

Senator Saxhaug introduced--

S.F. No. 1570: Referred to the Committee on Elections.

1 A bill for an act
2 relating to elections; exempting certain towns from a
3 voting system requirement.
4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
5 Section 1. [VOTING SYSTEM EXEMPTION.]
6 Minnesota Statutes, section 206.57, subdivision 5, does not
7 apply to a town election involving only town issues and offices
8 if the election is held in March 2006 and includes a ballot
9 question on whether to change the time of the annual town
10 election to coincide with the county general election.

1 Senator moves to amend S.F. No. 1570 as follows:

2 Delete everything after the enacting clause and insert:

3 "Section 1. Minnesota Statutes 2004, section 206.57,
4 subdivision 5, is amended to read:

5 Subd. 5. [VOTING SYSTEM FOR DISABLED VOTERS.] In federal
6 and state elections held after December 31, 2005, and in county,
7 municipal, and school district elections held after December 31,
8 2007, the voting method used in each polling place must include
9 a voting system that is accessible for individuals with
10 disabilities, including nonvisual accessibility for the blind
11 and visually impaired in a manner that provides the same
12 opportunity for access and participation, including privacy and
13 independence, as for other voters."

14 Delete the title and insert:

15 "A bill for an act relating to elections; postponing a
16 voting system requirement for local elections; amending
17 Minnesota Statutes 2004, section 206.57 subdivision 5."

**Senate Counsel, Research,
and Fiscal Analysis**

G-17 STATE CAPITOL
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.
ST. PAUL, MN 55155-1606
(651) 296-4791
FAX: (651) 296-7747
JO ANNE ZOFF SELLNER
DIRECTOR

Senate
State of Minnesota

S.F. No. 1769 - Independent Expenditures

Author: Senator Linda Scheid

Prepared by: Peter S. Wattson, Senate Counsel (651/296-3812) 

Date: March 21, 2005

S.F. No. 1769 would allow candidates who have signed a spending limit agreement to be released from the agreement but remain eligible to receive a public subsidy when the total of independent expenditures made against them or in favor of their opponents exceeded \$1,000 during an election cycle.

Section 1 states legislative findings that the current system of financing election campaigns undermines democracy in a number of ways and that a new law is needed to enable campaigns to be conducted without special interest money.

Section 2 makes changes to the subdivision requiring notice of independent expenditures that was struck down by a federal court in 1994 in the case of *Day vs. Holahan*, 34 F.3d 1356 (8th Cir. 1994). It increases the threshold for reporting independent expenditures in statewide races from \$100 to \$500. It adds a requirement that, in addition to stating the amount of the expenditure, the notice must include an affidavit identifying the candidate in support of or opposition to whom the expenditure is made and affirming that the expenditure was independent and involved no cooperation or coordination with a candidate or political party.

Section 3 releases a candidate from a spending limit agreement when the sum of independent expenditures made in opposition to the candidate plus those made in support of the candidate's major party opponents exceeds \$1,000 in an election cycle.

Section 4 makes the bill effective the day following final enactment but postpones the requirement for notice of independent expenditures until August 1, 2005, so that political committees and political funds will have some time to prepare to give notice each time they make an independent expenditure.

PSW:ph

cc: Kelly Wolfe

Senators Scheid, Marty, Higgins, Wiger and Marko introduced--
S.F. No. 1769: Referred to the Committee on Elections.

1 A bill for an act.

2 relating to elections; requiring notice of certain
3 independent expenditures; releasing candidates
4 attacked by certain independent expenditures from
5 spending limit agreement; amending Minnesota Statutes
6 2004, sections 10A.20, subdivision 6b; 10A.25, by
7 adding a subdivision.

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

9 Section 1. [LEGISLATIVE FINDINGS; PURPOSE.]

10 Subdivision 1. [LEGISLATIVE FINDINGS.] The legislature
11 finds that while this state has a system of partial public
12 financing of campaigns, our current system still encourages
13 large amounts of private money to be used to finance campaigns.
14 This private money undermines democracy in the following ways:

15 (a) It stifles the First Amendment, which was designed "to
16 secure the widest possible dissemination of information from
17 diverse and antagonistic sources," and "to assure the unfettered
18 interchange of ideas for the bringing about of political and
19 social changes desired by the people." Instead, heavy funding
20 of certain candidates and interests discourages other candidates
21 from running and prevents many perspectives from receiving any
22 dissemination whatsoever. In addition, after a certain point,
23 more spending does not create more speech but has the opposite
24 impact, overwhelming the public and causing them to tune out
25 speech from any candidate.

26 (b) It undermines the First Amendment right of voters to

1 hear speech from all candidates and all perspectives and
2 undermines the core First Amendment value of open and robust
3 debate in the political process.

4 (c) It inhibits communication with the electorate by
5 candidates without access to large sums of campaign money.

6 (d) It burdens elected officials and candidates with
7 endless hours of fundraising, thus decreasing the time available
8 to carry out their public responsibilities.

9 (e) It discourages people from participating in the
0 political process. A 1998 poll conducted by St. Cloud State
1 University found that, because of their belief that contributors
2 have more influence than noncontributors do, one-third of
3 respondents are "less likely to vote or participate in politics."
4 Over half of those who said that they did not vote in the 1996
5 election said they were less likely to vote or participate
6 because of this belief.

7 (f) It violates the rights of citizens to equal and
8 meaningful participation in the democratic process.

