expenditures during a reporting period, the treasurer must file with the board at the time required by this section a statement to that effect.

Subd. 8. **Exemption from disclosure.** The board must exempt a member of or contributor to an association or any other individual, from the requirements 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 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. 10. **Exemption procedure.** An individual or association seeking an exemption under subdivision 8 must submit a written application for exemption to the board. The board, without hearing, must grant or deny the exemption within 30 days after receiving the application and must issue a written order stating the reasons for its action. The board must 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 must hold a contested case hearing on the matter. Upon the filing of a timely objection from the applicant, an order denying an exemption is suspended pending the outcome of the contested case. If no timely objection is received, the exemption continues in effect until a written objection is filed with the board in a succeeding election year. The board by rule must establish a procedure so that an 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. 12. **Failure to file; penalty.** The board must send a notice by certified mail to any individual who fails to file a statement required by this section. If an individual fails to file a statement due January 31 within ten business days after the notice was sent, the board may impose a late filing fee of \$5 per day, not to exceed \$100, commencing with the 11th day after the notice was sent.

If an individual fails to file a statement due before a primary or election within three days after 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 must send an additional notice by certified mail to an individual who fails to file a statement within 14 days after the first notice was sent by the board that the individual may be subject to a civil penalty for failure to file a statement. An individual who fails to file the statement within seven days after the second notice was sent by the board is subject to a civil penalty imposed by the board of up to \$1,000.

Subd. 13. **Third-party reimbursement.** An individual or association filing a report disclosing an expenditure or

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noncampaign disbursement that must be reported and itemized under subdivision 3, paragraph (g) or (l), that is a reimbursement to a third party must 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.

Subd. 14. **Reports by solicitors.** An individual or association, other than a candidate or the members of a candidate's principal campaign committee, that directly solicits and causes others to make contributions to candidates or a party unit in a house of the legislature, that aggregate more than \$5,000 between January 1 of a general election year and the end of the reporting period must file with the board a report disclosing the amount of each contribution, the names of the contributors, and to whom the contributions were given. The report must be filed 15 days before a primary and ten days before a general election. The report for each calendar year must be filed with the board by January 31 of the following year.

Subd. 15. **Equitable relief.** A candidate whose opponent does not timely file the report due 15 days before the primary, the report due ten days before the general election, or the notice required under section 10A.25, subdivision 10, may petition the district court for immediate equitable relief to enforce the filing requirement. A prevailing party under this subdivision may be awarded attorney fees and costs by the court.

10A.24 DISSOLUTION OR TERMINATION.

Subdivision 1. **Termination report.** A political committee, political fund, principal campaign committee, or party unit may not dissolve until it has settled all of its debts and disposed of all its assets in excess of \$100 and filed a termination report. "Assets" include credit balances at vendors and physical assets such as computers and postage stamps. Physical assets must be listed at their fair market value. The termination report may be made at any time and must include all information required in periodic reports.

Subd. 2. **Termination allowed.** Notwithstanding subdivision 1, a committee, fund, or party unit 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 notify any remaining creditors by certified mail and then file a termination report.

10A.241 TRANSFER OF DEBTS.

Notwithstanding section 10A.24, 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 if all 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.

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10A.242 DISSOLUTION OF INACTIVE COMMITTEES AND FUNDS.

Subdivision 1. **Dissolution required.** A political committee, political fund, or principal campaign committee must be dissolved within 60 days after receiving notice from the board that the committee or fund 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 political committee or fund becomes inactive when two years have elapsed since the end of a reporting period during which the political 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 must 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.

10A.25 SPENDING LIMITS.

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

Subd. 2. **Amounts.** (a) In a year in which an election is held for an office sought by a candidate, the principal campaign committee of the candidate must not make campaign expenditures nor permit approved expenditures to be made on behalf of the candidate that result in aggregate expenditures in excess of the following:

(1) for governor and lieutenant governor, running together, \$2,188,090;

(2) for attorney general, \$364,690;

(3) for secretary of state and state auditor, separately, \$182,350;

(4) for state senator, \$54,740;

(5) for state representative, \$28,400.

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

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

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(d) The expenditure limits in this subdivision for an office are increased by ten percent for a candidate who is running for that office for the first time and who has not run previously for any other office whose territory now includes a population that is more than one-third of the population in the territory of the new office.

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 applying the limits on expenditures under subdivision 2.

Subd. 3. Governor and lieutenant governor a single candidate. For the purposes of sections 10A.11 to 10A.34, a candidate for governor and a candidate for lieutenant governor, running together, are considered a single candidate. Except as provided in subdivision 2, paragraph (b), all expenditures made by or all approved expenditures made on behalf of the candidate for lieutenant governor are considered to be expenditures by or approved expenditures on behalf of the candidate for governor.

Subd. 3a. Independent expenditures. The principal campaign committee of a candidate must not make independent expenditures.

Subd. 5. Contested 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 expenditures and permit approved expenditures to be made on behalf of the candidate equal to 120 percent of the applicable limit as set forth in subdivision 2, but no more than 100 percent of the limit until after the primary.

Subd. 6. Limit in nonelection year. During an election cycle, in any year before the election year for the office held or sought by the candidate, a candidate must not make campaign expenditures nor permit approved expenditures to be made on behalf of the candidate that exceed 20 percent of the expenditure limit set forth in subdivision 2.

Subd. 10. Effect of opponent's conduct. (a) After the deadline for filing a spending limit agreement under section 10A.322, a candidate who has agreed to be bound by the expenditure limits imposed by this section as a condition of receiving a public subsidy for the candidate's campaign may choose to be released from the expenditure limits but remain eligible to receive a public subsidy if the candidate has an opponent who has not agreed to be bound by the limits and has received contributions or made or become obligated to make expenditures during that election cycle in excess of the following limits:

(1) up to the close of the reporting period before the primary election, receipts or expenditures equal to 20 percent of the expenditure limit for that office as set forth in subdivision 2; or

(2) after the close of the reporting period before the primary election, cumulative receipts or expenditures during that election cycle equal to 50 percent of the expenditure limit for that office as set forth in subdivision 2.

Before the primary election, a candidate's "opponents" are only those who will appear on the ballot of the same party in

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the primary election.

(b) A candidate who has not agreed to be bound by expenditure limits, or the candidate's principal campaign committee, must file written notice with the board and provide written notice to any opponent of the candidate for the same office within 24 hours of exceeding the limits in paragraph (a). The notice must state only that the candidate or candidate's principal campaign committee has received contributions or made or become obligated to make campaign expenditures in excess of the limits in paragraph (a).

(c) Upon receipt of the notice, a candidate who had agreed to be bound by the limits may file with the board a notice that the candidate chooses to be no longer bound by the expenditure limits. A notice of a candidate's choice not to be bound by the expenditure limits that is based on the conduct of an opponent in the state primary election may not be filed more than one day after the State Canvassing Board has declared the results of the state primary.

(d) A candidate who has agreed to be bound by the expenditure limits imposed by this section and whose opponent in the general election has chosen, as provided in paragraph (c), not to be bound by the expenditure limits because of the conduct of an opponent in the primary election is no longer bound by the limits but remains eligible to receive a public subsidy.

10A.255 ADJUSTMENT BY CONSUMER PRICE INDEX.

Subdivision 1. Method of calculation. The dollar amounts in section 10A.25, subdivision 2, must be adjusted for general election years as provided in this section. Each general election year, the executive director of the board must 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 \$100 increment. 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.

Subd. 3. Publication of expenditure limit. By April 15 of each election year the board must publish in the State Register the expenditure limit for each office for that calendar year under section 10A.25 as adjusted by this section. The revisor of statutes must code the adjusted amounts in the next edition of Minnesota Statutes, section 10A.25, subdivision 2.

10A.257 CARRYFORWARD.

Subdivision 1. Unused funds. After all campaign expenditures and noncampaign disbursements for an election cycle have been made, an amount up to 50 percent of the election year expenditure limit for the office may be carried forward. Any remaining amount up to the total amount of the public subsidy from the state elections campaign fund must be returned to the state treasury for credit to the general fund under section 10A.324. Any remaining amount in excess of the total public subsidy must be contributed to the state elections campaign fund or a political party for multicandidate expenditures as defined in section 10A.275.

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Subd. 2. Unused postage and credit balances carried forward. Postage that is purchased but not used during an election cycle and credit balances at vendors that exceed a combined total of \$500 must be carried forward and counted as expenditures during the election cycle during which they are used.

10A.27 CONTRIBUTION LIMITS.

Subdivision 1. Contribution limits. (a) Except as provided in subdivision 2, a candidate must not permit the candidate's principal campaign committee to accept aggregate contributions made or delivered by any individual, political committee, or political fund in excess of the following:

(1) to candidates for governor and lieutenant governor running together, \$2,000 in an election year for the office sought and \$500 in other years;

(2) to a candidate for attorney general, \$1,000 in an election year for the office sought and \$200 in other years;

(3) to a candidate for the office of secretary of state or state auditor, \$500 in an election year for the office sought and \$100 in other years;

(4) to a candidate for state senator, \$500 in an election year for the office sought and \$100 in other years; and

(5) to a candidate for state representative, \$500 in an election year for the office sought and \$100 in the other year.

(b) The following deliveries are not subject to the bundling limitation in this subdivision:

(1) delivery of contributions collected by a member of the candidate's principal campaign committee, such as a block worker or a volunteer who hosts a fund-raising event, to the committee's treasurer; and

(2) a delivery made by an individual on behalf of the individual's spouse.

(c) A political committee or political fund must not make a contribution a candidate is prohibited from accepting.

Subd. 2. Political party and dissolving principal campaign committee limit. A candidate must not permit the candidate's principal campaign committee to accept contributions from any political party units or dissolving principal campaign committees in aggregate in excess of ten times the amount that may be contributed to that candidate as set forth in subdivision 1. The limitation in this subdivision does not apply to a contribution from a dissolving principal campaign committee of a candidate for the legislature to another principal campaign committee of the same candidate.

Subd. 8. Excess loans prohibited. A candidate must not 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. A candidate must not permit the candidate's principal campaign committee to accept a loan from a financial institution for which the financial institution may hold an endorser of the loan liable to pay an amount in excess of the amount that the endorser may contribute to that candidate.

Subd. 9. Contributions to and from other candidates.

(a) A candidate or the treasurer of a candidate's principal campaign committee must not accept a contribution from another candidate's principal campaign committee or from any other committee bearing the contributing candidate's name or title or otherwise authorized by the contributing candidate, unless the

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contributing candidate's principal campaign committee is being dissolved. A candidate's principal campaign committee must not make a contribution to another candidate's principal campaign committee, except when the contributing committee is being dissolved.

(b) A principal campaign committee that makes a contribution to another principal campaign committee must provide with the contribution a written statement of the committee's intent to dissolve and terminate its registration within 12 months after the contribution was made. If the committee fails to dissolve and terminate its registration by that time, the board may levy a civil penalty up to four times the size of the contribution against the contributing committee. A contribution from a terminating principal campaign committee that is not accepted by another principal campaign committee must be forwarded to the board for deposit in the general account of the state elections campaign fund.

(c) A candidate's principal campaign committee must not accept a contribution from, or make a contribution to, a committee associated with a person who seeks nomination or election to the office of president, senator, or representative in Congress of the United States.

(d) A candidate or the treasurer of a candidate's principal campaign committee must not accept a contribution from a candidate for political subdivision office in any state, unless the contribution is from the personal funds of the candidate for political subdivision office. A candidate or the treasurer of a candidate's principal campaign committee must not make a contribution from the principal campaign committee to a candidate for political subdivision office in any state.

Subd. 10. **Limited personal contributions.** A candidate who accepts a public subsidy may not contribute to the candidate's own campaign during a year more than ten times the candidate's election year contribution limit under subdivision 1.

Subd. 11. **Contributions from certain types of contributors.** A candidate must not permit the candidate's principal campaign committee to accept a contribution from a political committee, political fund, lobbyist, or large contributor, if the contribution will cause the aggregate contributions from those types of contributors to exceed an amount equal to 20 percent of the expenditure limits for the office sought by the candidate, provided that the 20 percent limit must be rounded to the nearest \$100. For purposes of this subdivision, "large contributor" means an individual, other than the candidate, who contributes an amount that is more than \$100 and more than one-half the amount an individual may contribute.

Subd. 13. **Unregistered association limit; statement; penalty.** (a) The treasurer of a political committee, political fund, principal campaign committee, or party unit must not accept a contribution of more than \$100 from an association not registered under this chapter unless the contribution is accompanied by a written statement that meets the disclosure and reporting period requirements imposed by section 10A.20. This statement must be certified as true and correct by an officer of the contributing association. The committee, fund, or party unit that accepts the contribution must include a copy of the statement with the report that discloses the contribution to the board. This subdivision does not apply when a national political party contributes money to its affiliate in this state.

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(b) An unregistered association may provide the written statement required by this subdivision to no more than three committees, funds, or party units in a 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 imposed by the board of 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 committees, funds, or party units in a calendar year.

(c) The treasurer of a political committee, political fund, principal campaign committee, or party unit who accepts a contribution in excess of \$100 from an unregistered association without the required written disclosure statement is subject to a civil penalty up to four times the amount in excess of \$100.

10A.273 CONTRIBUTIONS AND SOLICITATIONS DURING LEGISLATIVE SESSION.

Subdivision 1. Contributions during legislative session. (a) A candidate for the legislature or for constitutional office, the candidate's principal campaign committee, or a political committee or party unit established by all or a part of the party organization within a house of the legislature, must not solicit or accept a contribution from a registered lobbyist, political committee, political fund, or dissolving principal campaign committee, or from a party unit established by the party organization within a house of the legislature, during a regular session of the legislature.

(b) A registered lobbyist, political committee, political fund, or dissolving principal campaign committee, or a party unit established by the party organization within a house of the legislature, must not make a contribution to a candidate for the legislature or for constitutional office, the candidate's principal campaign committee, or a political committee or party unit established by all or a part of the party organization within a house of the legislature during a regular session of the legislature.

Subd. 2. Party unit solicitations. A political party unit must not solicit or receive at an event hosted by a candidate for the legislature or by a candidate for constitutional office a contribution from a lobbyist, political committee, political fund, or party unit during a regular session of the legislature.

Subd. 3. 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. 4. Civil penalty. A candidate, political committee, party unit, political fund, principal campaign committee, or registered lobbyist that violates this section is subject to a civil penalty imposed by the board of up to \$1,000. If the board makes a public finding that there is probable cause to believe a violation of this section has occurred, the board must bring an action, or transmit the finding to a county attorney who must bring an action, in the District Court of Ramsey County, to collect a civil penalty as imposed by the board. Penalties paid under this section must be deposited in the general fund in the state treasury.

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Subd. 5. **Special election.** This section does not apply 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.

10A.275 MULTICANDIDATE POLITICAL PARTY EXPENDITURES.

Subdivision 1. **Exceptions.** Notwithstanding other provisions of this chapter, the following expenditures by a party unit, or two or more party units acting together, with at least one party unit being either: the state committee or the party organization within a congressional district, county, or legislative district, are not considered contributions to or expenditures on behalf of a candidate for the purposes of section 10A.25 or 10A.27 and must not be allocated to candidates under section 10A.20, subdivision 3, paragraph (g):

- (1) expenditures on behalf of candidates of that party generally without referring to any of them specifically in a published, posted, or broadcast advertisement;
- (2) 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;
- (3) expenditures for a telephone conversation including the names of three or more individuals whose names are to appear on the ballot;
- (4) expenditures for a political party fund-raising effort on behalf of three or more candidates; or
- (5) expenditures for party committee staff services that benefit three or more candidates.

10A.28 PENALTY FOR EXCEEDING LIMITS.

Subdivision 1. **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 penalty up to four times the amount by which the expenditures exceeded the limit.

Subd. 2. **Exceeding contribution limits.** A political committee, political fund, or principal campaign committee that makes a contribution, or a candidate who permits the candidate's principal campaign committee to accept contributions, in excess of the limits imposed by section 10A.27 is subject to a civil penalty of up to four times the amount by which the contribution exceeded the limits.

Subd. 3. **Conciliation agreement.** If the board finds that there is reason to believe that excess expenditures have been made or excess contributions accepted contrary to subdivision 1 or 2, the board must make every effort for a period of at least 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 under this subdivision is a matter of public record. Unless violated, a conciliation agreement is a bar to any civil proceeding under subdivision 4.

Subd. 4. **Civil action.** If the board is unable after a reasonable time to correct by informal methods a matter that constitutes probable cause to believe that excess expenditures have been made or excess contributions accepted contrary to subdivision 1 or 2, the board must make a public finding of

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probable cause in the matter. After making a public finding, the board must bring an action, or transmit the finding to a county attorney who must 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 collect a civil penalty as imposed by the board under subdivision 1 or 2. All money recovered under this section must be deposited in the general fund of the state treasury.

10A.29 CIRCUMVENTION PROHIBITED.

An individual or association that attempts to circumvent this chapter by redirecting a contribution through, or making a contribution on behalf of, another individual or association is guilty of a gross misdemeanor and subject to a civil penalty imposed by the board of up to \$3,000.

10A.30 STATE ELECTIONS CAMPAIGN FUND.

Subdivision 1. Establishment. An account is established in the special revenue fund of the state known as the "state elections campaign fund."

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

10A.31 DESIGNATION OF INCOME TAX PAYMENTS.