9 (g) It creates a public perception of corruption and
0 undermines public confidence in the democratic process and
1 democratic institutions. This perception is held by almost nine
2 out of ten Minnesotans. The 1998 St. Cloud State University
3 poll showed that 88 percent of all Minnesotans believe elected
4 officials are more responsive to contributors than to voters who
5 do not contribute.

6 (h) It not only creates a perception of corruption, but
7 actually encourages elected officials to take money from private
8 interests that are directly affected by governmental actions.

9 (i) It diminishes the perceived, and perhaps the real,
0 accountability of elected officials to their constituents by
1 giving them incentives to be accountable to major campaign
2 contributors instead.

3 (j) It undermines the integrity of the election process by
4 making it difficult for qualified candidates without access to
5 large contributors or personal fortunes to mount competitive
6 campaigns and discourages them from running.

1 (k) It undermines the integrity of the election process by
2 placing challengers at a disadvantage, because large campaign
3 contributors tend to give their money to incumbents, thus
4 causing elections to be less competitive.

5 (l) It costs taxpayers millions of dollars for the
6 legislative and regulatory decisions made by elected officials
7 on behalf of major campaign contributors.

8 The legislature finds each of these defects on its own has
9 a corrosive impact on our democracy either by corrupting the
10 political process or by creating the appearance of corruption.
11 Accordingly, the state has a compelling interest in addressing
12 them through this act.

13 Subd. 2. [PURPOSE.] This act is intended to restore the
14 First Amendment rights of nonwealthy candidates by enabling them
15 to disseminate their views without being drowned out by heavily
16 funded independent expenditures that they cannot respond to for
17 lack of money.

18 This act is designed to create benefits for participating
19 candidates to compensate for the restrictions applied to them
20 and to further the compelling state interest of encouraging
21 participation in this system of financing campaigns without
22 special interest money.

23 Sec. 2. Minnesota Statutes 2004, section 10A.20,
24 subdivision 6b, is amended to read:

25 Subd. 6b. [INDEPENDENT EXPENDITURES; NOTICE.] (a) Within
26 24 hours after an individual, political committee, or political
27 fund, principal campaign committee, or party unit makes or
28 becomes obligated by oral or written agreement to make an
29 independent expenditure in excess of \$100 in a legislative
30 district election or \$500 in a statewide election, other than an
31 expenditure by an association targeted to inform solely its own
32 dues-paying members of the association's position on a
33 candidate, the individual, political committee, or political
34 fund, principal campaign committee, or party unit must file with
35 the board ~~an affidavit notifying the board~~ a notice of the
36 intent to make the independent expenditure and ~~serve~~ provide a

1 copy of the affidavit-on notice to each candidate in the
2 affected race and on to the treasurer of the candidate's
3 principal campaign committee. The affidavit notice must contain
4 the information with respect to the expenditure that is required
5 to be reported under subdivision 3, paragraph (g); except that
6 if an expenditure is reported before it is made, the notice must
7 include a reasonable estimate of the anticipated amount. The
8 notice must include an affidavit, under penalty of perjury,
9 signed and sworn to by the individual or by the treasurer of the
0 committee, fund, or party unit identifying the candidate in
1 support of or opposition to whom the expenditure is made and
2 affirming that the expenditure was independent and involved no
3 cooperation or coordination with a candidate or a political
4 party. Each new expenditure requires a new notice.

5 (b) An individual or association may file a complaint with
6 the board that a required notice was not filed or that a notice
7 filed under this subdivision is false. The board must determine
8 the complaint promptly. If the board determines that a notice
9 was false and the board has distributed a public subsidy to a
0 candidate based on the false notice, the candidate must return
1 the subsidy to the board.

2 (c) An individual or the treasurer of a political committee
3 or, political fund, principal campaign committee, or party unit
4 who fails to give notice as required by this subdivision, or who
5 files a false affidavit-of notice, is guilty of a gross
6 misdemeanor and is subject to a civil fine of up to four times
7 the amount of the independent expenditure stated in the notice
8 or of which notice was required, whichever is greater.

9 Sec. 3. Minnesota Statutes 2004, section 10A.25, is
0 amended by adding a subdivision to read:

1 Subd. 14. [EFFECT OF INDEPENDENT EXPENDITURES.] When a
2 candidate has agreed to be bound by the expenditure limits
3 imposed by this section as a condition of receiving a public
4 subsidy for the candidate's campaign, and the sum of independent
5 expenditures made in opposition to the candidate plus
6 independent expenditures made in support of the candidate's

1 major political party opponents, as reported to the board under
2 section 10A.20, subdivisions 2, 6, and 6b, exceeds \$1,000 during
3 an election cycle, the board shall notify the candidate that the
4 candidate is released from the expenditure limits but remains
5 eligible to receive a public subsidy.

6 Sec. 4. [EFFECTIVE DATE.]

7 This act is effective the day following final enactment.

8 Section 2 applies to expenditures made on or after August 1,
9 2005. Section 3 applies to the sum of independent expenditures
10 made on or after its effective date.

- 1 Senator moves to amend S.F. No. 1769 as follows:
- 2 Page 4, line 18, delete everything after the period
- 3 Page 4, delete lines 19 to 21

1 Senator moves to amend S.F. No. 1769 as follows:

2 Page 5, lines 2 and 3, delete "\$1,000 during an election
3 cycle" and insert "^{10 20}110 percent of the candidate's spending limit"

4 Page 5, delete lines 4 and 5 and insert "candidate's
5 spending limit has been increased to an amount equal to 125
6 percent of the independent expenditures. As additional
7 independent expenditures are reported to the board, the board
8 shall notify the candidate of the increased expenditure limit."