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

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

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

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

(c) The secretary of state shall notify each major and minor political party by the first Monday in January of each odd-numbered year of the conditions necessary for the party to

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participate in income tax form and property tax refund return programs.

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

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

(b) In addition to the amounts in paragraph (a), \$1,500,000 for each general election is appropriated from the general fund for transfer to the general account of the state elections campaign fund.

Of this appropriation, \$65,000 each fiscal year must be set aside to pay assessments made by the Office of Administrative Hearings under section 211B.37. Amounts remaining after all assessments have been paid must be canceled to the general account.

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

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

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

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

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

(5) in each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative.

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

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

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

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

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

(5) in each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative; and

(6) ten percent for the state committee of a political party.

Money allocated to each state committee under clause (6) must be deposited in a separate account and must be spent for only those items enumerated in section 10A.275. Money allocated

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

Subd. 5a. Party account for legislative candidates.

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

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

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

- (1) the sum of the votes cast in the last general election in that part of the county in the candidate's district for all candidates of that candidate's party whose names appeared on the ballot statewide and for the state senate and state house of representatives, divided by
- (2) the sum of the votes cast in the entire county in the last general election for all candidates of that candidate's party whose names appeared on the ballot statewide and for the state senate and state house of representatives, multiplied by
- (3) the amount in the candidate's party account designated by taxpayers who resided in that county and allocated to that office.

The sum of all the county shares calculated in the formula above is the candidate's share of the candidate's party account.

In a year in which an election for the state senate occurs, with respect to votes for candidates for the state senate only, "last general election" means the last general election in which an election for the state senate occurred.

For a party under whose name no candidate's name appeared on the ballot statewide in the last general election, amounts in the party's account must be allocated based on (i) the number of people voting in the last general election in that part of the county in the candidate's district, divided by (ii) the number

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of the people voting in the entire county in the last general election, multiplied by (iii) the amount in the candidate's party account designated by taxpayers who resided in that county and allocated to that office.

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

If in a district there was no candidate of a party for the state senate or state house of representatives in the last general election, or if a candidate for the state senate or state house of representatives was unopposed, the vote for that office for that party is the average vote of all the remaining candidates of that party in each county of that district whose votes are included in the sums in clauses (1) and (2). The average vote must be added to the sums in clauses (1) and (2) before the calculation is made for all districts in the county.

Subd. 6. Distribution of party accounts. As soon as the board has obtained from the secretary of state the results of the primary election, but no later than one week after certification by the State Canvassing Board of the results of the primary, the board must distribute the available money in each party account, as certified by the commissioner of revenue on September 1, to the candidates of that party who have signed a spending limit agreement under section 10A.322 and filed the affidavit of contributions required by section 10A.323, who were opposed in either the primary election or the general election, and whose names are to appear on the ballot in the general election, according to the allocations set forth in subdivisions 5 and 5a. The public subsidy from the party account may not be paid in an amount greater than the expenditure limit of the candidate or the expenditure limit that would have applied to the candidate if the candidate had not been freed from expenditure limits under section 10A.25, subdivision 10. If a candidate files the affidavit required by section 10A.323 after September 1 of the general election year, the board must pay the candidate's allocation to the candidate at the next regular payment date for public subsidies for that election cycle that occurs at least 15 days after the candidate files the affidavit.

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

Subd. 7. Distribution of general account. (a) As soon as the board has obtained the results of the primary election from the secretary of state, but no later than one week after certification of the primary results by the State Canvassing Board, the board must distribute the available money

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in the general account, as certified by the commissioner of revenue on September 1 and according to allocations set forth in subdivision 5, in equal amounts to all candidates of a major political party whose names are to appear on the ballot in the general election and who:

(1) have signed a spending limit agreement under section 10A.322;

(2) have filed the affidavit of contributions required by section 10A.323; and

(3) were opposed in either the primary election or the general election.

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

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

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

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

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

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

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

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10A.315 SPECIAL ELECTION SUBSIDY.

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

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

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

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

(c) The amount necessary to make the payments required by this section is appropriated from the general fund to the board.

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

Subdivision 1. Calculation and certification of estimates. The commissioner of revenue must calculate and certify to the board before July 1 in each 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, subdivisions 5 and 5a, any necessary vote totals provided by the secretary of state to apply the formulas in section 10A.31, subdivisions 5 and 5a, and the amount of money expected to be available after 100 percent of the tax returns have been processed.

Subd. 2. Publication, certification, and notification procedures. Before the first day of filing for office, the board must publish and forward to all filing officers the estimates calculated and certified under subdivision 1 along with a copy of section 10A.25, subdivision 10. Within seven days after the last day for filing for office, the secretary of state must certify to the board the name, address, office sought, and party affiliation of each candidate who has filed with that office an affidavit of candidacy or petition to appear on the ballot. The auditor of each county must certify to the board the same information for each candidate who has filed with that county an affidavit of candidacy or petition to appear on the ballot. By August 15, the board must notify all candidates of their estimated minimum amount. The board must include with the notice a form for the agreement provided in section 10A.322 along with a copy of section 10A.25, subdivision 10.

10A.322 SPENDING LIMIT AGREEMENTS.

Subdivision 1. Agreement by candidate. (a) As a condition of receiving a public subsidy, a candidate must sign and file with the board a written agreement in which the candidate agrees that the candidate will comply with sections 10A.25; 10A.27, subdivision 10; 10A.31, subdivision 7, paragraph (c); and 10A.324.

(b) Before the first day of filing for office, the board must forward agreement forms to all filing officers. The board must also provide agreement forms to candidates on request at any time. The candidate must file the agreement with the board

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by September 1 preceding the candidate's general election or a special election held at the general election. An agreement may not be filed after that date. An agreement once filed may not be rescinded.

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

(d) Notwithstanding paragraph (b), if 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 not later than the day after the candidate files the affidavit of candidacy or nominating petition for the office.

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, and the contribution limit in section 10A.27, subdivision 10, remains effective for candidates until the dissolution of the principal campaign committee of the candidate or the end of the first election cycle completed after the agreement was filed, whichever occurs first.

Subd. 4. Refund receipt forms; penalty. The board must 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.

10A.323 AFFIDAVIT OF CONTRIBUTIONS.

In addition to the requirements of section 10A.322, to be eligible to receive a public subsidy under section 10A.31 a candidate or the candidate's treasurer must file an affidavit with the board stating that during that calendar year the candidate has accumulated contributions from persons eligible to vote in this state in at least the amount indicated for the office sought, counting only the first \$50 received from each contributor:

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

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

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

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

(5) candidates for the house of representatives, \$1,500.

The affidavit must state the total amount of contributions that have been received from persons eligible to vote in this state, disregarding the portion of any contribution in excess of \$50.

The candidate or the candidate's treasurer must submit the affidavit required by this section to the board in writing by September 1 of the general election year.

A candidate for a vacancy to be filled at a special election for which the filing period does not coincide with the

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filing period for the general election must submit the affidavit required by this section to the board within five days after filing the affidavit of candidacy.

10A.324 RETURN OF PUBLIC SUBSIDY.

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

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

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

290.06 RATES OF TAX; CREDITS.

Subd. 23. Refund of contributions to political parties and candidates. (a) A taxpayer may claim a refund equal to the amount of the taxpayer's contributions made in the calendar year to candidates and to a political party. The maximum refund for an individual must not exceed \$50 and for a married couple, filing jointly, must not exceed \$100. A refund of a contribution is allowed only if the taxpayer files a form required by the commissioner and attaches to the form a copy of an official refund receipt form issued by the candidate or party and signed by the candidate, the treasurer of the candidate's principal campaign committee, or the chair or treasurer of the party unit, after the contribution was received. The receipt forms must be numbered, and the data on the receipt that are not public must be made available to the campaign finance and public disclosure board upon its request. A claim must be filed with the commissioner no sooner than January 1 of the calendar year in which the contribution was made and no later than April 15 of the calendar year following the calendar year in which the contribution was made. A taxpayer may file only one claim per calendar year. Amounts paid by the commissioner after June 15 of the calendar year following the calendar year in which the contribution was made must include interest at the rate specified in section 270.76.

(b) No refund is allowed under this subdivision for a contribution to a candidate unless the candidate:

(1) has signed an agreement to limit campaign expenditures as provided in section 10A.322;

APPENDIX
Repealed Minnesota Statutes for 05-0580

(2) is seeking an office for which voluntary spending limits are specified in section 10A.25; and

(3) has designated a principal campaign committee.

This subdivision does not limit the campaign expenditures of a candidate who does not sign an agreement but accepts a contribution for which the contributor improperly claims a refund.

(c) For purposes of this subdivision, "political party" means a major political party as defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion on the income tax or property tax refund form under section 10A.31, subdivision 3a.

A "major party" or "minor party" includes the aggregate of that party's organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts.

"Candidate" means a candidate as defined in section 10A.01, subdivision 10, except a candidate for judicial office.

"Contribution" means a gift of money.

(d) The commissioner shall make copies of the form available to the public and candidates upon request.

(e) The following data collected or maintained by the commissioner under this subdivision are private: the identities of individuals claiming a refund, the identities of candidates to whom those individuals have made contributions, and the amount of each contribution.

(f) The commissioner shall report to the campaign finance and public disclosure board by each August 1 a summary showing the total number and aggregate amount of political contribution refunds made on behalf of each candidate and each political party. These data are public.

(g) The amount necessary to pay claims for the refund provided in this section is appropriated from the general fund to the commissioner of revenue.

(h) For a taxpayer who files a claim for refund via the Internet or other electronic means, the commissioner may accept the number on the official receipt as documentation that a contribution was made rather than the actual receipt as required by paragraph (a).

1 Senator moves to amend S.F. No. 863 as follows:

2 Page 37, line 3, after the headnote, insert "(a) A
3 participating candidate must not permit the candidate's
4 principal campaign committee to accept contributions, including
5 approved expenditures, from any political party units or
6 dissolving principal campaign committees in aggregate in excess
7 of 25 percent of the candidate's public subsidy base set forth
8 in section 10B.22, subdivision 2. The limitation in this
9 subdivision does not apply to a contribution from a dissolving
10 principal campaign committee of a candidate for the legislature
11 to another principal campaign committee of the same candidate.

12 (b) "

13 Page 44, after line 12, insert:

14 "(d) The principal campaign committee of a candidate may
15 spend contributions accepted from a political party unit or
16 dissolving principal campaign committee under section 10B.13,
17 subdivision 2, paragraph (a)."

18 Page 44, line 13, delete "(d)" and insert "(e)"

19 Page 49, line 27, after the period, insert "An amount equal
20 to the proceeds of the throwback rule enacted in section 50 is
21 annually appropriated from the general fund to the commissioner
22 of finance for transfer to the state elections campaign fund."

23 Page 51, line 12, delete "\$52,000" and insert "\$48,000"

24 Page 51, line 13, delete "\$26,000" and insert "\$24,000"

25 Page 75, line 22, delete "August" and insert "January"

26 Page 75, line 23, delete "2005" and insert "2007" and after
27 the period, insert "The repeal of Minnesota Statutes 2004,
28 section 10A.01, subdivisions 9 and 18, and their reenactment as
29 Minnesota Statutes, section 10B.01, subdivisions 7 and 16, are
30 effective the day following final enactment. Section 26,
31 subdivision 9, is effective the day following final enactment."

1 Senator moves to amend the SCS0863A-1 amendment to
2 S.F. No. 863 as follows:

3 Page 1, delete lines 2 to 18

1 Senator moves to amend the SCS0863A-1 amendment to
2 S.F. No. 863 as follows:

3 Page 1, delete lines 19 to 22 and insert:

4 "Pages 49 and 50, delete section 34

5 Page 51, line 5, delete "state elections campaign" and
6 insert "general"

7 Renumber the sections and the proposed coding in sequence
8 and correct the internal references

9 Amend the title accordingly

1 Senator moves to amend S.F. No. 863 as follows:

2 Page 33, line 1, after the period, insert "The notice must
3 include an affidavit, under penalty of perjury, signed and sworn
4 to by the individual or by the treasurer of the committee, fund,
5 or party unit identifying the candidate in support of or
6 opposition to whom the expenditure is made and affirming that
7 the expenditure was independent and involved no cooperation or
8 coordination with a candidate or a political party."

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and Fiscal Analysis**

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Senate

State of Minnesota

S.F. No. 489 - Political Party Spending Limits

Author: Senator John Marty

Prepared by: Peter S. Wattson, Senate Counsel (651/296-3812) 

Date: February 25, 2005

S.F. No. 489 has five main purposes:

1. It prohibits independent expenditures by political parties as a condition of receiving a public subsidy in the form of income tax checkoff money and political contribution refunds. A similar bill, S.F. No. 2458, was defeated in committee in 2000. Another similar bill, S.F. No. 11, was defeated in committee in 2004.
2. It requires a party unit to use a contribution for which it has issued a political contribution receipt form only for the benefit of candidates from whom there is in effect a spending limit agreement.
3. It imposes spending limits on legislative party caucuses as a condition of participating in the political contribution refund program.
4. It doubles the maximum refund from \$50 to \$100 per person.
5. It limits soft money expenditures by political parties by excluding some of the spending that now qualifies as multicandidate expenditures.

On September 17, 1999, U.S. District Judge Ann D. Montgomery struck down the language of Minnesota Statutes, chapter 10A, that "An expenditure by a political party or a political party unit in a race where the political party has a candidate on the ballot is not an independent expenditure." *Republican Party of Minnesota v. Pauly*, 63 F. Supp. 2d 1008 (D. Minn. 1999). This bill replaces the old language with a new voluntary agreement by political parties not to make independent expenditures in return for participating in the income tax checkoff and political contribution refund programs.

Section 1 expands the definition of “campaign expenditure” to include costs incurred to disseminate communications that might formerly have been classified as “issue ads” rather than as campaign ads. The additional communications covered are those that do not use the “magic words” set forth in the U.S. Supreme Court’s decision in *Buckley v. Valeo*, 424 U.S. 1 (1976) (per curiam), but that, in context, can have no reasonable meaning other than to advocate support for or opposition to the nomination or election of a candidate. It also creates a rebuttable presumption that a communication that names or depicts a candidate, is disseminated close to an election, and costs more than a threshold amount is a campaign expenditure.

Section 2 strikes the sentence found unconstitutional in *Republican Party of Minnesota v. Pauley*. It also creates a rebuttable presumption that various subtle methods of coordinating expenditures are not independent.

Section 3 provides that the prohibition on independent expenditures by political parties applies only to a political party that has signed an agreement to be bound by it as a condition of receiving a public subsidy for the party’s activities. It applies the new spending limits only to a party unit that has agreed to be bound by them as a condition of receiving a public subsidy for the party unit’s activities.

Section 4 prohibits a political party or party unit from making an independent expenditure. It also provides that, if another political party does not agree to the prohibition and makes an independent expenditure during that election cycle, the prohibition no longer applies to the parties that have signed an agreement and they remain eligible to receive a public subsidy.

Section 5 requires a party unit to use a contribution for which it has issued a political contribution receipt form only for the benefit of candidates from whom there is in effect a spending limit agreement.

Section 6 imposes on legislative party caucuses a spending limit of \$750,000 in a year in which a general election is held for that house. In a nonelection year, the limit is 20 percent of that, or \$150,000. A caucus that has agreed to be bound by the spending limits is released from the spending limits but remains eligible to participate in the political contribution refund program if another caucus in the same house has not agreed to be bound and has received contributions or made expenditures in excess of 50 percent of the spending limit during that election cycle.

Section 7 makes contributions to a candidate from a caucus that has not filed a spending limit agreement subject to the 20-percent limit that applies to contributions from a political committee, lobbyist, or large contributor.

Section 8 imposes on a caucus that has filed a spending limit agreement a contribution limit of \$500 in a general election year for the members of that caucus or \$100 in other years. It also limits the caucus to receiving no more than 20 percent of its expenditure limit in contributions from political committees, lobbyists, and large contributors.

Section 9 excludes certain kinds of spending by political parties from the spending that may qualify as multicandidate expenditures and thus not be allocated to any individual candidate's spending limit. It requires a telephone conversation mentioning the names of three or more candidates to mention them with "roughly equal emphasis" in order to qualify as a multicandidate expenditure and excludes expenditures for a political party fund-raising effort and expenditures for party committee staff services.

Section 10 makes the chair of a party caucus subject to the same civil penalties for violating an expenditure limit as now apply to a candidate: a civil fine of up to four times the amount by which the expenditures exceeded the limit.

Section 11 imposes a similar penalty on the chair of a caucus that exceeds its contribution limit.

Section 12 provides that both major and minor political parties must qualify in order to participate in the income tax checkoff program.

Section 13 limits the income tax checkoff program for the state committee of a political party to those state committees that have signed and filed with the Board of Campaign Finance and Public Disclosure an agreement not to make independent expenditures and that it will use contributions for which it has issued a political contribution receipt only for the benefit of candidates for whom there is in effect a spending limit agreement. Money not allocated to a state committee because it has not signed an agreement must be canceled to the general fund.

Section 14, subdivision 1, advances from September 1 to August 1 the deadline for a candidate to file a spending limit agreement with the Board. It also clarifies that the Board need not notify the Commissioner of Revenue of a spending limit agreement until it has been filed with the Board. It incorporates the provisions of subdivision 2 into subdivision 1 in order to facilitate the creation of a new subdivision relating to agreements by political parties not to make independent expenditures.

Subdivision 2, paragraph (a), requires the chair of the state committee of a political party to sign and file with the Board an agreement not to make independent expenditures in order for the party and any of its party units to be eligible to receive a public subsidy.

Subdivision 2, paragraph (b), requires that, as a condition of participating in the political contribution refund program, the chair of a party unit must sign and file with the Board an agreement to use a contribution for which it has issued a political contribution receipt form only for the benefit of candidates from whom there is in effect a spending limit agreement.

Subdivision 2, paragraph (c), requires that, as a condition of participating in the political contribution refund program, the chair of a legislative party caucus must file with the Board a written agreement in which the organization agrees that it will comply with the spending limits in Minnesota Statutes, section 10A.25, and the contribution limits in section 10A.27, subdivision 14.

Subdivision 2, paragraph (d), requires the agreement to be filed with the Board by February 1 in order for the state committee to be allocated money designated to the party account on tax returns for the preceding and current taxable years. The agreement remains in effect until the end of the first general election cycle completed after the agreement was filed or the dissolution of the political party, whichever occurs first.

Subdivision 4 requires that the political contribution receipt form given out by political parties or party units include a statement that the political party or party unit has signed a spending limit agreement. The chair or treasurer of a political party or party unit who willfully issues an official refund receipt form without the chair having signed an agreement is guilty of a misdemeanor.

Section 15 increases the maximum political contribution refund for an individual from \$50 to \$100 and for a married couple from \$100 to \$200. It also limits the political contribution refund program for political parties or party units to those whose chair has signed and filed a spending limit agreement. It applies the definitions of "political party" and "party unit" found in section 10A.01.

Section 16 makes the act effective January 1, 2006, for contributions received and expenditures and checkoff money distributions made on and after that date.

PSW:ph

cc: Kelly Wolfe

Senators Marty and Hottinger introduced—

S. F. No. 489 Referred to the Committee on Elections

1 A bill for an act

2 relating to elections; prohibiting political parties
 3 that receive a public subsidy from making independent
 4 expenditures; requiring that income tax checkoff money
 5 and political contributions refunded by the state be
 6 used only for candidates who have agreed to spending
 7 limits; imposing campaign contribution and spending
 8 limits on legislative caucuses that choose to
 9 participate in the political contribution refund
 10 program; limiting multicandidate expenditures by
 11 political parties; increasing the maximum political
 12 contribution refund from \$50 to \$100; amending
 13 Minnesota Statutes 2004, sections 10A.01, subdivisions
 14 9, 18; 10A.25, subdivision 1, by adding subdivisions;
 15 10A.27, subdivision 11, by adding a subdivision;
 16 10A.275, subdivision 1; 10A.28, subdivisions 1, 2;
 17 10A.31, subdivisions 3, 5; 10A.322; 290.06,
 18 subdivision 23.

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

20 Section 1. Minnesota Statutes 2004, section 10A.01,
 21 subdivision 9, is amended to read:

22 Subd. 9. [CAMPAIGN EXPENDITURE.] (a) "Campaign
 23 expenditure" or "expenditure" means a purchase or payment of
 24 money or anything of value, or an advance of credit, made or
 25 incurred for the purpose of influencing the nomination or
 26 election of a candidate or for the purpose of promoting or
 27 defeating a ballot question.

28 (b) "Expenditure" includes a cost incurred to design,
 29 produce, or disseminate a communication if the communication
 30 contains words such as "vote for," "reelect," "(name of
 31 candidate) for (office)," "vote against," "defeat," or another
 32 phrase or campaign slogan that in context can have no reasonable

1 meaning other than to advocate support for or opposition to the
2 nomination or election of one or more clearly identified
3 candidates.

4 (c) "Expenditure" is presumed to include a cost incurred to
5 design, produce, or disseminate a communication if the
6 communication names or depicts one or more clearly identified
7 candidates; is disseminated during the 45 days before a primary
8 election, during the 60 days before a general election, or
9 during a special election cycle until election day; and the cost
10 exceeds the following amounts for a communication naming or
11 depicting a candidate for the following offices:

12 (1) \$500 for a candidate for governor, lieutenant governor,
13 attorney general, secretary of state, or state auditor; or

14 (2) \$100 for a candidate for state senator or
15 representative.

16 An individual or association presumed under this paragraph
17 to have made an expenditure may rebut the presumption by an
18 affidavit signed by the spender and filed with the board stating
19 that the cost was not incurred with intent to influence the
20 nomination, election, or defeat of any candidate, supported by
21 any additional evidence the spender chooses to submit. The
22 board may consider any additional evidence it deems relevant and
23 material and must determine by a preponderance of the evidence
24 whether the cost was incurred with intent to influence the
25 nomination, election, or defeat of a candidate.

26 (d) An expenditure is considered to be made in the year in
27 which the candidate made the purchase of goods or services or
28 incurred an obligation to pay for goods or services.

29 (e) An expenditure made for the purpose of defeating a
30 candidate is considered made for the purpose of influencing the
31 nomination or election of that candidate or any opponent of that
32 candidate.

33 (f) Except as provided in clause (1), "expenditure"
34 includes the dollar value of a donation in kind.

35 "Expenditure" does not include:

36 (1) noncampaign disbursements as defined in subdivision 26;

1 (2) services provided without compensation by an individual
 2 volunteering personal time on behalf of a candidate, ballot
 3 question, political committee, political fund, principal
 4 campaign committee, or party unit; or

5 (3) the publishing or broadcasting of news items or
 6 editorial comments by the news media, if the news medium is not
 7 owned by or affiliated with any candidate or principal campaign
 8 committee; or

9 (4) a cost incurred by an association for a communication
 10 targeted to inform solely its own dues-paying members of the
 11 association's position on a candidate.

12 Sec. 2. Minnesota Statutes 2004, section 10A.01,
 13 subdivision 18, is amended to read:

14 Subd. 18. [INDEPENDENT EXPENDITURE.] (a) "Independent
 15 expenditure" means an expenditure ~~expressly-advocating-the~~
 16 ~~election-or-defeat-of-a-clearly-identified-candidate,-if-the~~
 17 ~~expenditure~~ that is made without the express or implied consent,
 18 authorization, or cooperation of, and not in concert with or at
 19 the request or suggestion of, any candidate or any candidate's
 20 principal campaign committee or agent. An independent
 21 expenditure is not a contribution to that candidate. An
 22 ~~expenditure-by-a-political-party-or-political-party-unit-in-a~~
 23 ~~race-where-the-political-party-has-a-candidate-on-the-ballot-is~~
 24 ~~not-an-independent-expenditure.~~

25 (b) An expenditure is presumed to be not independent if,
 26 for example:

27 (1) in the same election cycle in which the expenditure
 28 occurs, the spender or the spender's agent retains the
 29 professional services of an individual or entity that, in a
 30 nonministerial capacity, provides or has provided
 31 campaign-related service, including polling or other campaign
 32 research, media consulting or production, direct mail, or
 33 fundraising, to a candidate supported by the spender for
 34 nomination or election to the same office as any candidate whose
 35 nomination or election the expenditure is intended to influence
 36 or to a political party working in coordination with the

1 supported candidate;

2 (2) the expenditure pays for a communication that
3 disseminates, in whole or in substantial part, a broadcast or
4 written, graphic, or other form of campaign material designed,
5 produced, or distributed by the candidate or the candidate's
6 principal campaign committee or their agents;

7 (3) the expenditure is based on information about the
8 candidate's electoral campaign plans, projects, or needs that is
9 provided by the candidate or the candidate's principal campaign
10 committee or their agents directly or indirectly to the spender
11 or the spender's agent, with an express or tacit understanding
12 that the spender is considering making the expenditure;

13 (4) before the election, the spender or the spender's agent
14 informs a candidate or the principal campaign committee or agent
15 of a candidate for the same office as a candidate clearly
16 identified in a communication paid for by the expenditure about
17 the communication's contents; timing, location, mode, or
18 frequency of dissemination; or intended audience; or

19 (5) in the same election cycle in which the expenditure
20 occurs, the spender or the spender's agent is serving or has
21 served in an executive, policymaking, fundraising, or advisory
22 position with the candidate's campaign or has participated in
23 strategic or policymaking discussions with the candidate's
24 campaign relating to the candidate's pursuit of nomination or
25 election to office and the candidate is pursuing the same office
26 as a candidate whose nomination or election the expenditure is
27 intended to influence.

28 An individual or association presumed under this paragraph
29 to have made an expenditure that was not independent may rebut
30 the presumption by an affidavit signed by the spender and filed
31 with the board stating that the expenditure was made without the
32 express or implied consent, authorization, or cooperation of,
33 and not in concert with or at the request or suggestion of, any
34 candidate or candidate's principal campaign committee or agent,
35 supported by additional evidence the spender chooses to submit.
36 The board may consider any additional evidence it deems relevant

1 and material and must determine by a preponderance of the
2 evidence whether the expenditure was independent.

3 (c) An expenditure by anyone other than a principal
4 campaign committee that does not qualify as an independent
5 expenditure under this subdivision is deemed to be an approved
6 expenditure under subdivision 4.

7 Sec. 3. Minnesota Statutes 2004, section 10A.25,
8 subdivision 1, is amended to read:

9 Subdivision 1. [LIMITS ARE VOLUNTARY.] The expenditure
10 limits imposed by this section on a candidate apply only to a
11 candidate who has signed and filed an agreement under section
12 10A.322 to be bound by them as a condition of receiving a public
13 subsidy for the candidate's campaign. The prohibition on
14 independent expenditures imposed by subdivision 14 applies only
15 to a political party that has signed an agreement under section
16 10A.322 to be bound by it as a condition of receiving a public
17 subsidy for the party's activities. The expenditure limits
18 imposed by subdivisions 15 and 16 apply only to a party unit
19 that has signed and filed an agreement under section 10A.322 to
20 be bound by them as a condition of receiving a public subsidy
21 for the party unit's activities.

22 Sec. 4. Minnesota Statutes 2004, section 10A.25, is
23 amended by adding a subdivision to read:

24 Subd. 14. [INDEPENDENT EXPENDITURES BY POLITICAL PARTIES.]

25 (a) A political party that receives a public subsidy must not
26 make an independent expenditure.

27 (b) A political party that has agreed not to make
28 independent expenditures as a condition of receiving a public
29 subsidy is released from the prohibition but remains eligible to
30 receive a public subsidy if a political party that has not
31 agreed to the prohibition makes an independent expenditure
32 during that election cycle.

33 (c) A political party that has not agreed to the
34 prohibition in this subdivision must file written notice with
35 the board and serve written notice on every other political
36 party within 24 hours after making an independent expenditure.

1 The notice must state only that the political party has made an
 2 independent expenditure. Upon receipt of the notice, the
 3 political party that agreed to the prohibition is no longer
 4 subject to the prohibition but remains eligible to receive a
 5 public subsidy.

delete
 6 Sec. 5. Minnesota Statutes 2004, section 10A.25, is
 7 amended by adding a subdivision to read:

8 Subd. 15. [PARTY EXPENDITURES.] A party unit must use a
 9 contribution for which it has issued a political contribution
 10 receipt form only for the benefit of candidates for whom there
 11 is in effect a spending limit agreement under section 10A.322.

delete
 12 Sec. 6. Minnesota Statutes 2004, section 10A.25, is
 13 amended by adding a subdivision to read:

14 Subd. 16. [LIMITS ON LEGISLATIVE CAUCUSES.] (a) In a year
 15 in which a general election is held for a house of the
 16 legislature, the members of a party caucus in that house must
 17 not make campaign expenditures that result in aggregate
 18 expenditures in excess of \$750,000.

19 (b) During an election cycle, in any year before the
 20 general election year for a house of the legislature, the
 21 members of a party caucus in that house must not make campaign
 22 expenditures that exceed 20 percent of the general election year
 23 limit.

24 (c) A party caucus in a house of the legislature that has
 25 agreed to be bound by the expenditure limits imposed by this
 26 subdivision as a condition of participating in the political
 27 contribution refund program is released from the expenditure
 28 limits but remains eligible to participate in the political
 29 contribution refund program if another party caucus in the same
 30 house of the legislature has not agreed to be bound by the
 31 limits and has received contributions or made or become
 32 obligated to make expenditures during that election cycle in
 33 excess of 50 percent of the expenditure limit set forth in
 34 paragraph (a).

35 (d) A party caucus in a house of the legislature that has
 36 not agreed to be bound by the limits must file written notice

1 with the board and provide written notice to every other party
 2 caucus in the same house of the legislature within 24 hours
 3 after exceeding the limit in paragraph (c). The notice must
 4 state only that the party caucus has received contributions or
 5 made or become obligated to make campaign expenditures in excess
 6 of the limit in paragraph (c). Upon receipt of the notice, the
 7 party caucus that has agreed to be bound by the limits is no
 8 longer bound by the expenditure limits but remains eligible to
 9 participate in the political contribution refund program.

10 (e) If a party caucus in a house of the legislature is
 11 released from expenditure limits under this subdivision, the
 12 party caucus is also released from the limits on contributions
 13 under section 10A.27, subdivision 14.

delete
 14 Sec. 7. Minnesota Statutes 2004, section 10A.27,
 15 subdivision 11, is amended to read:

16 Subd. 11. [CONTRIBUTIONS FROM CERTAIN TYPES OF
 17 CONTRIBUTORS.] A candidate must not permit the candidate's
 18 principal campaign committee to accept a contribution from a
 19 party caucus in a house of the legislature that has not filed a
 20 spending limit agreement under section 10A.332, or from a
 21 political committee, political fund, lobbyist, or large
 22 contributor, if the contribution will cause the aggregate
 23 contributions from those types of contributors to exceed an
 24 amount equal to 20 percent of the expenditure limits for the
 25 office sought by the candidate, provided that the 20 percent
 26 limit must be rounded to the nearest \$100. For purposes of this
 27 subdivision, "large contributor" means an individual, other than
 28 the candidate, who contributes an amount that is more than \$100
 29 and more than one-half the amount an individual may contribute.

delete
 30 Sec. 8. Minnesota Statutes 2004, section 10A.27, is
 31 amended by adding a subdivision to read:

32 Subd. 14. [CONTRIBUTIONS TO LEGISLATIVE CAUCUSES.] (a) The
 33 chair of a party caucus in a house of the legislature that has
 34 filed a spending limit agreement under section 10A.322 must not
 35 permit the caucus to accept aggregate contributions from an
 36 individual, political committee, political fund, or party unit

1 in an amount more than \$500 in a year in which a general
 2 election is held for that house or \$100 in other years.

3 (b) The chair of a party caucus in a house of the
 4 legislature that has filed a spending limit agreement under
 5 section 10A.322 must not permit the caucus to accept a
 6 contribution from a political committee, political fund,
 7 lobbyist, or large contributor, if the contribution will cause
 8 the aggregate contributions from those types of contributors to
 9 exceed an amount equal to 20 percent of the expenditure limit.
 10 For purposes of this subdivision, "large contributor" means an
 11 individual who contributes more than \$250.

12 Sec. 9. Minnesota Statutes 2004, section 10A.275,
 13 subdivision 1, is amended to read:

14 Subdivision 1. [EXCEPTIONS.] Notwithstanding other
 15 provisions of this chapter, the following expenditures by a
 16 party unit, or two or more party units acting together, with at
 17 least one party unit being either: the state committee or the
 18 party organization within a congressional district, county, or
 19 legislative district, are not considered contributions to or
 20 expenditures on behalf of a candidate for the purposes of
 21 section 10A.25 or 10A.27 and must not be allocated to candidates
 22 under section 10A.20, subdivision 3, paragraph (g):

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

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

30 (3) expenditures for a telephone conversation including
 31 mentioning with roughly equal emphasis the names of three or
 32 more individuals whose names are to appear on the ballot;

33 ~~(4)-expenditures-for-a-political-party-fund-raising-effort~~
 34 ~~on-behalf-of-three-or-more-candidates,-or~~

35 ~~(5)-expenditures-for-party-committee-staff-services-that~~
 36 ~~benefit-three-or-more-candidates.~~

1 Sec. 10. Minnesota Statutes 2004, section 10A.28,
2 subdivision 1, is amended to read:

3 Subdivision 1. [EXCEEDING EXPENDITURE LIMITS.] (a) A
4 candidate subject to the expenditure limits in section 10A.25
5 who permits the candidate's principal campaign committee to make
6 expenditures or permits approved expenditures to be made on the
7 candidate's behalf in excess of the limits imposed by section
8 10A.25, as adjusted by section 10A.255, is subject to a civil
9 penalty of up to four times the amount by which the expenditures
10 exceeded the limit.

11 (b) The chair of a political party or party unit subject to
12 the prohibition on independent expenditures in section 10A.25,
13 subdivision 14, or the prohibition on expenditures in section
14 10A.25, subdivision 15, who permits the political party or party
15 unit to make expenditures in violation of those prohibitions is
16 subject to a civil penalty of up to four times the amount of the
17 expenditures.

18 (c) The chair of a party caucus in a house of the
19 legislature subject to the expenditure limits in section 10A.25,
20 subdivision 16, who permits the caucus to make expenditures in
21 excess of those limits, as adjusted by section 10A.255, is
22 subject to a civil penalty of up to four times the amount by
23 which the expenditures exceeded the limit.