**Senate Counsel, Research,
and Fiscal Analysis**

G-17 STATE CAPITOL
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.
ST. PAUL, MN 55155-1606
(651) 296-4791
FAX: (651) 296-7747
JO ANNE ZOFF SELLNER
DIRECTOR

Senate

State of Minnesota

S.F. No. 1001 - Gifts to Public Officials

Author: Senator John C. Hottinger

Prepared by: Peter S. Wattson, Senate Counsel (651/296-3812) *PSW*

Date: March 24, 2005

S.F. No. 1001 relaxes the ban on gifts to public officials to permit certain receptions for legislators. It also authorizes the use of campaign funds to pay certain expenses of candidates for elected office.

Section 1 authorizes the use of campaign funds to pay the cost of attending a state or national convention of a political party or the costs of funeral gifts or memorials and counts those expenses against the candidate's spending limit.

Section 2 changes the exception to the gift ban for state and metropolitan officials for trinkets and mementos from those of "insignificant value" to those "with a fair market value of \$5 or less." It also authorizes a gift of food or a beverage given at a reception held within the seven-county metropolitan area while the legislature is in session and to which all the members of the legislature have been invited, so long as the cost does not exceed \$5 for each legislator.

Section 3 changes the exception to the gift ban for local officials for trinkets and mementos from those of "insignificant value" to those "with a fair market value of \$5 or less."

Section 4 makes the act effective the day following final enactment.

PSW

cc: Kelly Wolfe

**Senators Hottinger, Higgins, Senjem, Ourada and Nienow introduced--
S.F. No. 1001: Referred to the Committee on Elections.**

1 A bill for an act
2 relating to elections; clarifying definition of
3 campaign expenditure; making certain exceptions to the
4 ban on gifts to public officials; amending Minnesota
5 Statutes 2004, sections 10A.01, subdivision 9;
6 10A.071, subdivision 3; 471.895, subdivision 3.
7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
8 Section 1. Minnesota Statutes 2004, section 10A.01,
9 subdivision 9, is amended to read:
10 Subd. 9. [CAMPAIGN EXPENDITURE.] "Campaign expenditure" or
11 "expenditure" means a purchase or payment of money or anything
12 of value, or an advance of credit, made or incurred for the
13 purpose of influencing the nomination or election of a candidate
14 or for the purpose of promoting or defeating a ballot question.
15 "Campaign expenditure" includes payments for attending a
16 state or national convention and payments for funeral gifts or
17 memorials.
18 An expenditure is considered to be made in the year in
19 which the candidate made the purchase of goods or services or
20 incurred an obligation to pay for goods or services.
21 An expenditure made for the purpose of defeating a
22 candidate is considered made for the purpose of influencing the
23 nomination or election of that candidate or any opponent of that
24 candidate.
25 Except as provided in clause (1), "expenditure" includes
26 the dollar value of a donation in kind.

1 "Expenditure" does not include:

2 (1) noncampaign disbursements as defined in subdivision 26;

3 (2) services provided without compensation by an individual
4 volunteering personal time on behalf of a candidate, ballot
5 question, political committee, political fund, principal
6 campaign committee, or party unit; or

7 (3) the publishing or broadcasting of news items or
8 editorial comments by the news media.

9 Sec. 2. Minnesota Statutes 2004, section 10A.071,
10 subdivision 3, is amended to read:

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

13 (1) a contribution as defined in section 10A.01,
14 subdivision 11;

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

19 (3) services of insignificant monetary value;

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

22 (5) a trinket or memento ~~of insignificant~~ with a fair
23 market value of \$5 or less;

24 (6) informational material of unexceptional value; ~~or~~

25 (7) food or a beverage given at a reception, meal, or
26 meeting away from the recipient's place of work by an
27 organization before whom the recipient appears to make a speech
28 or answer questions as part of a program; or

29 (8) food or a beverage given at a reception held within the
30 seven-county metropolitan area while the legislature is in
31 session and to which all members of the legislature have been
32 invited, and the cost does not exceed \$5 for each legislator.

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

35 (1) because of the recipient's membership in a group, a
36 majority of whose members are not officials, and an equivalent

1 gift is given to the other members of the group; or

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

5 Sec. 3. Minnesota Statutes 2004, section 471.895,
6 subdivision 3, is amended to read:

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

9 (1) a contribution as defined in section 211A.01,
10 subdivision 5;

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

15 (3) services of insignificant monetary value;

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

18 (5) a trinket or memento ~~of insignificant~~ with a fair
19 market value of \$5 or less;

20 (6) informational material of unexceptional value; or

21 (7) food or a beverage given at a reception, meal, or
22 meeting away from the recipient's place of work by an
23 organization before whom the recipient appears to make a speech
24 or answer questions as part of a program.

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

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

31 (2) by an interested person who is a member of the family
32 of the recipient, unless the gift is given on behalf of someone
33 who is not a member of that family; or

34 (3) by a national or multistate organization of
35 governmental organizations or public officials, if a majority of
36 the dues to the organization are paid from public funds, to

1 attendees at a conference sponsored by that organization, if the
2 gift is food or a beverage given at a reception or meal and an
3 equivalent gift is given or offered to all other attendees.