24 Sec. 11. Minnesota Statutes 2004, section 10A.28,
25 subdivision 2, is amended to read:

26 Subd. 2. [EXCEEDING CONTRIBUTION LIMITS.] A political
27 committee, political fund, or principal campaign committee that
28 makes a contribution, or a candidate who permits the candidate's
29 principal campaign committee to accept contributions, in excess
30 of the limits imposed by section 10A.27 is subject to a civil
31 penalty of up to four times the amount by which the contribution
32 exceeded the limits. The chair of a party caucus in a house of
33 the legislature who permits the caucus to accept contributions
34 in excess of the limits imposed by section 10A.27 is subject to
35 a civil penalty of up to four times the amount by which the
36 contribution exceeded the limits.

delete

1 Sec. 12. Minnesota Statutes 2004, section 10A.31,
2 subdivision 3, is amended to read:

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

delete

17 Sec. 13. Minnesota Statutes 2004, section 10A.31,
18 subdivision 5, is amended to read:

19 Subd. 5. [ALLOCATION.] (a) [GENERAL ACCOUNT.] In each
20 calendar year the money in the general account must be allocated
21 to candidates as follows:

22 (1) 21 percent for the offices of governor and lieutenant
23 governor together;

24 (2) 4.2 percent for the office of attorney general;

25 (3) 2.4 percent each for the offices of secretary of state
26 and state auditor;

27 (4) in each calendar year during the period in which state
28 senators serve a four-year term, 23-1/3 percent for the office
29 of state senator, and 46-2/3 percent for the office of state
30 representative; and

31 (5) in each calendar year during the period in which state
32 senators serve a two-year term, 35 percent each for the offices
33 of state senator and state representative.

34 (b) [PARTY ACCOUNT.] In each calendar year the money in
35 each party account must be allocated as follows:

36 (1) 14 percent for the offices of governor and lieutenant

1 governor together;

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

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

5 (4) in each calendar year during the period in which state
6 senators serve a four-year term, 23-1/3 percent for the office
7 of state senator, and 46-2/3 percent for the office of state
8 representative;

9 (5) in each calendar year during the period in which state
10 senators serve a two-year term, 35 percent each for the offices
11 of state senator and state representative; and

12 (6) ten percent for the state committee of a political
13 party that has signed and filed with the board an agreement
14 under section 10A.322, subdivision 2a, that it will not make
15 independent expenditures and that it will use contributions for
16 which it has issued a political contribution receipt only for
17 the benefit of candidates for whom there is in effect a spending
18 limit agreement under section 10A.322.

19 Money allocated to each state committee under clause (6)
20 must be deposited in a separate account and must be spent for
21 only those items enumerated in section 10A.275. Money allocated
22 to a state committee under clause (6) must be paid to the
23 committee by the board as it is received in the account on a
24 monthly basis, with payment on the 15th day of the calendar
25 month following the month in which the returns were processed by
26 the Department of Revenue, provided that these distributions
27 would be equal to 90 percent of the amount of money indicated in
28 the Department of Revenue's weekly unedited reports of income
29 tax returns and property tax refund returns processed in the
30 month, as notified by the Department of Revenue to the board.

31 The amounts paid to each state committee are subject to biennial
32 adjustment and settlement at the time of each certification
33 required of the commissioner of revenue under subdivisions 7 and
34 10. If the total amount of payments received by a state
35 committee for the period reflected on a certification by the
36 Department of Revenue is different from the amount that should

1 have been received during the period according to the
 2 certification, each subsequent monthly payment must be increased
 3 or decreased to the fullest extent possible until the amount of
 4 the overpayment is recovered or the underpayment is distributed.

5 Money not allocated to a state committee under clause (6)
 6 because the state committee has not signed and filed with the
 7 board a spending limit agreement under section 10A.322 must be
 8 canceled to the general fund.

9 Sec. 14. Minnesota Statutes 2004, section 10A.322, is
 10 amended to read:

11 10A.322 [SPENDING LIMIT AGREEMENTS.]

12 Subdivision 1. [AGREEMENT BY CANDIDATE.] (a) As a
 13 condition of receiving a public subsidy, a candidate must sign
 14 and file with the board a written agreement in which the
 15 candidate agrees that the candidate will comply with sections
 16 10A.25; 10A.27, subdivision 10; 10A.31, subdivision 7, paragraph
 17 (c); and 10A.324.

18 (b) Before the first day of filing for office, the board
 19 must forward agreement forms to all filing officers. The board
 20 must also provide agreement forms to candidates on request at
 21 any time. The candidate must file the agreement with the board
 22 by ~~September~~ August 1 preceding the candidate's general election
 23 or a special election held at the general election. An
 24 agreement may not be filed after that date. An agreement once
 25 filed may not be rescinded.

26 (c) The board must notify the commissioner of revenue of
 27 any agreement ~~signed~~ filed under this subdivision.

28 (d) Notwithstanding paragraph (b), if a vacancy occurs that
 29 will be filled by means of a special election and the filing
 30 period does not coincide with the filing period for the general
 31 election, a candidate may sign and ~~submit~~ file a spending limit
 32 agreement not later than the day after the candidate files the
 33 affidavit of candidacy or nominating petition for the office.

34 ~~Subd. 2. [HOW LONG AGREEMENT IS EFFECTIVE.]~~ (e) The
 35 agreement, insofar as it relates to the expenditure limits in
 36 section 10A.25, as adjusted by section 10A.255, and the

1 contribution limit in section 10A.27, subdivision 10, remains
2 effective for candidates until the dissolution of the principal
3 campaign committee of the candidate or the end of the first
4 election cycle completed after the agreement was filed,
5 whichever occurs first.

6 Subd. 2. [AGREEMENT BY POLITICAL PARTY OR PARTY UNIT.] (a)
7 As a condition of receiving a public subsidy, the chair of the
8 state committee of a political party must sign and file with the
9 board a written agreement in which the state committee agrees
10 that the political party and all its party units will comply
11 with section 10A.25, subdivision 14. An agreement once filed
12 may not be rescinded.

13 (b) As a condition of participating in the political
14 contribution refund program, the chair of a party unit must sign
15 and file with the board a written agreement in which the party
16 unit agrees that it will comply with section 10A.25, subdivision
17 15. An agreement once filed may not be rescinded.

18 (c) As a condition of participating in the political
19 contribution refund program, the chair of a party unit that is a
20 party caucus in a house of the legislature must also sign and
21 file with the board a written agreement in which the caucus
22 agrees that it will comply with sections 10A.25, subdivision 16,
23 and 10A.27, subdivision 14. An agreement once filed may not be
24 rescinded.

25 (d) The board must provide agreement forms to political
26 parties and party units on request at any time. The state chair
27 must file the agreement with the board by February 1 of any year
28 during an election cycle in order to be allocated money
29 designated to the party account on tax returns for the preceding
30 and current taxable years. The party unit must file the
31 agreement with the board by August 1 preceding the general
32 election or a special election held at the general election. If
33 a vacancy occurs that will be filled by means of a special
34 election and the filing period does not coincide with the filing
35 period for the general election, a party unit may sign and file
36 a spending limit agreement not later than the day after the end

1 of the filing period.

2 (e) The agreement remains in effect until the end of the
 3 first general election cycle completed after the agreement was
 4 filed or the dissolution of the political party or party unit,
 5 whichever occurs first.

6 (f) The board must notify the commissioner of revenue of
 7 any agreement filed under this subdivision.

8 Subd. 4. [REFUND RECEIPT FORMS; PENALTY.] (a) The board
 9 must make available to a political party ~~on-request-and-to-any,~~
 10 party unit, or candidate for whom an agreement under this
 11 section is effective, a supply of official refund receipt forms
 12 that state in boldface type that (1) a contributor who is given
 13 a receipt form is eligible to claim a refund as provided in
 14 section 290.06, subdivision 23, and (2) ~~if-the-contribution-is~~
 15 ~~to-a-candidate,~~ that the candidate, political party, or party
 16 unit has signed an agreement to limit campaign expenditures as
 17 provided in this section. The forms must provide duplicate
 18 copies of the receipt to be attached to the contributor's claim.

19 (b) If a candidate who does not sign an agreement under
 20 this section and who the candidate or the treasurer of the
 21 candidate's principal campaign committee willfully issues an
 22 official refund receipt form or a facsimile of one to any of the
 23 candidate's contributors, the issuer of the receipt is guilty of
 24 a misdemeanor. If the state chair of a political party has not
 25 signed an agreement not to make independent expenditures and the
 26 chair or treasurer of a party unit willfully issues an official
 27 refund receipt or a facsimile of one to any of the party's
 28 contributors, the issuer of the receipt is guilty of a
 29 misdemeanor. If the chair of a party unit has not signed and
 30 filed with the board an agreement to comply with section 10A.25,
 31 subdivision 15, and willfully issues an official refund receipt
 32 or a facsimile of one to any of the party unit's contributors,
 33 the chair is guilty of a misdemeanor. If the chair of a party
 34 unit that is a party caucus in a house of the legislature has
 35 not signed and filed with the board an agreement to comply with
 36 section 10A.25, subdivision 16, and willfully issues an official

1 refund receipt or a facsimile of one to any of the party unit's
 2 contributors, the chair is guilty of a misdemeanor.

3 *delete* Sec. 15. Minnesota Statutes 2004, section 290.06,
 4 subdivision 23, is amended to read:

5 Subd. 23. [REFUND OF CONTRIBUTIONS TO POLITICAL PARTIES
 6 AND CANDIDATES.] (a) A taxpayer may claim a refund equal to the
 7 amount of the taxpayer's contributions made in the calendar year
 8 to candidates and to a political party. The maximum refund for
 9 an individual must not exceed \$50 \$100 and for a married couple,
 10 filing jointly, must not exceed ~~\$100~~ \$200. A refund of a
 11 contribution is allowed only if the taxpayer files a form
 12 required by the commissioner and attaches to the form a copy of
 13 an official refund receipt form issued by the candidate or party
 14 and signed by the candidate, the treasurer of the candidate's
 15 principal campaign committee, or the chair or treasurer of the
 16 party unit, after the contribution was received. The receipt
 17 forms must be numbered, and the data on the receipt that are not
 18 public must be made available to the campaign finance and public
 19 disclosure board upon its request. A claim must be filed with
 20 the commissioner no sooner than January 1 of the calendar year
 21 in which the contribution was made and no later than April 15 of
 22 the calendar year following the calendar year in which the
 23 contribution was made. A taxpayer may file only one claim per
 24 calendar year. Amounts paid by the commissioner after June 15
 25 of the calendar year following the calendar year in which the
 26 contribution was made must include interest at the rate
 27 specified in section 270.76.

28 (b) No refund is allowed under this subdivision for a
 29 contribution to a candidate unless the candidate:

30 (1) has signed and filed an agreement to limit campaign
 31 expenditures as provided in section 10A.322;

32 (2) is seeking an office for which voluntary spending
 33 limits are specified in section 10A.25; and

34 (3) has designated a principal campaign committee.

35 This subdivision does not limit the campaign expenditures
 36 of a candidate who does not sign an agreement but accepts a

1 contribution for which the contributor improperly claims a
2 refund.

3 No refund is allowed under this subdivision for a
4 contribution to a political party or party unit unless the state
5 chair of the political party has signed and filed with the board
6 an agreement under section 10A.322 to comply with the spending
7 limitation in section 10A.25, subdivision 14. No refund is
8 allowed under this subdivision for a contribution to a political
9 party unit unless the chair of the party unit has signed and
10 filed with the board an agreement under section 10A.322 to
11 comply with the spending limitation in section 10A.25,
12 subdivision 15. No refund is allowed under this subdivision for
13 contribution to a party unit that is a party caucus in a house
14 of the legislature unless the chair of the caucus has signed and
15 filed with the board an agreement under section 10A.322 to
16 comply with the spending limitations in section 10A.25,
17 subdivision 16. Notwithstanding the deadline in section 10A.322
18 to be eligible to receive a distribution of checkoff money under
19 section 10A.31, there is no deadline for filing an agreement to
20 be eligible to receive a refund under this subdivision.

21 (c) For purposes of this subdivision, "political party"
22 ~~means a major political party as defined in section 200.027~~
23 ~~subdivision 77 or a minor political party qualifying for~~
24 ~~inclusion on the income tax or property tax refund form under~~
25 ~~section 10A.317 subdivision 3a~~ has the meaning given it in
26 section 10A.01, subdivision 29.

27 ~~A "major party" or "minor party" includes the aggregate of~~
28 ~~that party's organization within each house of the legislature,~~
29 ~~the state party organization, and the party organization within~~
30 ~~congressional districts, counties, legislative districts,~~
31 ~~municipalities, and precincts.~~ "Party unit" has the meaning
32 given it in section 10A.01, subdivision 30.

33 "Candidate" means a candidate as defined in section 10A.01,
34 subdivision 10, except a candidate for judicial office.

35 "Contribution" means a gift of money.

36 (d) The commissioner shall make copies of the form

1 available to the public and candidates upon request.

2 (e) The following data collected or maintained by the
3 commissioner under this subdivision are private: the identities
4 of individuals claiming a refund, the identities of candidates
5 to whom those individuals have made contributions, and the
6 amount of each contribution.

7 (f) The commissioner shall report to the campaign finance
8 and public disclosure board by each August 1 a summary showing
9 the total number and aggregate amount of political contribution
10 refunds made on behalf of each candidate and each political
11 party. These data are public.

12 (g) The amount necessary to pay claims for the refund
13 provided in this section is appropriated from the general fund
14 to the commissioner of revenue.

15 (h) For a taxpayer who files a claim for refund via the
16 Internet or other electronic means, the commissioner may accept
17 the number on the official receipt as documentation that a
18 contribution was made rather than the actual receipt as required
19 by paragraph (a).

20 Sec. 16. [EFFECTIVE DATE.]

21 This act is effective January 1, 2006, and applies to
22 contributions received, expenditures made, and checkoff money
23 distributed on and after that date.

COMMITTEE REPORT - WITH AMENDMENTS

Committee on Elections

S.F. No. 489

Resolution

Re-referred (from another committee)

Amendments:

Page 5, line 17 delete everything after period

Page 5, delete line 18 to line 21

Page 6-8, delete section 5 to 8

Page 8, line 29 delete new language

Page 8, line 32 reinstate stricken semi-colon and insert "or"

Page 8, line 33 reinstate stricken (4)

Page 8, line 35 reinstate everything after the stricken (5)

Page 8, line 36 reinstate the stricken language

Page 9, line 13 delete everything after the comma

Page 9, line 14 delete everything before "who"

Page 9, line 18 delete from line 18 to line 23

Page 9-12, delete sections 11 to 13

Page 13, delete line 13 to line 24

Page 13, line 25 delete "(d)" insert "(b)"

Page 13, line 30 delete everything after period

Page 13, delete line 31 to line 36

Page 14, delete line 1

Page 14, line 2 delete "(e)" and insert "(c)"

Page 14, line 4 delete "or party unit"

Page 14, line 6 delete "(f)" and insert "(d)"

Page 14, line 9-10 delete ", party unit,"

Page 14, line 15 delete the new language and insert "or party, political party"

Page 14, line 16 delete the new language

Page 14, line 24 delete the new language

Page 14, delete line 25 to line 36

Page 15, delete line 1 to line 2

Page 15-17, delete section 15, renumber the sections in sequence

amend the title as follows:

Page 1, line 4 delete everything after the semi-colon and insert "expanding the definitions of campaign expenditures and independent expenditures"

Page 1, delete line 5 to line 9

Page 1, line 10 delete "program,"

Page 1, line 11 delete everything after semi-colon

Page 1, line 12 delete everything before "amending"

Committee recommendation:

And when so amended the bill do pass. OR

And when so amended the bill do pass and be placed on the Consent Calendar. OR

And when so amended the bill do pass and be re-referred to the Committee on
_____.

No recommendation: And when so amended the bill be

(re-referred to the Committee on _____). OR

(reported to the Senate).

Feb 28, 2005 (date of committee recommendation)

1 Senator Wiger from the Committee on Elections, to which was
2 referred

3 S.F. No. 489: A bill for an act relating to elections;
4 prohibiting political parties that receive a public subsidy from
5 making independent expenditures; requiring that income tax
6 checkoff money and political contributions refunded by the state
7 be used only for candidates who have agreed to spending limits;
8 imposing campaign contribution and spending limits on
9 legislative caucuses that choose to participate in the political
10 contribution refund program; limiting multicandidate
11 expenditures by political parties; increasing the maximum
12 political contribution refund from \$50 to \$100; amending
13 Minnesota Statutes 2004, sections 10A.01, subdivisions 9, 18;
14 10A.25, subdivision 1, by adding subdivisions; 10A.27,
15 subdivision 11, by adding a subdivision; 10A.275, subdivision 1;
16 10A.28, subdivisions 1, 2; 10A.31, subdivisions 3, 5; 10A.322;
17 290.06, subdivision 23.