4 Sec. 4. [EFFECTIVE DATE.]

5 This act is effective the day following final enactment.

1 Senator moves to amend S.F. No. 1001 as follows:

2 Page 4, after line 3, insert:

3 "Sec. 4. Minnesota Statutes 2004, section 471.895, is
4 amended by adding a subdivision to read:

5 Subd. 4. [LOCAL GOVERNMENT ACCEPTANCE OF GIFT.] A
6 governing body may not accept a gift ^{given to a} ~~on behalf of its~~ local
7 official."

8 Renumber the sections in sequence and correct the internal
9 references

10 Amend the title accordingly

1 Senator moves to amend S.F. No. 1001 as follows:

2 Page 3, after line 4, insert:

3 "Sec. 3. Minnesota Statutes 2004, section 10A.27,
4 subdivision 11, is amended to read:

5 Subd. 11. [CONTRIBUTIONS FROM CERTAIN TYPES OF
6 CONTRIBUTORS.] A candidate must not permit the candidate's
7 principal campaign committee to accept a contribution from a
8 political committee, political fund, lobbyist, or large
9 contributor, if the contribution will cause the aggregate
10 contributions from those types of contributors to exceed an
11 amount equal to 20 percent of the expenditure limits for the
12 office sought by the candidate, provided that the 20 percent
13 limit must be rounded to the nearest \$100. For purposes of this
14 subdivision, "large contributor" means an individual, other than
15 the candidate, who contributes an amount that is more than \$100
16 and more than one-half the amount an individual may contribute.

17 Sec. 4. Minnesota Statutes 2004, section 10A.27, is
18 amended by adding a subdivision to read:

19 Subd. 11a. [CONTRIBUTIONS BY LOBBYISTS.] A candidate must
20 not permit the candidate's principal campaign committee to
21 accept a contribution from a lobbyist. The chair of a political
22 party unit established by all or a part of the party
23 organization within a house of the legislature must not permit
24 the party unit to accept a contribution from a lobbyist.

25 Sec. 5. Minnesota Statutes 2004, section 10A.273, is
26 amended to read:

27 10A.273 [CONTRIBUTIONS AND SOLICITATIONS DURING LEGISLATIVE
28 SESSION.]

29 Subdivision 1. [CONTRIBUTIONS DURING LEGISLATIVE SESSION.]

30 (a) A candidate for the legislature or for constitutional
31 office, the candidate's principal campaign committee, or a
32 political committee or party unit established by all or a part
33 of the party organization within a house of the legislature,
34 must not solicit or accept a contribution from a registered
35 lobbyist, political committee, political fund, or dissolving
36 principal campaign committee, or from a party unit established

1 by the party organization within a house of the legislature,
2 during a regular session of the legislature.

3 (b) A ~~registered-lobbyist~~, political committee, political
4 fund, or dissolving principal campaign committee, or a party
5 unit established by the party organization within a house of the
6 legislature, must not make a contribution to a candidate for the
7 legislature or for constitutional office, the candidate's
8 principal campaign committee, or a political committee or party
9 unit established by all or a part of the party organization
10 within a house of the legislature during a regular session of
11 the legislature.

12 Subd. 2. [PARTY UNIT SOLICITATIONS.] A political party
13 unit must not solicit or receive at an event hosted by a
14 candidate for the legislature or by a candidate for
15 constitutional office a contribution from a ~~lobbyist~~, political
16 committee, political fund, or party unit during a regular
17 session of the legislature.

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

21 Subd. 4. [CIVIL PENALTY.] A candidate, political
22 committee, party unit, political fund, or principal campaign
23 committee, ~~or-registered-lobbyist~~ that violates this section is
24 subject to a civil penalty imposed by the board of up to
25 \$1,000. If the board makes a public finding that there is
26 probable cause to believe a violation of this section has
27 occurred, the board must bring an action, or transmit the
28 finding to a county attorney who must bring an action, in the
29 District Court of Ramsey County, to collect a civil penalty as
30 imposed by the board. Penalties paid under this section must be
31 deposited in the general fund in the state treasury.

32 Subd. 5. [SPECIAL ELECTION.] This section does not apply
33 in a legislative special election during the period beginning
34 when the person becomes a candidate in the special election and
35 ending on the day of the special election."

36 Renumber the sections in sequence and correct the internal

1 references

2 Amend the title accordingly

1 Senator Wiger from the Committee on Elections, to which was
2 referred

3 S.F. No. 1001: A bill for an act relating to elections;
4 clarifying definition of campaign expenditure; making certain
5 exceptions to the ban on gifts to public officials; amending
6 Minnesota Statutes 2004, sections 10A.01, subdivision 9;
7 10A.071, subdivision 3; 471.895, subdivision 3.

8 Reports the same back with the recommendation that the bill
9 be amended as follows:

10 Page 1, line 16, after "convention" insert "of a political
11 party"

12 Page 2, line 23, delete "\$5" and insert "\$3"

13 Page 3, line 19, delete "\$5" and insert "\$3"

14 And when so amended the bill do pass. Amendments adopted.
15 Report adopted.

.....
(Committee Chair)

16
17
18
19 March 30, 2005.....
20 (Date of Committee recommendation)

**Senate Counsel, Research,
and Fiscal Analysis**

G-17 STATE CAPITOL
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.
ST. PAUL, MN 55155-1606
(651) 296-4791
FAX: (651) 296-7747
JO ANNE ZOFF SELLNER
DIRECTOR

Senate

State of Minnesota

S.F. No. 105 - Public Right to Know

Author: Senator John Marty

Prepared by: Peter S. Wattson, Senate Counsel (651/296-3812) *PW*

Date: March 24, 2005

S. F. No. 105 requires public officials to disclose on their economic interest statements the interests they have as independent contractors or consultants. It brings the University of Minnesota and the Minnesota State Colleges and Universities (MnSCU) within the definition of a lobbyist principal and requires increased disclosure of amounts spent by lobbyists and lobbyist principals for their lobbying activities.