18 Reports the same back with the recommendation that the bill
19 be amended as follows:

20 Page 5, line 17, delete everything after the period

21 Page 5, delete lines 18 to 21

22 Pages 6 to 8, delete sections 5 to 8

23 Page 8, line 29, delete "or"

24 Page 8, line 32, reinstate the stricken semicolon and

25 insert "or"

26 Page 8, line 33, reinstate the stricken "(4)"

27 Page 8, line 35, reinstate the stricken "expenditures for
28 party committee staff services that"

29 Page 8, line 36, reinstate the stricken language

30 Page 9, line 13, delete everything after the comma

31 Page 9, line 14, delete everything before "who"

32 Page 9, delete lines 18 to 23

33 Pages 9 to 12, delete sections 11 to 13

34 Page 13, delete lines 13 to 24

35 Page 13, line 25, delete "(d)" and insert "(b)"

36 Page 13, line 30, delete everything after the period

37 Page 13, delete lines 31 to 36

38 Page 14, delete line 1

39 Page 14, line 2, delete "(e)" and insert "(c)"

40 Page 14, line 4, delete "or party unit"

41 Page 14, line 6, delete "(f)" and insert "(d)"

42 Page 14, line 9, delete the comma

43 Page 14, line 10, delete "party unit,"

44 Page 14, line 15, delete ", political party, or party" and

1 insert "or political party"

2 Page 14, line 16, delete "unit"

3 Page 14, line 24, delete the new language

4 Page 14, delete lines 25 to 36

5 Page 15, delete lines 1 and 2

6 Pages 15 to 17, delete section 15

7 Renumber the sections in sequence

8 Amend the title as follows:

9 Page 1, line 4, delete everything after the semicolon and

10 insert "expanding the definitions of campaign expenditures and

11 independent expenditures"

12 Page 1, delete lines 5 to 9

13 Page 1, line 10, delete "program"

14 Page 1, line 11, delete everything after the semicolon

15 Page 1, line 12, delete everything before "amending"

16 Page 1, line 14, delete "subdivisions" and insert "a

17 subdivision"

18 Page 1, delete line 15

19 Page 1, line 16, delete "subdivisions 1, 2" and insert

20 "subdivision 1"

21 Page 1, delete lines 17 and 18 and insert "10A.322."

22 And when so amended the bill do pass. Amendments adopted.

23 Report adopted.

24

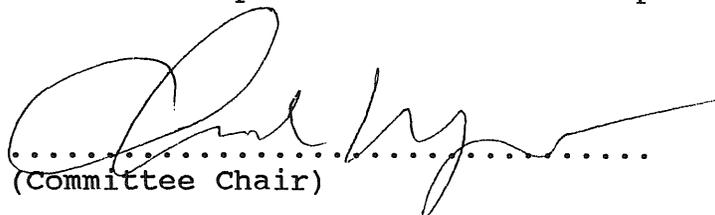
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.....
(Committee Chair)

February 28, 2005.....

(Date of Committee recommendation)

1 A bill for an act

S.F.
879

2 relating to elections; providing for elimination of
3 the state primary in a municipality or county if no
4 nominee must be selected at the state primary for any
5 partisan or nonpartisan office in that municipality or
6 county; amending Minnesota Statutes 2004, sections
7 204D.03, subdivision 1; 204D.07, subdivision 3;
8 204D.12.

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

10 Section 1. Minnesota Statutes 2004, section 204D.03,
11 subdivision 1, is amended to read:

12 Subdivision 1. [STATE PRIMARY.] (a) The state primary
13 shall be held on the first Tuesday after the second Monday in
14 September in each even-numbered year to select the nominees of
15 the major political parties for partisan offices and the
16 nominees for nonpartisan offices to be filled at the state
17 general election, other than presidential electors.

18 (b) If in any municipality or county there are no partisan
19 or nonpartisan offices for which nominees must be selected at
20 the state primary, no state primary shall be held in the
21 municipality or county. However, at least 15 days before the
22 date of the state primary, the municipal clerk or county auditor
23 in such a municipality or county must post a notice in the
24 office, and send a copy of the notice to the secretary of state,
25 stating that no primary will be held in the municipality or
26 county because there are no partisan or nonpartisan offices for
27 which nominees must be selected in the municipality or county.

1 Sec. 2. Minnesota Statutes 2004, section 204D.07,
2 subdivision 3, is amended to read:

3 Subd. 3. [EXCEPTION; CERTAIN PARTISAN AND NONPARTISAN
4 CANDIDATE CANDIDATES.] (a) If the candidate of a major political
5 party for a particular office is not opposed in the state
6 partisan primary, the office and the candidate's name must be
7 omitted from the party column on the state partisan primary
8 ballot and the candidate who filed must be the nominee of the
9 party.

10 (b) If not more than twice the number of individuals to be
11 elected to a nonpartisan office file for the nomination, their
12 names and the name of the office shall be omitted from the state
13 and county nonpartisan primary ballot and the candidates who
14 filed shall be the nominees.

15 Sec. 3. Minnesota Statutes 2004, section 204D.12, is
16 amended to read:

17 204D.12 [NAMES PLACED ON GENERAL ELECTION BALLOTS.]

18 Without payment of an additional fee, the county auditor
19 shall place on the appropriate state general election ballot the
20 name of every candidate:

21 (a) Whose nomination at the state primary has been
22 certified by the appropriate canvassing board;

23 (b) Who has been nominated by petition, including
24 candidates certified by the secretary of state; and

25 (c) Who was nominated and whose name was omitted from the
26 state partisan or nonpartisan primary ballot pursuant to section
27 204D.07, subdivision 3. Only the names of duly nominated
28 candidates may be placed on a ballot.

COMMITTEE REPORT - WITH AMENDMENTS**Committee on Elections****S.F. No. 879** Resolution Re-referred (from another committee)**Amendments:****Page 1, line 21-22, delete "at least 15 days before the date of the state primary" and insert "no later than 15 days after the close of filings."****Page 2, delete sections 2 and 3****Amend the title as follows:****Page 1, line 6, delete "sections" and insert "section"****Page 1, line 7, delete everything after 1****Page 1, line 8, delete everything before the period****Committee recommendation:** And when so amended the bill do pass. OR And when so amended the bill do pass and be placed on the Consent Calendar. OR And when so amended the bill do pass and be re-referred to the Committee on
_____ .

No recommendation: And when so amended the bill be

(re-referred to the Committee on . OR

(reported to the Senate).

February 28, 2005 (date of committee recommendation)

1 Senator Wiger from the Committee on Elections, to which was
2 referred

3 S.F. No. 879: A bill for an act relating to elections;
4 providing for elimination of the state primary in a municipality
5 or county if no nominee must be selected at the state primary
6 for any partisan or nonpartisan office in that municipality or
7 county; amending Minnesota Statutes 2004, sections 204D.03,
8 subdivision 1; 204D.07, subdivision 3; 204D.12.

9 Reports the same back with the recommendation that the bill
10 be amended as follows:

11 Page 1, lines 21 and 22, delete "at least 15 days before
12 the date of the state primary" and insert "no later than 15 days
13 after the close of filings"

14 Page 2, delete sections 2 and 3

15 Amend the title as follows:

16 Page 1, line 6, delete "sections" and insert "section"

17 Page 1, line 7, delete everything after "1"

18 Page 1, line 8, delete everything before the period

19 And when so amended the bill do pass and be placed on the
20 Consent Calendar. Amendments adopted. Report adopted.

21
22 (Committee Chair)

23
24 February 28, 2005.....
25 (Date of Committee recommendation)

**Senate Counsel, Research,
and Fiscal Analysis**

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Senate

State of Minnesota

S.F. No. 858 - Nonpartisan Legislative Elections

Author: Senator Steve Dille

Prepared by: Peter S. Wattson, Senate Counsel (651/296-3812) 

Date: February 28, 2005

S.F. No. 858 would return Minnesota to a nonpartisan Legislature, as was the case for 60 years between the passage of Laws 1913, ch. 389, and Laws 1973, ch. 3. The ballot for legislative candidates would not show their party affiliation and there would be no party primary for them.

Section 1 eliminates the party accounts in the state elections campaign fund and gives the income tax checkoff money for a political party that would otherwise have gone to legislative candidates to the party's state committee.

Section 2 strikes legislative candidates from the partisan primary ballot.

Section 3 adds legislative candidates to the nonpartisan primary ballot.

Section 4 strikes a reference to the order in which legislative candidates appear on the partisan ballot.

PSW:ph

cc: Kelly Wolfe

Senator Dille introduced—

S. F. No. 858 Referred to the Committee on Elections

1 A bill for an act

2 relating to elections; providing for nonpartisan
3 legislative offices; modifying the allocation of money
4 in the state elections campaign fund; amending
5 Minnesota Statutes 2004, sections 10A.31, subdivision
6 5; 204D.08, subdivisions 4, 6; 204D.13, subdivision 1.

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

8 Section 1. Minnesota Statutes 2004, section 10A.31,
9 subdivision 5, is amended to read:

10 Subd. 5. [ALLOCATION.] (a) [GENERAL ACCOUNT.] In each
11 calendar year the money in the general account must be allocated
12 to candidates as follows:

13 (1) 21 percent for the offices of governor and lieutenant
14 governor together;

15 (2) 4.2 percent for the office of attorney general;

16 (3) 2.4 percent each for the offices of secretary of state
17 and state auditor;

18 (4) in each calendar year during the period in which state
19 senators serve a four-year term, 23-1/3 percent for the office
20 of state senator, and 46-2/3 percent for the office of state
21 representative; and

22 (5) in each calendar year during the period in which state
23 senators serve a two-year term, 35 percent each for the offices
24 of state senator and state representative.

25 (b) [PARTY ACCOUNT.] In each calendar year the money in
26 each party account must be allocated as follows:

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

3 (2) 2.8 percent for the office of attorney general;

4 (3) 1.6 percent each for the offices of secretary of state
5 and state auditor; and

6 ~~(4) in each calendar year during the period in which state~~
7 ~~senators serve a four-year term, 23-1/3 percent for the office~~
8 ~~of state senator, and 46-2/3 percent for the office of state~~
9 ~~representative;~~

10 ~~(5) in each calendar year during the period in which state~~
11 ~~senators serve a two-year term, 35 percent each for the offices~~
12 ~~of state senator and state representative; and~~

13 ~~(6) ten~~ 80 percent for the state committee of a political
14 party.

15 Money allocated to each state committee under clause ~~(6)~~ (4)
16 must be deposited in a separate account and must be spent for
17 only those items enumerated in section 10A.275. Money allocated
18 to a state committee under clause ~~(6)~~ (4) must be paid to the
19 committee by the board as it is received in the account on a
20 monthly basis, with payment on the 15th day of the calendar
21 month following the month in which the returns were processed by
22 the Department of Revenue, provided that these distributions
23 would be equal to 90 percent of the amount of money indicated in
24 the Department of Revenue's weekly unedited reports of income
25 tax returns and property tax refund returns processed in the
26 month, as notified by the Department of Revenue to the board.
27 The amounts paid to each state committee are subject to biennial
28 adjustment and settlement at the time of each certification
29 required of the commissioner of revenue under subdivisions 7 and
30 10. If the total amount of payments received by a state
31 committee for the period reflected on a certification by the
32 Department of Revenue is different from the amount that should
33 have been received during the period according to the
34 certification, each subsequent monthly payment must be increased
35 or decreased to the fullest extent possible until the amount of
36 the overpayment is recovered or the underpayment is distributed.

1 Sec. 2. Minnesota Statutes 2004, section 204D.08,
2 subdivision 4, is amended to read:

3 Subd. 4. [STATE PARTISAN PRIMARY BALLOT; PARTY COLUMNS.]
4 The state partisan primary ballot shall be headed by the words
5 "State Partisan Primary Ballot." The ballot shall be printed on
6 white paper. There must be at least three vertical columns on
7 the ballot and each major political party shall have a separate
8 column headed by the words "..... Party," giving the party
9 name. Above the party names, the following statement shall be
10 printed.

11 "Minnesota Election Law permits you to vote for the
12 candidates of only one political party in a state partisan
13 primary election."

14 If there are only two major political parties to be listed
15 on the ballot, one party must occupy the left-hand column, the
16 other party must occupy the right-hand column, and the center
17 column must contain the following statement:

18 "Do not vote for candidates of more than one party."

19 The names of the candidates seeking the nomination of each
20 major political party shall be listed in that party's column.
21 If only one individual files an affidavit of candidacy seeking
22 the nomination of a major political party for an office, the
23 name of that individual shall be placed on the state partisan
24 primary ballot at the appropriate location in that party's
25 column.

26 In each column, the candidates for senator in Congress
27 shall be listed first, candidates for representative in Congress
28 ~~second, candidates-for-state-senator-third, candidates-for-state~~
29 ~~representative-fourth~~ and then candidates for state office in
30 the order specified by the secretary of state.

31 The party columns shall be substantially the same in width,
32 type, and appearance. The columns shall be separated by a
33 12-point solid line.

34 Sec. 3. Minnesota Statutes 2004, section 204D.08,
35 subdivision 6, is amended to read:

36 Subd. 6. [STATE AND COUNTY NONPARTISAN PRIMARY BALLOT.]

1 The state and county nonpartisan primary ballot shall be headed
2 "State and County Nonpartisan Primary Ballot." It shall be
3 printed on canary paper. The names of candidates for nomination
4 to the state senate, the state house of representatives, the
5 Supreme Court, Court of Appeals, district court, and all county
6 offices shall be placed on this ballot.

7 No candidate whose name is placed on the state and county
8 nonpartisan primary ballot shall be designated or identified as
9 the candidate of any political party or in any other manner
10 except as expressly provided by law.

11 Sec. 4. Minnesota Statutes 2004, section 204D.13,
12 subdivision 1, is amended to read:

13 Subdivision 1. [ORDER OF OFFICES.] The candidates for
14 partisan offices shall be placed on the white ballot in the
15 following order: senator in Congress shall be first;
16 representative in Congress, ~~second, state senator, third, and~~
17 ~~state representative, fourth.~~ The candidates for state offices
18 shall follow in the order specified by the secretary of state.
19 Candidates for governor and lieutenant governor shall appear so
20 that a single vote may be cast for both offices.

Senate File 858

Chief Author: Senator Steve Dille

Minnesota Non Partisan Legislature

- 1913 Minnesota Legislature became the first state in the union to go non-partisan.
- 1934 Nebraska became the 2nd state to go non-partisan.
- 1973 Minnesota's Legislature reverted back to a partisan legislature.
- 2005 Nebraska is the only state that is non-partisan.

House Action

- Republican Representative CW Brown of Glencoe moved to include the legislature in the list of non-partisan positions.
- Amendment passed 71-39
- Those who voted no:
 - 37 Republicans, including Speaker Rines, and Rep. Charles A. Lindbergh of Little Falls
 - 1 Democrat
 - 1 Public Ownership member
- House final passage 94-17
- 17 no votes came from:
 - 14 Dry Republicans
 - 1 Wet Republican
 - 1 Wet Democrat
 - 1 Public Ownership Member
- 94 yes votes came from:
 - 18 wet Democrats
 - Most wet Republicans
 - 1 Prohibitionist

Conference Committee:

- Stacked against non-partisanship by Speaker Rines and Lt. Gov. Burnquist (Senate President)
- Conference Committee Report vote:

House 65 yeas	48 nays
Senate 36 yeas	15 nays

1969

Mpls - Star 11/17/69 261A

DFLers Author Party Designation Bills

DFLers in both houses of the Minnesota Legislature today introduced bills providing for party designation for members of the legislature.

DFLers, in the minority in both houses for the past two sessions, have tried unsuccessfully for years to get a party designation bill adopted. Political theorists in both parties generally feel that party designation would help the DFLers more than the Conservatives.

Minority leaders said they are abandoning the practice tried in other sessions of relying on members of the majority to author legislative reform bills.

Instead they themselves will introduce bills relating to the size of the legislature, now at 202 members, allowing the legislature to call itself into session and providing "realistic salaries" once

the reforms go into effect.

Senate authors of the party designation bill are Minority Leader Karl Grittner, Assistant Minority Leader Nicholas Coleman and Sen. Wendell Anderson, all of St. Paul.

The house version is authored by Reps. John Chenoweth, St. Paul; Richard Nolan, Little Falls; Joel Sauk, Rapids; Carl Fridley, and Jack Kozlowski, Columbia Heights.



MINNESOTA Party Labels Held Desirable

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About five out of eight Minnesotans (65 per cent) think the official state election ballot should show the political party of candidates for the State Legislature, according to a sampling of opinion by The Minneapolis Tribune's Minnesota Poll.

Most of those who favor party identification on the ballot feel the issue is very or fairly important. "It is important for the party to be on the ballot because the voter will know more about the positions of candidates on the issues," a 30-year-old South St. Paul man said.

"Voting should be strictly for the man and not the party," said a 22-year-old Duluth housewife who opposes party identification and feels the issue is not an important one.

Of the 28 per cent who expressed opposition to party designation, the large majority said the issue is not so important or not important at all.

Elections of state legislators have been conducted without party labels on the ballots since 1913. To learn how many Minnesotans would like to change that election procedure, field reporters asked a balanced cross-section of 599 adult men and women:

"Candidates for the State Legislature often run as Republicans and Democratic-Farmer-Laborites even though the official election ballot is on a no-party basis. Do you think the official election ballot should or should not show the political party of candidates for the legislature?"

Rank and file DFLers and Republicans view the issue alike but independent voters are more inclined to oppose party designation on the ballot:

	All state residents	DFLers	Republicans	Independents
Ballot should show party ..	65%	69%	69%	57%
Should not	28	25	25	35
Noncommittal..	7	6	6	8
	100%	100%	100%	100%

The next question:

"Do you think party identification on the ballot is a very important issue or not so important?"