Section 1 changes the threshold compensation for becoming an "associated business" (which public officials are required to disclose on the statements of economic interest they file with the Board of Campaign Finance and Public Disclosure) from \$50 a month to \$500 a year. It adds to the definition of "associated business" a "person," so that a sole proprietorship or a corporation with only a single shareholder may be considered an "associated business" that must be disclosed. It also adds to the definition of "associated business" a lobbyist, principal, or interested person by whom the public official is compensated in excess of \$500 a year. An independent contractor or consultant who is employed by a firm to provide services to the firm's clients would be required to list both the firm and the clients of the firm who are lobbyists, principals, or interested persons to whom the public official provides services. An "interested person" is someone who has direct financial interest in a decision that the public official who is paid by the interested person is authorized to make.

Section 2 amends the definition of "lobbyist" to include an employee of a public higher education system who is paid more than \$2,000 a year to lobby and who spends more than 50 hours in any month lobbying.

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March 24, 2005
Page 2

Section 3 amends the definition of "principal" to include political subdivisions and public systems of higher education. The effect of this change is to require these entities to report the amounts they spend on lobbying activities and to prohibit them from making gifts to public officials.

Section 4 requires lobbyists to report each year a general description of the subjects upon which they lobbied and the amount received from the lobbyist's principal, rounded to the nearest \$10,000. It eliminates the requirement that a lobbyist report on gifts made to officials by the lobbyist's employer or employee, and substitutes a requirement that the lobbyist report on gifts made to officials at the direction of the lobbyist. It also requires lobbyists to report the contributions of \$50 or more they have made to candidates and contributions of any amount they have made to party caucuses in the Legislature.

Section 5 changes the reporting required of lobbyist principals each year so that instead of reporting the amount spent by the principal during the preceding calendar year rounded to the nearest \$20,000, the principal is required to report the total amount spent. The report must list separately the amount spent to influence legislative action, the amount spent to influence administrative action, and the amount spent to influence the official action of metropolitan governmental units. This total amount must include salaries and administrative expenses of the lobbyists engaged by the principal.

PSW:ph

cc: Kelly Wolfe

Senator Marty introduced--

S.F. No. 105: Referred to the Committee on Elections.

1 A bill for an act
2 relating to campaign finance and public disclosure;
3 increasing the public's right to know; requiring
4 disclosure of economic interests of independent
5 contractors and consultants; changing certain
6 definitions; requiring disclosure of the costs of
7 lobbying; requiring certain reports; amending
8 Minnesota Statutes 2004, sections 10A.01, subdivisions
9 5, 21, 33; 10A.04, subdivisions 4, 6.

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

11 Section 1. Minnesota Statutes 2004, section 10A.01,
12 subdivision 5, is amended to read:

13 Subd. 5. [ASSOCIATED BUSINESS.] (a) "Associated business"
14 means an a person or association from which the individual
15 receives compensation in excess of \$50 \$500 in a year, except
16 for actual and reasonable expenses, in-any-month as a director,
17 officer, owner, member, partner, employer or employee, or whose
18 securities the individual holds worth \$2,500 or more at fair
19 market value.

20 (b) "Associated business" also means a lobbyist, principal,
21 or interested person by whom the individual is compensated in
22 excess of \$500 in a year, except for actual and reasonable
23 expenses, for providing services to the lobbyist, principal, or
24 interested person as an independent contractor or consultant.
25 If an individual is compensated by an association for providing
26 services to a lobbyist, principal, or interested person as an
27 independent contractor or consultant, "associated business"

1 includes both the association that pays the compensation and the
2 lobbyist, principal, or interested person to whom the services
3 are provided.

4 (c) "Interested person" means a person or a representative
5 of a person or association that has a direct financial interest
6 in a decision that the individual receiving the compensation is
7 authorized to make as a public or local official or will be
8 authorized to make upon becoming a public or local official. To
9 be "direct," the financial interest of the person or association
10 paying the compensation to the individual must be of greater
11 consequence to the payer than the general interest of other
12 residents or taxpayers of the individual's governmental unit.

13 Sec. 2. Minnesota Statutes 2004, section 10A.01,
14 subdivision 21, is amended to read:

15 Subd. 21. [LOBBYIST.] (a) "Lobbyist" means an individual:

16 (1) engaged for pay or other consideration of more than
17 \$3,000 from all sources in any year for the purpose of
18 attempting to influence legislative or administrative action, or
19 the official action of a metropolitan governmental unit, by
20 communicating or urging others to communicate with public or
21 local officials; or

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

28 (b) "Lobbyist" does not include:

29 (1) a public official;

30 (2) an employee of the state, ~~including an employee of any~~
31 ~~of the public higher education systems;~~

32 (3) an elected local official;

33 (4) a nonelected local official or an employee of a
34 political subdivision or public higher education system acting
35 in an official capacity, unless the nonelected official or
36 employee of a political subdivision or public higher education

1 system spends more than 50 hours in any month attempting to
2 influence legislative or administrative action, or the official
3 action of a metropolitan governmental unit other than the
4 political subdivision or public higher education system
5 employing the official or employee, by communicating or urging
6 others to communicate with public or local officials, including
7 time spent monitoring legislative or administrative action, or
8 the official action of a metropolitan governmental unit, and
9 related research, analysis, and compilation and dissemination of
10 information relating to legislative or administrative policy in
11 this state, or to the policies of metropolitan governmental
12 units;

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

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

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

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

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

30 (c) An individual who volunteers personal time to work
31 without pay or other consideration on a lobbying campaign, and
32 who does not spend more than the limit in paragraph (a), clause
33 (2), need not register as a lobbyist.

34 (d) An individual who provides administrative support to a
35 lobbyist and whose salary and administrative expenses
36 attributable to lobbying activities are reported as lobbying

1 expenses by the lobbyist, but who does not communicate or urge
2 others to communicate with public or local officials, need not
3 register as a lobbyist.

4 Sec. 3. Minnesota Statutes 2004, section 10A.01,
5 subdivision 33, is amended to read:

6 Subd. 33. [PRINCIPAL.] "Principal" means an individual or,
7 association, political subdivision, or public higher education
8 system that:

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

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

17 Sec. 4. Minnesota Statutes 2004, section 10A.04,
18 subdivision 4, is amended to read:

19 Subd. 4. [CONTENT.] (a) A report under this section must
20 include information the board requires from the registration
21 form and the information required by this subdivision for the
22 reporting period.

23 (b) A lobbyist must report a general description of the
24 subject or subjects on which the lobbyist lobbied on behalf of
25 each principal.

26 (c) A lobbyist must report the unitemized total amount of
27 all income from the principal for lobbying activities on behalf
28 of the principal, rounded to the nearest \$10,000. The total
29 must include amounts paid to cover the lobbyist's salary and
30 administrative expenses. The report must include any payments
31 to the lobbyist by any other person for lobbying activities on
32 behalf of the principal.

33 (d) A lobbyist must report the lobbyist's total
34 disbursements on lobbying, separately listing lobbying to
35 influence legislative action, lobbying to influence
36 administrative action, and lobbying to influence the official

1 actions of a metropolitan governmental unit, and a breakdown of
 2 disbursements for each of those kinds of lobbying into
 3 categories specified by the board, including but not limited to
 4 the cost of publication and distribution of each publication
 5 used in lobbying; other printing; media, including the cost of
 6 production; postage; travel; fees, including allowances;
 7 entertainment; telephone and telegraph; and other expenses.

8 ~~(e)~~ (e) A lobbyist must report the amount and nature of
 9 each gift, item, or benefit, ~~excluding contributions to a~~
 10 ~~candidate,~~ equal in value to \$5 or more, and each contribution
 11 to a candidate equal in value to \$50 or more, given or paid to
 12 any official, as defined in section 10A.071, subdivision 1, by
 13 the lobbyist or ~~an employer or employee~~ at the direction of the
 14 lobbyist. The list must include the name and address of each
 15 official to whom the gift, item, ~~or benefit,~~ or contribution was
 16 given or paid and the date it was given or paid.

17 ~~(d)~~ (f) A lobbyist must report each original source of
 18 money in excess of \$500 in any year used for the purpose of
 19 lobbying to influence legislative action, administrative action,
 20 or the official action of a metropolitan governmental unit. The
 21 list must include the name, address, and employer, or, if
 22 self-employed, the occupation and principal place of business,
 23 of each payer of money in excess of \$500.

24 ~~(e)-On-the-report-due-June-15,-the-lobbyist-must-provide-a~~
 25 ~~general-description-of-the-subjects-lobbied-in-the-previous-12~~
 26 ~~months~~ (g) A lobbyist must report the amount and date of each
 27 contribution given by the lobbyist to a party organization
 28 within a house of the legislature.

29 Sec. 5. Minnesota Statutes 2004, section 10A.04,
 30 subdivision 6, is amended to read:

31 Subd. 6. [PRINCIPAL REPORTS.] (a) A principal must report
 32 to the board as required in this subdivision by March 15 for the
 33 preceding calendar year. Along with the report, the principal
 34 must pay a fee of \$50, except as otherwise provided in this
 35 subdivision. The fee must be no more than necessary to cover
 36 the cost of administering sections 10A.03 to 10A.06. The amount

1 of the fee is subject to change each biennium in accordance with
2 the budget request made by the board. The fee requirement
3 expires June 30, 2004.

4 (b) The principal must report the total amount~~7--rounded-to~~
5 ~~the-nearest-\$20,0007~~ spent by the principal during the preceding
6 calendar year to influence legislative action, the total amount
7 spent by the principal during the preceding calendar year to
8 influence administrative action, and the total amount spent by
9 the principal during the preceding calendar year to influence
10 the official action of metropolitan governmental units.

11 (c) The principal must report under this subdivision a
12 total amount that includes:

13 (1) all direct payments by the principal to lobbyists in
14 this state;

15 (2) all expenditures for advertising, mailing, research,
16 analysis, compilation and dissemination of information, and
17 public relations campaigns related to legislative action,
18 administrative action, or the official action of metropolitan
19 governmental units in this state; and

20 (3) all salaries and administrative expenses attributable
21 to activities of the principal or a lobbyist engaged by the
22 principal relating to efforts on behalf of the principal to
23 influence legislative action, administrative action, or the
24 official action of metropolitan governmental units in this state.