	All state residents	Party should be on ballot	Should not
Party identification is very important	41%	57%	10%
Fairly important	18	22	9
Not so important	33	18	66
Not important at all	5	1	13
Noncommittal	3	2	2
	100%	100%	100%

Those who said the party of legislative candidates should be designated AND that the issue is very or fairly important gave these reasons: (1) party tells voters what the candidates stand for, helps voter make decision; (2) voters have a right to know the party of a candidate; (3) party designation promotes party responsibility, avoids divided party responsibility; (4) ballot is too long to know the party of all the candidates before going to vote.

The reasons given by those who oppose party identification AND think the issue is not so important or not important at all: (1) Should vote for the man and not the party; (2) partisan politics is bad, voters decide for bad candidates on the basis of party; (3) most voters already know the party of the candidates for legislature.

In earlier Minnesota Poll surveys state residents were less favorable to party identification. However, the wording of the question differed as follows: "Members of the State Legislature now are elected on a no-party basis, NOT as Democratic-Farmer-Laborites or as Republicans. But they usually join a group in the Legislature leaning toward one party or the other. Do you think members of the Legislature should or should not be elected under political party labels?"

1969
★

PRO PARTY Designation

1969

261A Party Label 'Dogmatists' ^{MSR} 2-17-69

MINNESOTA legislators—at least some of them still seem unaware of the growing public clamor for more responsiveness by elected representatives to the desires of the electorate. Other legislators prefer to ignore the clamor.

That responsiveness, many Minnesotans have long believed, can be ensured by political party designation of legislators. Most of the legislators, however, particularly those who call themselves Conservatives, prefer the fiction of "nonpartisanship." They refuse to accept party labels, even though their caucuses are conducted along party lines and many are eager for party endorsements in election campaigns.

The perennial party designation bill is again before the Legislature, and its supporters are being listened to, but often with ill-concealed impatience. Sen. Gordon Rosenmeir, the Little Falls "Conservative," spoke of the "adherence to dogma" of the pro-party label witnesses and urged the Senate committee to get on to "more important" matters.

The appeal for clearer labels for legislators and greater responsiveness to the electorate might be "dogma," as Rosenmeir has suggested. But as long as the legislators keep ignoring those appeals, the "dogmatists" will be back, demanding that which is rightly theirs.

MPLS
STAR
2-18-69
ACTION ASSAILED

Senate Unit Kills Party Designation Measure

261A
By TED SMEBAKKEN
Minneapolis Star Staff Writer

The state Senate Elections and Reapportionment Committee killed the biennial party designation bill today but not before hearing itself roundly criticized as a prime example of the "sham" pervading American politics.

The vote on whether to table, and thus bury, the bill was 12 to 6. All but one of the 13 Republican - oriented Conservatives on the committee voted for the motion.

The vote was no surprise, since the same committee has voted down attempts to require legislative candidates to run under party labels for the past eight sessions.

Sen. Karl Grittner, St. Paul, DFL minority leader in the senate, told committee members he was dismayed with the reception given the bill at its first hearing last week.

Newsmen covering the session had described the hearing as a biennial "ritual dance" and an "exercise in futility," he said.

While their comments accurately reflected sentiment on the committee, Grittner said, the treatment accorded party designation does not jibe at all with the desire in the nation to achieve "honest participatory politics."

Grittner asked the committee to take "one halting step" toward restoring "the confidence of the people in our political system" by allowing the bill to go to the senate floor "with or without recommendation."

The gesture is needed, he said, "so we can say the Minnesota Senate is a body that does not fear open debate."

Grittner's testimony prompted almost no response from the Conservative majority but it did bring a former legislator, Carl Carl Iversen, to his feet.

Iversen, a DFL House member from Ashby for 40 years before his defeat in

1966, for 2 years led opposition to party designation on the house floor.

He said if committee members feel the electorate is ignorant and unable to make intelligent choices without dictation from political parties, "you should approve this bill."

Passage, he said, would set the cause of genuine democracy back many years.

"I don't think we should be like the goofy-bird and fly backward... more interested in where we've been than where we're going," he said.

An identical bill, sponsored by Sen. Robert Brown, Stillwater Conservative, also was junked. Brown consented to the move, stating it would be "redundant" for the committee to take up his bill.

Minnesota has had a non-partisan legislature since 1913. Nebraska's one-house legislature also is nonpartisan.

Crookston Daily Times 2-9-71

Authors Party Designation Bill

A bill to require State Legislators to carry party designation on the election ballot has been introduced in the Minnesota Senate by DFL'er Roger D. Moe.

"This bill would require legislators to be honest with the people about where they stand politically," said Moe. He explained that, at the present time, legislators run without party designation although, once elected, they caucus with either the DFL or Conservatives.

"Party designation is an important indication of how a legislator might be expected to vote on key issues," he said. "The citizen has a right to know what that affiliation is before he votes for a candidate."

Moe cited the current election contest before the Senate as an example of what can happen without party designation. The Senator whose election is contested had promised during the campaign that he would caucus with the "majority" but did not identify his own party affiliation. Following the election there was an even split in the Senate except for the "independent" senator who later announced his decision to caucus with the Conservatives.

Moe called party designation a "step in the right direction toward more responsible state government."

1971
Sen Roger Moe →
for party designation

Rosenmeier: Nonpartisan Rule Is Best

By ROBERT FRANKLIN,
Minneapolis Tribune Staff Writer

State Sen. Gordon Rosenmeier said Saturday that electing legislators without party labels has made Minnesota's Senate and House "the greatest Legislature of all from the standpoint of independence."



"The independent legislator must stand before his own constituency and bear the risk of his own judgment," Rosenmeier, a Little Falls Conservative, told the Institute on Minnesota Political History in a rare and impassioned defense of the nonpartisan ballot.

Rosenmeier's stand was disputed by former Farmer-Labor Gov. Elmer Benson, who could not get a tax program through the nonpartisan Senate in 1937.

With designation by political party, he said in a separate speech, "You'd be able to place some responsibility someplace. Now you can't."

"We're free," said Rosenmeier, "to enact what is needed, what our constituents want, wholly unheeded of demands of partisan political necessity."

The legislator, he said, is not insulated from his constituents by party machinery.

Nor do the legislative caucuses substitute their own discipline, he said. "There is no group policy. It is a topic that cannot be discussed (in caucuses). No one's vote is committed. . . I know of nothing in the whole picture that expressly or implicitly has ever bound any member to any vote on any issue" except for initial organization.

Except for one or two "synthetic issues," he added, it is impossible to tell from the votes who is a Conservative and who is a Liberal (or DFLer).

Editors and academicians who support party designation have not examined the question critically, he said. Minnesota's Legislature has been nonpartisan since 1915.

Rosenmeier cited laws on civil rights, metropolitan government, pollution control and regional development, and asked: "Is there any doubt that the product of the Minnesota Legislature has been a highly progressive one through history?"

"The Legislatures of this state have not been responsive," Benson retorted later during the St. Paul meeting. He said they have permitted the state's lumber to be "stolen," mining resources to be "looted" and farmers to be robbed by railroads.

"The Farmer-Labor administrations were responsive to the wishes and the needs of the people," he said.

State Treasurer Val Bjornson suggested that some support for nonpartisanship comes from the legislator who looks in the mirror and asks: "if we had party designation, would you be here?"

*1970
conservative
Sen. Rosenmeier
of Little Falls
against party
designation*

Duluth News-Tribune

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6

Party Designation?

Again it is being asked whether Minnesota legislators should be elected with party designations. The League of Women Voters recommends that they do. Forty-eight states have party-labeled legislatures.

While the party system works well nationally, it seems unnecessary in the state legislative process and could work to stifle it.

In national politics, it is often only through such labeling that voters can know a candidate's general outlook. Legislators, however, represent considerably smaller populations, particularly in Minnesota and the interested voter can meet legislative candidates and learn their political views firsthand. In fact, without party labels, legislators have to make a special effort to make their views known.

The lack of party designation, then, should serve to make legislators more independent in their voting, being more responsive to their constituency and conscience than to a party platform.

It was precisely a desire to be free of constricting party platforms that brought about our tradition of nonpartisan legislators. In the 1913 session, a proposal was introduced to have county officers run without party designation. In an effort to kill this proposal, it was amended to include legislators also. But the move

backfired, and the amended bill was approved.

Legislators chose to run without party designation primarily because of the prohibition issue. National prohibition took effect in 1920. But until then, states could opt to be wet or dry, however their legislators voted. In Minnesota, this issue did not break evenly down party lines, and legislators feared being unable to go along with their parties' positions on prohibition. Hence, they chose to be nonpartisan, leaving the parties free to advocate their own individual positions.

Many issues in the state today are similar; they defy party lines. Our Legislature can be more responsive with legislators left free to make up their own minds on the many nonpartisan issues, rather than being locked into positions through party affiliation.

This point of view has been confirmed somewhat by a recent survey of state legislatures by the Citizens Conference on State Legislatures, ranking legislatures according to their overall proficiency, accountability and representation. Minnesota and Nebraska are the only states with nonpartisan legislatures, and both of them were listed in the top 10—Nebraska, 9, and Minnesota, 10, to be specific.



Staff Photo by Earl Seibert

mpls. tribune 4-1-71

Women Voters Demonstrate for Party Label

These self-styled "Baggie Girls" marched outside the Minnesota Capitol Wednesday as part of a campaign by the state League of Women Voters to have party designation restored in elections for the state Legislature. The bags were to symbolize the league's contention that lack of party designation compels voters to choose an unknown quantity. From left, above: Mrs. John McCreight, 5708 W. 38th St., St. Louis Park; Mrs. Edwin Hoffings, 2925 Vernon Ave., St. Louis Park, and Mrs. Howard Gross Jr., 5416 Queen Av. S. Testimony on one of the party-designation bills was heard yesterday by the Senate Elections and Reapportionment Committee.

L6056

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Stoner Press 4-16-71

Party Label L60.56 Bill Loses Test

By ROBERT WHEREATT
Staff Writer

House Liberals attempted Wednesday to lift a party designation bill out of a subcommittee for an immediate vote by the full House.

Conservatives, who control the House by six votes, were able to defeat the move on a close vote of 65-69.

Two conservatives voted with the Liberals, while one Liberal crossed over to vote with the Republican-oriented Conservatives.

Liberal Minority Leader Martin Sabo of Minneapolis said several groups in the state, including the DFL party and the League of Women Voters, have long demanded that state legislators be required to run with party labels.

Under existing law the two major party labels cannot be used.

Rep. Stanley Enebo, Liberal-Minneapolis, is the chief author of one party designation bill. He said Conservatives were keeping the bill locked in a subcommittee to kill it.

Subcommittee chairman Verne Long, Pipestone, denied the charge, saying hearings were not completed.

Majority Leader Ernest Lindstrom called the move a political one designed "to delay the work on the floor of this house."

Voting with the Liberals were Reps. Robert Bell, Roseville, and John Keefe, Hopkins, both Conservatives.

Sam Barr, a Liberal from Ortonville, voted with the Conservatives.

4/15/1971

LG0.56

Wed., April 28, 1971

ST. PAUL DISPATCH

★★

Party Label Bill OK'd for Vote by Senate

Two Conservatives voted with seven DFLers today to send a Party Designation Bill for state legislators to the floor of the Minnesota Senate.

The roll call vote was 9-7 in the Senate Elections and Reapportionment Committee.

Senate DFL leader Nicholas Coleman said it was the first time since 1913 that a party label bill has reached the Senate floor.

LAWMAKERS have run without party designation since 1913. Minnesota and Nebraska are the only states with non-partisan legislatures.

The bill, sponsored by Sen. Robert Brown, Stillwater Conservative, would require lawmakers to run as Republicans or DFLers in 1972.

DFLers never have controlled the state Senate

since the no-party law was passed in 1913, although they came within one vote this session.

Party designation bills have passed the House several times when DFLers were in control.

BROWN is 4th District chairman for the Republican party. Most Conservatives are allied with the Republican party.

Sen. Alf Bergerud, Edina Conservative, joined with Brown and the seven DFLers in supporting the party label bill. Seven Conservatives voted against it.

Sen. Mel Hansen, Minneapolis Conservative, opposed the measure, saying

it is "an exercise in futility" because the issue is dead in the House.

Chairman Keith Hughes, St. Cloud Conservative, also opposed the bill.

"IT APPEARS that this questionable measure of legislative reform will find its way to the floor," Hughes said after the vote.

House Conservatives have resisted attempts by DFLers to pry the Party Designation Bill out of Committee.

Before approving the Brown bill, the committee rejected a motion by Sen. Donald Sinclair, Stephen Conservative, to table the

bill. The roll call vote was 9-7, with Brown and Bergerud again joining DFL in blocking the attempt to kill the bill.

THE SEVEN DFLers who voted with Brown and Bergerud were J. C. Anderson, North Branch; Cliff Benson, Ortonville; John Chenoweth, St. Paul; V. K. Jensen, Montevideo; Roger Moe, Ada; Richard Parish, Golden Valley, and Gerald Willet, Park Rapids.

Conservatives against the bill were Hughes, Hansen, Sinclair, Robert, Ashbach, Arden Hills; Roy Holsten, Minneapolis; J. A. Josefson, Minnesota; Earl Renneke, Le Sueur.

13

St. Paul Pioneer Press
5-13-71

Party Label Bill Approved

LLC. 56

The Senate gave final approval to party designation Wednesday, voting 46-21 to send the bill on its way to a more resistant House.

Sponsored by Sen. Robert Brown, Conservative-Stillwater, and backed by most members of the legislature's Liberal caucuses, the bill would have state legislators run as Republicans and DFL-ers beginning in the next election.

The House has debated

party designation bills in recent sessions, but companion legislation has been stopped in committee this year.

The Senate's approval of the measure came on the first floor debate of party designation since Minnesota switched to a non-partisan legislature 58 years ago.

Senate minority leader Nicholas Coleman, St. Paul, moved the Senate reconsider its vote immediately following final passage. He explained the ploy as a way of clearing the bill from a later attempt and getting the bill sent quickly to the House.

Coleman then urged the Senate to defeat his reconsideration motion to clear the path to the House from any other parliamentary obstacles. The Senate voted 13-50 against reconsideration.

L60.56
WHAT ARE THEY AFRAID OF?



✓ 60.52

DFLers seeking designation bill

Fergus Falls Daily Journal

11/9/73

MINNEAPOLIS, Minn. (AP) — The DFL party has control of the Minnesota Legislature for the first time in history, and one of the Democratic lawmakers' first moves might be seeing that they're identified as "DFLers" in the next election. "I'd guess that party designation will be one of the first bills enacted, if not the very first bill," said a jubilant DFL Chairman Richard Moe Wednesday after his party had scored an unprecedented legislative sweep in the general election.

Near-complete returns gave the DFLers a 36-31 margin in the Senate and a 78-56 advantage in the House, the first time Democrats have controlled both bodies in the state's 114-year history.

DFLers have been pushing for years to have legislators identified by party on ballots. Now the election is officially nonpartisan, although both parties spend substantial sums backing their candidates.

With majorities in both houses and a DFL governor in Wendell Anderson, however, Moe expects the party designation measure and some others to win approval.

"Gov. Anderson has a very comprehensive legislative program, and we know now it will receive a sympathetic hearing," Moe said.

Anderson himself said he was "just delighted" at the legislative triumph despite a defeat for presidential candidate George McGovern.

The governor praised DFL party unity and credited the McGovern campaign for "making the difference in many close races."

"It's going to be an inter-

esting session and an historic session," added Anderson, who is looking for support from lawmakers in his attempt to hold the line on taxes this year.

State Republican Chairman David Krogseng admitted a measure of gloom over the results, but warned: "We're starting to build for 1974 and we'll be playing the role of watchdog over the Anderson administration and the DFL legislature."

Voters virtually remade the legislature, dumping 23 incumbents and producing about a 40 per cent turnover in the House and Senate for the 1973 session.

In the process, they sent two blacks, six women and the youngest lawmaker in state history to the legislature.

This remaking of the legislature came at a time when the voters were conventional in other areas.

They went along with the nation in favoring President Nixon, although making the race closer than in most states; they re-elected Sen. Walter F. Mondale, D-Minn., and all eight congressmen, and they voted in former DFL Gov. Karl Rolvaag over incumbent P.K. Peterson as public service commissioner.

B. Robert Lewis, a St. Louis Park DFLer and member of the State Board of Education, is the first black ever elected to the Senate.

Conservative Ray Pleasant, a Republican city councilman in Bloomington is the second black ever elected to the House. The first, a Minneapolis lawyer, served in 1899.

Both men said race wasn't an issue in their campaigns.

The six women elected to the

House are incumbent Rep. Helen McMillan, Austin DFLer Phyllis Kahn and Linda Berglin, both Minneapolis DFLers; Joan Grove, Minnetonka DFLer; Ernee McArthur Brooklyn Center Conservative and Mary Forsythe, a Conservative from Edina.

Mrs. McMillan, 62, has been the sole female legislator the past two legislative sessions. Asked what she would consider a fair breakdown of the 201 House and Senate seats, Mrs. McMillan replied:

"I'd think 50-50. That sounds equitable, doesn't it?"

Thaddeus Jude, 20, a Mound DFLer, is the youngest legislator ever elected. He had to go to the state Supreme Court to get his name on the ballot.

The high court held that Jude was qualified to run because he will turn 21 before the start of the 1973 session in January.

Ironically, Jude's father, Sen. Victor Jude of Maple Lake, was an apparent loser.



Party Label

West-Central Daily Globe 1-31-73

65099
The party designation proposal is up for action in the legislature. The DFL has always been for such designation on the ballot and the Republicans adverse to it. With the DFL controlling the legislature the measure is easily predicted to pass unless some mankey wrench is thrown into the bill. Up to this time the offices have been called Non-Partisan on the ballot but one knows what happens when the boys finally get down there—then the party affiliation shows up pretty quick under the categories of liberals and conservatives. Seldom is there an independent going down there—had one at the last session and that wrote history and if we recall rightly a lot of fuss as well. Of course it is assumed such a person can also run for the legislature and doubtless such will be clear on the ballot—probably could use a few more of them to offset the strict party person. Those who vote the party line blindly or just consult the party whip how he is to vote and not have to inform himself at all about the legislation coming up. Under non-party designation there is no committal to party platforms but once down there you find out about that. Under such circumstances the party label system is more forthright and



Staff Photo by Richard Olsenius

Sen. Charles Berg, Chokio Conservative, displayed a plucked rubber chicken to the Senate Thursday to emphasize his point that rural Minnesotans would be "skinned alive" as a result of party designation.

260.56

House passes party-designation bill; *Mpls. Trib, 2-2-73* Senate gives it preliminary approval

By Steven Dornfeld
and Dennis Cassano
Staff Writers

Party designation for state legislative candidates was assured Thursday after the Minnesota House passed the bill to provide it and the Senate gave it preliminary approval.

The bill, which will end the state's 60-year-old practice of having legislative candidates run on a nonpartisan ballot, is expected to be given final passage by the Senate Monday and to be signed into law by DFL Gov. Wendell Anderson.

Party designation, a long-standing goal of DFL legislators, was passed in the House on a vote of 112 to 20 — with 72 DFLers and 40 Conservatives voting for it, 3 DFLers and 17 Conservatives voting against it and 2 DFLers not voting.

In the Senate, the bill was approved on a voice vote after a Conservative effort to return the bill to committee was defeated on a vote of 43 to 24. Six Conservatives joined the DFL majority in voting against the move.

Although the Senate Conservatives are expect-

ed to follow the example of their House brethren and support the bill Monday, they complained yesterday that the bill represents "a blatant misuse of power by the new DFL majority."

Sen. Mel Hansen, Minneapolis Conservative, charged that the bill's provisions were drawn to aid the DFL and "will lead us down the road to what they have in southern states — a one-party system."

Under the bill, the first

position on the legislative ballot will be given to the candidate of the party that averaged the highest number of votes in the previous general election. This would mean that DFL legislative candidates would be listed first on the 1974 ballot throughout the state.

Most political studies have shown that the candidate listed first on the ballot tends to receive more votes. In the past, the po-

Party
Continued on page 4A



Staff Photo by Regene Radniecki

Governor signs party-designation bill

Gov. Wendell Anderson handed a ceremonial pen to Phyllis Kahn, DFL-Minneapolis, Monday after he signed a bill providing party designation for state legislative candidates. At the signing ceremony in the Capitol rotunda, Anderson called the bill "a major step forward

Mpls. Trib.
2-20-73
in opening up government" and said it "will remove the blindfold people have been forced to wear for 60 years when voting for state legislators." In accordance with the new law, the Tribune will refer to legislators by their party designation.



LEGISLATORS OFFICIALLY BECAME Democratic-Farmer-Laborites or Republicans after Governor Wendell Anderson signed the party-designation bill into law on Monday of last week, ending the supposed "non-partisan" status of the lawmakers. The Democrats called themselves DFLers for the past 8 years in spite of the non-partisan status, but the Republicans insisted they

were just "Conservatives" right up until the end. Watching the signing are two representatives of the Farmers Union at Left, then House Speaker Martin Sabo, Senator Baldy Hansen, Rep. Phyllis Kahn, House Majority Leader Irvin Anderson, Rep. Stanley Enebo, and Senator Majority Leader Nicholas Coleman.

Union Advocate

2-26-73

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State of Minnesota

S.F. No. 827 - Quarterly Election Day

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S.F. No. 827 provides for state and local primary and general elections to be held only on four days:

1. The second Tuesday in March
2. The third Tuesday in May
3. The first Tuesday after the second Monday in September
4. The first Tuesday after the first Monday in November

The only exceptions would be for elections held to fill a vacancy in office and required by statute to be held sooner than the next of those four days or elections conducted by mail.

Article 1 sets forth the elections that are covered by the uniform law and designates the days when they may be held.

Article 2 contains conforming amendments.

Section 1 applies the new date requirements to school district capital project levy referenda.

Section 2 applies the new date requirements to a levy referendum in a school district that is in statutory operating debt.

Section 3 sets the times when municipal and school district polling places must be open on days other than the state primary or state general election. It says that polling places must be open at least between the hours of 10:00 a.m. and 8:00 p.m. If a petition requesting longer voting hours for any election is signed by a number of voters equal to 20 percent of the votes cast in the last municipal

or school district general election and filed with the appropriate municipal or school district clerk no later than 30 days before an election, then the polling places for that election must open at 7:00 a.m. and close at 8:00 p.m.

Section 4 applies the new date requirements to municipal special elections.

Section 5 says that the hours for voting in municipal special elections are those determined in Minnesota Statutes, section 204C.05; that is, 10:00 a.m. to 8:00 p.m., unless a petition is filed demanding that the polls open at 7:00 a.m.

Section 6 applies the new dates to school district special elections.

Section 7 sets the hours for voting in school district elections as provided in Minnesota Statutes, section 204C.05.

Section 8 applies the new date requirements to county capital improvement bond referenda.

Section 9 applies the new date requirements to county special elections.

Section 10 applies the new date requirements to a referendum on the issuance of bonds by a port authority.

Sections 11 and 12 apply the new date requirements to a referendum on a combination of local government units, such as counties, cities, or towns.

Section 13 applies the new date requirements to a reverse referendum to stop a city from increasing its levy for port authority purposes.

Section 14 applies the new date requirements to a referendum on the sale of general obligation bonds by the port authority of Cannon Falls or Redwood Falls.

Section 15 applies the new date requirements to a reverse referendum held on a county board's decision to impose a three percent gross receipts tax on lodging within an unorganized territory.

Section 16 applies the new date requirements to a referendum on the sale of city capital improvement bonds to construct a city hall, public safety facility, and public works facility, which must be held if demanded by a petition signed by voters equal to five percent of the votes cast in the city in the last general election.

Section 17 applies the new date requirements to a municipal election to authorize the issuance of bonds.

Section 18 says that, if the election required by section 17 rejects the issuance of bonds, the question may not be resubmitted until the next quarterly election date that is at least 180 days after the first election.

Section 19 applies the new date requirements to a municipal election to authorize the issuance of bonds.

Section 20 contains the repealers.

Minnesota Statutes, section 204C.05, subdivision 1a, allows the governing body of a town with less than 500 inhabitants located outside the metropolitan area to open its polls at 10:00 a.m. rather than at 7:00 a.m., if approved by a vote of the town electors at the annual town meeting.

Section 204C.05, subdivision 1b, allows at least 20 percent of the registered voters residing in a voting district in an unorganized territory to demand that their polls not open until 10:00 a.m. on election day.

Section 205.175 sets minimum voting hours of 5:00 p.m. to 8:00 p.m., except that in a municipality in the metropolitan area the hours must be at least 10:00 a.m. to 8:00 p.m. and that in a municipality outside the metropolitan area at least 20 percent of the voters may demand by petition that the polls be open from 10:00 a.m. to 8:00 p.m.

Section 205A.09 provides minimum voting hours for a school district in the metropolitan area of 10:00 a.m. to 8:00 p.m. and minimum voting hours for a school district outside the metropolitan area of 5:00 p.m. to 8:00 p.m. It authorizes a number of voters equal to 20 percent of the votes cast at the last school district election in a school district outside the metropolitan area to demand that the polling places be open from 10:00 a.m. to 8:00 p.m.

Section 21 makes the article effective January 1, 2006.

PSW:ph

cc: Kelly Wolfe

1 A bill for an act
2 relating to elections; providing for quarterly
3 election days for state and local elections, other
4 than special elections to fill a vacancy; amending
5 Minnesota Statutes 2004, sections 123B.63, subdivision
6 3; 126C.17, subdivision 11; 204C.05, by adding a
7 subdivision; 205.10, subdivision 3; 205A.05,
8 subdivision 1; 373.40, subdivision 2; 375.20; 458.40;
9 465.82, subdivision 2; 465.84; 469.053, subdivision 5;
10 469.0724; 469.190, subdivision 5; 475.521, subdivision
11 2; 475.58, subdivisions 1, 1a; 475.59; proposing
12 coding for new law in Minnesota Statutes, chapters
13 204D; 205; 205A; repealing Minnesota Statutes 2004,
14 sections 204C.05, subdivisions 1a, 1b; 205.175;
15 205A.09.

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

17 ARTICLE 1

18 QUARTERLY STATE AND LOCAL ELECTION DATES

19 Section 1. [204D.035] [QUARTERLY ELECTION DAY.]

20 Subdivision 1. [SHORT TITLE.] This section may be referred
21 to as the "Quarterly Election Day Act of 2005."

22 Subd. 2. [ELECTIONS COVERED.] This section applies to all
23 state, county, municipal, school district, and any other
24 political subdivision elections held in the state of Minnesota,
25 and elections on ballot questions, except for (i) elections held
26 to fill a vacancy in office and required by statute to be held
27 sooner than the next day designated in subdivision 3, or (ii)
28 elections conducted by mail.

29 Subd. 3. [ELECTIONS ON DESIGNATED DAYS.] (a)

30 Notwithstanding other law to the contrary, elections covered in

1 subdivision 2 may be held only on the following days:

2 (1) the second Tuesday in March;

3 (2) the third Tuesday in May;

4 (3) the first Tuesday after the second Monday in September;

5 and

6 (4) the first Tuesday after the first Monday in November.

7 (b) The time period in which a special election must be

8 conducted under any other law or charter provision must be

9 extended to conform to the requirements of this subdivision.

10 Subd. 4. [PRIMARY DATE IF NOT SPECIFIED.] If other law

11 provides for a primary to take place for a particular office but

12 does not specify the date of the primary, the primary may be

13 held on one of the days specified in subdivision 3, clauses (1)

14 to (3). The general election for the office must be held on the

15 date listed in subdivision 3 that immediately follows the date

16 chosen for the primary.

17 Subd. 5. [ELECTION TIMES AND POLLING PLACES.] An election

18 held in a jurisdiction on one of the days specified in

19 subdivision 3 must be held during the hours determined under

20 section 204C.05. The governing body of the municipality must

21 set the polling place locations to be used for each precinct in

22 all elections in any calendar year before the start of that

23 calendar year.

24 Subd. 6. [APPLICABLE LAWS.] Except as otherwise provided

25 by this section, Minnesota election law remains applicable to

26 elections held on any of the days listed in subdivision 3.

27 Sec. 2. [EFFECTIVE DATE.]

28 This article is effective January 1, 2006.

29

ARTICLE 2

30

CONFORMING AMENDMENTS

31 Section 1. Minnesota Statutes 2004, section 123B.63,

32 subdivision 3, is amended to read:

33 Subd. 3. [CAPITAL PROJECT LEVY REFERENDUM.] A district may

34 levy the local tax rate approved by a majority of the electors

35 voting on the question to provide funds for an approved

36 project. The election must take place no more than five years

1 before the estimated date of commencement of the project. The
2 referendum must be held on a date ~~set-by-the-board~~ specified
3 under section 204D.035, subdivision 3. A referendum for a
4 project not receiving a positive review and comment by the
5 commissioner under section 123B.71 must be approved by at least
6 60 percent of the voters at the election. The referendum may be
7 called by the school board and may be held:

8 (1) separately, before an election for the issuance of
9 obligations for the project under chapter 475; or

10 (2) in conjunction with an election for the issuance of
11 obligations for the project under chapter 475; or

12 (3) notwithstanding section 475.59, as a conjunctive
13 question authorizing both the capital project levy and the
14 issuance of obligations for the project under chapter 475. Any
15 obligations authorized for a project may be issued within five
16 years of the date of the election.

17 The ballot must provide a general description of the
18 proposed project, state the estimated total cost of the project,
19 state whether the project has received a positive or negative
20 review and comment from the commissioner, state the maximum
21 amount of the capital project levy as a percentage of net tax
22 capacity, state the amount that will be raised by that local tax
23 rate in the first year it is to be levied, and state the maximum
24 number of years that the levy authorization will apply.

25 The ballot must contain a textual portion with the
26 information required in this section and a question stating
27 substantially the following:

28 "Shall the capital project levy proposed by the board of
29 School District No. be approved?"

30 If approved, the amount provided by the approved local tax
31 rate applied to the net tax capacity for the year preceding the
32 year the levy is certified may be certified for the number of
33 years approved.

34 In the event a conjunctive question proposes to authorize
35 both the capital project levy and the issuance of obligations
36 for the project, appropriate language authorizing the issuance

1 of obligations must also be included in the question.

2 The district must notify the commissioner of the results of
3 the referendum.

4 Sec. 2. Minnesota Statutes 2004, section 126C.17,
5 subdivision 11, is amended to read:

6 Subd. 11. [REFERENDUM DATE.] (a) Except for a referendum
7 held under paragraph (b), any referendum under this section held
8 on a day other than the first Tuesday after the first Monday in
9 November must be conducted by mail in accordance with section
10 204B.46. Notwithstanding subdivision 9, paragraph (b), to the
11 contrary, in the case of a referendum conducted by mail under
12 this paragraph, the notice required by subdivision 9, paragraph
13 (b), must be prepared and delivered by first-class mail at least
14 20 days before the referendum.

15 (b) In addition to the referenda allowed in subdivision 9,
16 clause (a), the commissioner may grant authority to a district
17 to hold a referendum on a different day if the district is in
18 statutory operating debt and has an approved plan or has
19 received an extension from the department to file a plan to
20 eliminate the statutory operating debt. A referendum must be
21 held on a date specified under section 204D.035, subdivision 3.

22 (c) The commissioner must approve, deny, or modify each
23 district's request for a referendum levy on a different day
24 within 60 days of receiving the request from a district.

25 Sec. 3. Minnesota Statutes 2004, section 204C.05, is
26 amended by adding a subdivision to read:

27 Subd. 1c. [ELECTIONS; MUNICIPALITIES AND SCHOOL
28 DISTRICTS.] The governing body of a municipality or school
29 district may, by resolution, designate the hours during which
30 the polling places will remain open for voting at the next
31 succeeding and all later municipal or school district elections
32 that are not held at the same time as the state primary or state
33 general election. All polling places must be open at least
34 between the hours of 10:00 a.m. and 8:00 p.m. The resolution
35 remains in effect until revoked by the governing board or a
36 petition from voters is filed under this subdivision. If a

1 petition requesting longer voting hours for any election is
2 signed by a number of voters equal to ten percent of the votes
3 cast in the last municipal or school district general election,
4 whichever applies, and filed with the appropriate municipal or
5 school district clerk no later than 30 days before an election,
6 then the polling places for that election must open at 7:00 a.m.
7 and close at 8:00 p.m. The municipal or school district clerk
8 must give ten days published and posted notice of the change in
9 hours and notify the appropriate county auditors of the change.

10 Sec. 4. Minnesota Statutes 2004, section 205.10,
11 subdivision 3, is amended to read:

12 Subd. 3. [PROHIBITION.] No A special election authorized
13 under subdivision 1 may be held ~~within 40 days after the state~~
14 ~~general election~~ only on one of the dates specified in section
15 204D.035, subdivision 3.

16 Sec. 5. [205.176] [VOTING HOURS.]

17 In all municipal elections the hours for voting must be
18 determined as provided by section 204C.05.

19 Sec. 6. Minnesota Statutes 2004, section 205A.05,
20 subdivision 1, is amended to read:

21 Subdivision 1. [QUESTIONS.] Special elections must be held
22 for a school district on a question on which the voters are
23 authorized by law to pass judgment. The school board may on its
24 own motion call a special election to vote on any matter
25 requiring approval of the voters of a district. Upon petition
26 of 50 or more voters of the school district or five percent of
27 the number of voters voting at the preceding regular school
28 district election, the school board shall by resolution call a
29 special election to vote on any matter requiring approval of the
30 voters of a district. A question is carried only with the
31 majority in its favor required by law. The election officials
32 for a special election are the same as for the most recent
33 school district general election unless changed according to
34 law. Otherwise, special elections must be conducted and the
35 returns made in the manner provided for the school district
36 general election. ~~A special election may not be held during the~~

~~30-days-before-and-the-30-days-after-the-state-primary, during~~
~~the-30-days-before-and-the-40-days-after-the-state-general~~
~~election.---In-addition, a-special-election-may-not-be-held~~
~~during-the-20-days-before-and-the-20-days-after-any-regularly~~
~~scheduled-election-of-a-municipality-wholly-or-partially-within~~
~~the-school-district. A special election under this subdivision~~
~~must be held only on one of the dates specified in section~~
~~204D.035, subdivision 3. Notwithstanding any other law to the~~
~~contrary, the time period in which a special election must be~~
~~conducted under any other law may be extended by the school~~
~~board to conform with the requirements of this subdivision.~~

Sec. 7. [205A.095] [HOURS FOR VOTING.]

The hours for voting in school district elections must be
determined as provided by section 204C.05.