**Senate Counsel, Research,
and Fiscal Analysis**


G-17 STATE CAPITOL
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.
ST. PAUL, MN 55155-1606
(651) 296-4791
FAX: (651) 296-7747
JO ANNE ZOFF SELLNER
DIRECTOR

Senate

State of Minnesota

S.F. No. 387 - Clean Campaign Council

Author: Senator John Marty

Prepared by: Peter S. Wattson, Senate Counsel (651/296-3812) 

Date: March 21, 2005

S.F. No. 387 establishes a voluntary clean campaign council, a clean campaign pledge, and a clean campaign advertising code. It clarifies the definitions of "campaign expenditure" and "independent expenditure." Finally, it clarifies the requirements for disclaimers on campaign material.

Section 1 creates a new definition of "campaign expenditure" designed to bring more political advertisements within the definition of an "independent expenditure." The definition is similar to one in section 201 of Public Law 107-155, the Bipartisan Campaign Reform Act of 2002. In addition to the "magic words" that the U.S. Supreme Court has previously held to constitute "express advocacy," the definition would add "words that in context can have no reasonable meaning other than to advocate the election or defeat of one or more clearly identified candidates" or similar content that, in context, is clearly expressing support for or opposition to a candidate.

Section 2 amends the definition of "independent expenditure" to strike the sentence found unconstitutional in *Republican Party of Minnesota vs. Pauly*, 63 F. Supp. 2d 1008 (D. Minn. 1999) and to create a rebuttable presumption that various subtle methods of coordinating spending are not "independent."

Section 3 requires the name of a principal campaign committee to include the surname of the candidate and requires the name of a political party unit to include the full name of the political party.

Section 4 delays termination of a committee or fund that has made independent expenditures until the end of the election cycle during which the expenditures were made.

S.F. No. 370
March 21, 2005
Page 2

Section 5 provides for the creation of a clean campaign council, a clean campaign advertising code, and a clean campaign pledge.

Subdivision 1 describes the adverse impact of negative attacks on political campaigns.

Subdivision 2 says that the purpose of the section is to foster the creation of a clean campaign council.

Subdivision 3 directs the Campaign Finance and Public Disclosure Board to convene a task force to create a clean campaign council.

Subdivision 4 sets forth some of the elements of a clean campaign code.

Subdivision 5 provides for enforcement of the code by means of a clean campaign advertising logo to be placed on advertising approved by the council and statements to be made by the council identifying advertisements that violate the code.

Subdivision 6 sets forth some of the elements of a clean campaign pledge.

Section 6 requires that the committee name used in a disclaimer on campaign material be the full name as registered with the Campaign Finance and Public Disclosure Board.

PSW:ph

cc: Kelly Wolfe

Senator Marty introduced--

S.F. No. 387: Referred to the Committee on Elections.

1 A bill for an act

2 relating to elections; establishing a voluntary clean
3 campaign council, a clean campaign pledge, and a clean
4 campaign advertising code; clarifying definitions of
5 campaign expenditures and independent expenditures;
6 clarifying requirements for disclaimers on campaign
7 material; amending Minnesota Statutes 2004, sections
8 10A.01, subdivisions 9, 18; 10A.14, subdivision 2;
9 10A.24, by adding a subdivision; 211B.04; proposing
10 coding for new law in Minnesota Statutes, chapter 10A.

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

12 Section 1. Minnesota Statutes 2004, section 10A.01,
13 subdivision 9, is amended to read:

14 Subd. 9. [CAMPAIGN EXPENDITURE.] (a) "Campaign
15 expenditure" or "expenditure" means a purchase or payment of
16 money or anything of value, or an advance of credit, made or
17 incurred for the purpose of influencing the nomination or
18 election of a candidate or for the purpose of promoting or
19 defeating a ballot question.

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

28 (c) "Expenditure" is presumed to include a cost incurred to

1 design, produce, or disseminate a communication if the
2 communication names or depicts one or more clearly identified
3 candidates; is disseminated during the 45 days before a primary
4 election, during the 60 days before a general election, or
5 during a special election cycle until election day; and the cost
6 exceeds the following amounts for a communication naming or
7 depicting a candidate for the following offices:

8 (1) \$500 for a candidate for governor, lieutenant governor,
9 attorney general, secretary of state, or state auditor; or

0 (2) \$100 for a candidate for state senator or
1 representative.

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

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

5 (e) An expenditure made for the purpose of defeating a
6 candidate is considered made for the purpose of influencing the
7 nomination or election of that candidate or any opponent of that
8 candidate.

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

1 (g) "Expenditure" does not include:

2 (1) noncampaign disbursements as defined in subdivision 26;

3 (2) services provided without compensation by an individual
4 volunteering personal time on behalf of a candidate, ballot
5 question, political committee, political fund, principal
6 campaign committee, or party unit; or

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

5 (4) a cost incurred by an association for a communication
 6 targeted to inform solely its own dues-paying members of the
 7 association's position on a candidate.