Sec. 8. Minnesota Statutes 2004, section 373.40,
subdivision 2, is amended to read:

Subd. 2. [APPLICATION OF ELECTION REQUIREMENT.] (a) Bonds
issued by a county to finance capital improvements under an
approved capital improvement plan are not subject to the
election requirements of section 375.18 or 475.58. The bonds
must be approved by vote of at least three-fifths of the members
of the county board. In the case of a metropolitan county, the
bonds must be approved by vote of at least two-thirds of the
members of the county board.

(b) Before issuance of bonds qualifying under this section,
the county must publish a notice of its intention to issue the
bonds and the date and time of a hearing to obtain public
comment on the matter. The notice must be published in the
official newspaper of the county or in a newspaper of general
circulation in the county. The notice must be published at
least 14, but not more than 28, days before the date of the
hearing.

(c) A county may issue the bonds only upon obtaining the
approval of a majority of the voters voting on the question of
issuing the obligations, if a petition requesting a vote on the
issuance is signed by voters equal to five percent of the votes

1 cast in the county in the last general election and is filed
2 with the county auditor within 30 days after the public
3 hearing. The commissioner of revenue shall prepare a suggested
4 form of the question to be presented at the election. The
5 election may be held only on one of the dates specified in
6 section 204D.035, subdivision 3.

7 Sec. 9. Minnesota Statutes 2004, section 375.20, is
8 amended to read:

9 375.20 [BALLOT QUESTIONS.]

10 If the county board may do an act, incur a debt,
11 appropriate money for a purpose, or exercise any other power or
12 authority, only if authorized by a vote of the people, the
13 question may be submitted at a special or general election, by a
14 resolution specifying the matter or question to be voted upon.
15 If the question is to authorize the appropriation of money,
16 creation of a debt, or levy of a tax, it shall state the
17 amount. Notice of the election shall be given as in the case of
18 special elections. If the question submitted is adopted, the
19 board shall pass an appropriate resolution to carry it into
20 effect. In the election the form of the ballot shall be: "In
21 favor of (here state the substance of the resolution to be
22 submitted), Yes No.....," with a square opposite each
23 of the words "yes" and "no," in one of which the voter shall
24 mark an "X" to indicate a choice. The county board may call a
25 special county election upon a question to be held ~~within-60~~
26 days on any date specified by section 204D.035, subdivision 3,
27 after a resolution to that effect is adopted by the county
28 board. Upon the adoption of the resolution the county auditor
29 shall post and publish notices of the election, as required by
30 section 204D.22, subdivisions 2 and 3. The election shall be
31 conducted and the returns canvassed in the manner prescribed by
32 sections 204D.20 to 204D.27, so far as practicable.

33 Sec. 10. Minnesota Statutes 2004, section 458.40, is
34 amended to read:

35 458.40 [MUST VOTE TO ISSUE BONDS IF CHARTER SAYS SO.]

36 If a charter adopted under the Minnesota Constitution,

1 combined and if it remained separate, including an impact
2 analysis, prepared by the Department of Revenue, of any property
3 tax revenue implications associated with tax increment financing
4 districts and fiscal disparities under chapter 276A or 473F
5 resulting from the merger;

6 (8) procedures for a referendum to be held on a date
7 specified in section 204D.035, subdivision 3, before the
8 proposed combination to approve combining the local government
9 units, specifically stating whether a majority of those voting
10 in each district proposed for combination or a majority of those
11 voting on the question in the entire area proposed for
12 combination is needed to pass the referendum; and

13 (9) a time schedule for implementation.

14 Notwithstanding clause (3) or any other law to the
15 contrary, all current members of the governing bodies of the
16 local government units that propose to combine under sections
17 465.81 to 465.86 may serve on the initial governing body of the
18 combined unit until a gradual reduction in membership is
19 achieved by foregoing election of new members when terms expire
20 until the number permitted by other law is reached.

21 Sec. 12. Minnesota Statutes 2004, section 465.84, is
22 amended to read:

23 465.84 [REFERENDUM.]

24 During the first or second year of cooperation, a
25 referendum on the question of combination must be conducted.
26 The referendum must be on a date specified by section 204D.035,
27 subdivision 3, and called by the governing bodies of the units
28 that propose to combine. The referendum must be conducted
29 according to the Minnesota Election Law, as defined in section
30 200.01. If the referendum fails, the same question or a
31 modified question may be submitted the following year. If the
32 referendum fails again, the same question may not be submitted.
33 Referendums shall be conducted on the same date in all local
34 government units.

35 Sec. 13. Minnesota Statutes 2004, section 469.053,
36 subdivision 5, is amended to read:

1 Subd. 5. [REVERSE REFERENDUM.] A city may increase its
2 levy for port authority purposes under subdivision 4 only as
3 provided in this subdivision. Its city council must first pass
4 a resolution stating the proposed amount of levy increase. The
5 city must then publish the resolution together with a notice of
6 public hearing on the resolution for two successive weeks in its
7 official newspaper or, if none exists, in a newspaper of general
8 circulation in the city. The hearing must be held two to four
9 weeks after the first publication. After the hearing, the city
10 council may decide to take no action or may adopt a resolution
11 authorizing the proposed increase or a lesser increase. A
12 resolution authorizing an increase must be published in the
13 city's official newspaper or, if none exists, in a newspaper of
14 general circulation in the city. The resolution is not
15 effective if a petition requesting a referendum on the
16 resolution is filed with the city clerk within 30 days of
17 publication of the resolution. The petition must be signed by
18 voters equaling five percent of the votes cast in the city in
19 the last general election. The resolution is effective if
20 approved by a majority of those voting on the question. The
21 commissioner of revenue shall prepare a suggested form of
22 referendum question. The referendum must be held at a special
23 or general election ~~before October 1~~ on a date specified in
24 section 204D.035, subdivision 3, of the year for which the levy
25 increase is proposed.

26 Sec. 14. Minnesota Statutes 2004, section 469.0724, is
27 amended to read:

28 469.0724 [GENERAL OBLIGATION BONDS.]

29 The port authority of Cannon Falls or Redwood Falls must
30 not proceed with the sale of general obligation tax supported
31 bonds until the city council by resolution approves the proposed
32 issuance. The resolution must be published in the official
33 newspaper. If, within 30 days after the publication, a petition
34 signed by voters equal in number to ten percent of the number of
35 voters at the last regular city election is filed with the city
36 clerk, the city and port authority must not issue the general

1 obligation tax supported bonds until the proposition has been
2 approved by a majority of the votes cast on the question at a
3 regular or special election held on one of the dates specified
4 in section 204D.035, subdivision 3.

5 Sec. 15. Minnesota Statutes 2004, section 469.190,
6 subdivision 5, is amended to read:

7 Subd. 5. [REVERSE REFERENDUM.] If the county board passes
8 a resolution under subdivision 4 to impose the tax, the
9 resolution must be published for two successive weeks in a
10 newspaper of general circulation within the unorganized
11 territory, together with a notice fixing a date for a public
12 hearing on the proposed tax.

13 The hearing must be held not less than two weeks nor more
14 than four weeks after the first publication of the notice.
15 After the public hearing, the county board may determine to take
16 no further action, or may adopt a resolution authorizing the tax
17 as originally proposed or approving a lesser rate of tax. The
18 resolution must be published in a newspaper of general
19 circulation within the unorganized territory. The voters of the
20 unorganized territory may request a referendum on the proposed
21 tax by filing a petition with the county auditor within 30 days
22 after the resolution is published. The petition must be signed
23 by voters who reside in the unorganized territory. The number
24 of signatures must equal at least five percent of the number of
25 persons voting in the unorganized territory in the last general
26 election. If such a petition is timely filed, the resolution is
27 not effective until it has been submitted to the voters residing
28 in the unorganized territory at a general or special
29 election held on one of the dates specified in section 204D.035,
30 subdivision 3, and a majority of votes cast on the question of
31 approving the resolution are in the affirmative. The
32 commissioner of revenue shall prepare a suggested form of
33 question to be presented at the referendum.

34 Sec. 16. Minnesota Statutes 2004, section 475.521,
35 subdivision 2, is amended to read:

36 Subd. 2. [ELECTION REQUIREMENT.] (a) Bonds issued by a

1 city to finance capital improvements under an approved capital
2 improvements plan are not subject to the election requirements
3 of section 475.58. The bonds are subject to the net debt limits
4 under section 475.53. The bonds must be approved by an
5 affirmative vote of three-fifths of the members of a five-member
6 city council. In the case of a city council having more than
7 five members, the bonds must be approved by a vote of at least
8 two-thirds of the city council.

9 (b) Before the issuance of bonds qualifying under this
10 section, the city must publish a notice of its intention to
11 issue the bonds and the date and time of the hearing to obtain
12 public comment on the matter. The notice must be published in
13 the official newspaper of the city or in a newspaper of general
14 circulation in the city. Additionally, the notice may be posted
15 on the official Web site, if any, of the city. The notice must
16 be published at least 14 but not more than 28 days before the
17 date of the hearing.

18 (c) A city may issue the bonds only after obtaining the
19 approval of a majority of the voters voting on the question of
20 issuing the obligations, if a petition requesting a vote on the
21 issuance is signed by voters equal to five percent of the votes
22 cast in the city in the last general election and is filed with
23 the city clerk within 30 days after the public hearing. The
24 commissioner of revenue shall prepare a suggested form of the
25 question to be presented at the election. The election must be
26 held on one of the dates specified by section 204D.035,
27 subdivision 3.

28 Sec. 17. Minnesota Statutes 2004, section 475.58,
29 subdivision 1, is amended to read:

30 Subdivision 1. [APPROVAL BY ELECTORS; EXCEPTIONS.]
31 Obligations authorized by law or charter may be issued by any
32 municipality upon obtaining the approval of a majority of the
33 electors voting at a special or general election held on one of
34 the dates specified in section 204D.035, subdivision 3, on the
35 question of issuing the obligations, but an election shall not
36 be required to authorize obligations issued:

- 1 (1) to pay any unpaid judgment against the municipality;
- 2 (2) for refunding obligations;
- 3 (3) for an improvement or improvement program, which
- 4 obligation is payable wholly or partly from the proceeds of
- 5 special assessments levied upon property specially benefited by
- 6 the improvement or by an improvement within the improvement
- 7 program, or of taxes levied upon the increased value of property
- 8 within a district for the development of which the improvement
- 9 is undertaken, including obligations which are the general
- 10 obligations of the municipality, if the municipality is entitled
- 11 to reimbursement in whole or in part from the proceeds of such
- 12 special assessments or taxes and not less than 20 percent of the
- 13 cost of the improvement or the improvement program is to be
- 14 assessed against benefited property or is to be paid from the
- 15 proceeds of federal grant funds or a combination thereof, or is
- 16 estimated to be received from such taxes within the district;
- 17 (4) payable wholly from the income of revenue producing
- 18 conveniences;
- 19 (5) under the provisions of a home rule charter which
- 20 permits the issuance of obligations of the municipality without
- 21 election;
- 22 (6) under the provisions of a law which permits the
- 23 issuance of obligations of a municipality without an election;
- 24 (7) to fund pension or retirement fund liabilities pursuant
- 25 to section 475.52, subdivision 6;
- 26 (8) under a capital improvement plan under section 373.40;
- 27 and
- 28 (9) under sections 469.1813 to 469.1815 (property tax
- 29 abatement authority bonds), if the proceeds of the bonds are not
- 30 used for a purpose prohibited under section 469.176, subdivision
- 31 4g, paragraph (b).

32 Sec. 18. Minnesota Statutes 2004, section 475.58,
33 subdivision 1a, is amended to read:

34 Subd. 1a. [RESUBMISSION LIMITATION.] If the electors do
35 not approve the issuing of obligations at an election required
36 by subdivision 1, the question of authorizing the obligations

1 for the same purpose and in the same amount may not be submitted
2 to the electors ~~within a period of~~ until a special or general
3 election held on a date specified in section 204D.035,
4 subdivision 3, and not sooner than 180 days from the date the
5 election was held. If the question of authorizing the
6 obligations for the same purpose and in the same amount is not
7 approved a second time it may not be submitted to the electors
8 within a period of one year after the second election.

9 Sec. 19. Minnesota Statutes 2004, section 475.59, is
10 amended to read:

11 475.59 [MANNER OF SUBMISSION; NOTICE.]

12 When the governing body of a municipality resolves to issue
13 bonds for any purpose requiring the approval of the electors, it
14 shall provide for submission of the proposition of their
15 issuance at a general or special election held on a date
16 specified by section 204D.035, subdivision 3, or at a town or
17 school district meeting. Notice of such election or meeting
18 shall be given in the manner required by law and shall state the
19 maximum amount and the purpose of the proposed issue. In any
20 school district, the school board or board of education may,
21 according to its judgment and discretion, submit as a single
22 ballot question or as two or more separate questions in the
23 notice of election and ballots the proposition of their issuance
24 for any one or more of the following, stated conjunctively or in
25 the alternative: acquisition or enlargement of sites,
26 acquisition, betterment, erection, furnishing, equipping of one
27 or more new schoolhouses, remodeling, repairing, improving,
28 adding to, betterment, furnishing, equipping of one or more
29 existing schoolhouses. In any city, town, or county, the
30 governing body may, according to its judgment and discretion,
31 submit as a single ballot question or as two or more separate
32 questions in the notice of election and ballots the proposition
33 of their issuance, stated conjunctively or in the alternative,
34 for the acquisition, construction, or improvement of any
35 facilities at one or more locations.

36 Sec. 20. [REPEALER.]

1 Minnesota Statutes 2004, sections 204C.05, subdivisions 1a
2 and 1b; 205.175; and 205A.09, are repealed.

3 Sec. 21. [EFFECTIVE DATE.]

4 This article is effective January 1, 2006.

Article 1 QUARTERLY STATE AND LOCAL ELECTION DATES..... page 1
Article 2 CONFORMING AMENDMENTS..... page 2

APPENDIX
Repealed Minnesota Statutes for 05-0819

204C.05 STATE ELECTIONS; HOURS FOR VOTING.

Subd. 1a. Elections; organized town. The governing body of a town with less than 500 inhabitants according to the most recent federal decennial census, which is located outside the metropolitan area as defined in section 473.121, subdivision 2, may fix a later time for voting to begin at state primary, special, or general elections, if approved by a vote of the town electors at the annual town meeting. The question of shorter voting hours must be included in the notice of the annual town meeting before the question may be submitted to the electors at the meeting. The later time may not be later than 10:00 a.m. for special, primary, or general elections. The town clerk shall either post or publish notice of the changed hours and notify the county auditor of the change 30 days before the election.

Subd. 1b. Elections; unorganized territory. An unorganized territory or unorganized territories which constitute a voting district may have shorter voting hours if at least 20 percent of the registered voters residing in the voting district sign a petition for shorter hours and present it to the county auditor. The later time may not be later than 10:00 a.m. for special, primary, or general elections. The county auditor shall either post or publish notice of the changed hours, within the voting district, 30 days before the election.

205.175 VOTING HOURS.

Subdivision 1. Minimum voting hours. In all municipal elections, the polling places will remain open for voting from 5:00 p.m. to 8:00 p.m.

Subd. 2. Metropolitan area municipalities. The governing body of a municipality which is located within a metropolitan county as defined by section 473.121 may designate the time during which the polling places will remain open for voting at the next succeeding and all subsequent municipal elections, provided that the polling places shall open no later than 10:00 a.m. and shall close no earlier than 8:00 p.m. The resolution shall remain in force until it is revoked by the municipal governing body.

Subd. 3. Other municipalities. The governing body of a municipality other than a municipality described in subdivision 2, may by resolution adopted prior to giving notice of the election, designate the time, in addition to the minimum voting hours provided in subdivision 1, during which the polling places will remain open for voting at the next succeeding and all subsequent municipal elections. The resolution shall remain in force until it is revoked by the municipal governing body or changed because of request by voters as provided in this subdivision. If a petition requesting longer voting hours, signed by a number of voters equal to 20 percent of the votes cast at the last municipal election, is presented to the municipal clerk no later than 30 days prior to the municipal election, then the polling places for that election shall open at 10:00 a.m. and close at 8:00 p.m. The municipal clerk shall give ten days' notice of the changed voting hours and notify the county auditor of the change. Municipalities covered by this subdivision shall certify their election hours to the county auditor in January of each year.

APPENDIX
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205A.09 VOTING HOURS.

Subdivision 1. Metropolitan area school districts.

At a school district election in a school district located in whole or in part within a metropolitan county as defined by section 473.121, the school board, by resolution adopted before giving notice of the election, may designate the time during which the polling places will remain open for voting at the next succeeding and all later school district elections. The polling places must open no later than 10:00 a.m. and close no earlier than 8:00 p.m. The resolution shall remain in force until it is revoked by the school board.

Subd. 2. Other school districts. At a school district election in a school district other than one described in subdivision 1, the school board, by resolution adopted before giving notice of the election, may designate the time during which the polling places will remain open for voting at the next succeeding and all later school district elections. All polling places must be open between the hours of 5:00 p.m. and 8:00 p.m. The resolution must remain in force until it is revoked by the school board or changed because of request by voters as provided in this subdivision. If a petition requesting longer voting hours, signed by a number of voters equal to 20 percent of the votes cast at the last school district election, is presented to the school district clerk no later than 30 days before a school district election, then the polling places for that election must open at 10:00 a.m. and close at 8:00 p.m. The school district clerk must give ten days' published notice and posted notice of the changed voting hours and notify appropriate county auditors of the change.