8 Sec. 2. Minnesota Statutes 2004, section 10A.01,
 9 subdivision 18, is amended to read:

10 Subd. 18. [INDEPENDENT EXPENDITURE.] (a) "Independent
 11 expenditure" means an expenditure ~~expressly-advocating-the~~
 12 ~~election-or-defeat-of-a-clearly-identified-candidate,--if-the~~
 13 expenditure that is made without the express or implied consent,
 14 authorization, or cooperation of, and not in concert with or at
 15 the request or suggestion of, any candidate or any candidate's
 16 principal campaign committee or agent. An independent
 17 expenditure is not a contribution to that candidate. An
 18 ~~expenditure-by-a-political-party-or-political-party-unit-in-a~~
 19 ~~race-where-the-political-party-has-a-candidate-on-the-ballot-is~~
 20 ~~not-an-independent-expenditure-~~

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

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

34 (2) the expenditure pays for a communication that
 35 disseminates, in whole or in substantial part, a broadcast or
 36 written, graphic, or other form of campaign material designed,

produced, or distributed by the candidate or the candidate's principal campaign committee or their agents;

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

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

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

An individual or association presumed under this paragraph to have made an expenditure that was not independent may rebut the presumption by an affidavit signed by the spender and filed with the board stating that the expenditure was 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, supported by any additional evidence the spender chooses to submit. The board may consider any additional evidence it deems relevant and material and must determine by a preponderance of the evidence whether the expenditure was independent.

(c) An expenditure by anyone other than a principal

1 campaign committee that does not qualify as an independent
2 expenditure under this subdivision is deemed to be an approved
3 expenditure under subdivision 4.

4 Sec. 3. Minnesota Statutes 2004, section 10A.14,
5 subdivision 2, is amended to read:

6 Subd. 2. [FORM.] The statement of organization must
7 include:

8 (1) the name and address of the committee, fund, or party
9 unit;

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

12 (3) the name and address of any supporting association of a
13 political fund;

14 (4) the name and address of the treasurer and any deputy
15 treasurers;

16 (5) a listing of all depositories or safety deposit boxes
17 used; and

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

20 For purposes of clause (1), the name of a principal campaign
21 committee must include the surname of the candidate and the name
22 of a political party unit must include the full name of the
23 political party.

24 Sec. 4. Minnesota Statutes 2004, section 10A.24, is
25 amended by adding a subdivision to read:

26 Subd. 3. [TERMINATION DELAYED.] A political committee,
27 political fund, principal campaign committee, or party unit that
28 has made independent expenditures during an election cycle may
29 not terminate until the end of the election cycle.

30 Sec. 5. [10A.38] [CLEAN CAMPAIGN COUNCIL.]

31 Subdivision 1. [FINDINGS.] (a) The legislature finds that
32 the political campaign process is being overwhelmed with
33 intensive campaign advertising attacks by candidates, political
34 parties, and outside interest groups, in which opponents are
35 attacked with misleading or even false information. The
36 democratic process needs an open, vigorous debate on issues and

1 between candidates, and criticism of candidates is necessary and
2 desirable as part of that vigorous debate. However, much of the
3 current negative advertising does not contribute to the
4 democratic process. These negative attacks stifle the First
5 Amendment, which was designed to secure "the widest possible
6 dissemination of information from diverse and antagonistic
7 sources," and "to assure unfettered interchange of ideas for the
8 bringing about of political and social changes desired by the
9 people." These negative attack ads undermine democracy and the
0 First Amendment in the ways set out in this subdivision.

1 (b) Many of the attack ads provide intentionally misleading
2 and even false information to voters. Flooding the public with
3 distorted and inaccurate information from candidates and other
4 political organizations does not foster a vigorous debate, but
5 drowns out the ability of candidates, citizens, and other groups
6 to present accurate information on issues, visions, and
7 priorities.

8 (c) Many negative attacks are designed to prevent rebuttal,
9 coming too late for even the best-organized campaigns to have a
0 chance to respond. Others are designed to prevent rebuttal by
1 carefully targeted telephone calls or mailings so the candidate
2 being attacked is never even aware of the attack.

3 (d) Many negative attacks undermine public confidence in
4 the democratic process and political candidates, leaving many
5 citizens so disgusted that they do not bother to vote.

6 Developing a statutory means of blocking the unfair,
7 negative attacks that are undermining the political process
8 while strengthening the robust debate that is required in a
9 democracy is difficult at best. However, a voluntary means of
0 discouraging the unfair, negative attacks is desirable and
1 necessary for a healthy democracy. Although a voluntary means
2 would not contain legal sanctions for violators, it could be
3 successful by creating social sanctions if the media and the
4 public speak out against dirty ads and campaign tactics.

5 Subd. 2. [PURPOSE.] This section is designed to foster the
6 formation of a nonpartisan, nonprofit council that would create

1 a voluntary code to discourage unfair, negative attacks while
2 encouraging a robust debate on issues and candidates.

3 Subd. 3. [TASK FORCE.] The campaign finance and public
4 disclosure board must convene a task force whose goal is to
5 establish a clean campaign council modeled on the Minnesota news
6 council. The task force may include representatives from the
7 media, nonprofit political "watchdog" groups, former candidates,
8 and members of the public. The council may request
9 contributions from nonstate sources, such as foundations, the
10 media, and individuals.

11 Subd. 4. [CLEAN CAMPAIGN ADVERTISING CODE.] (a) The
12 council may establish a clean campaign advertising code designed
13 to foster fair and clean campaigns by establishing voluntary
14 restrictions on campaign communications to prevent smear
15 tactics. In addition to any other provisions of the code
16 developed by the council, the code may include the requirements
17 set out in this subdivision.

18 (b) A campaign communication paid for or approved by the
19 principal campaign committee of a candidate that is in the form
20 of a paid advertisement, billboard, mass mailing, leaflet, or
21 flyer that criticizes an opponent of a candidate must be limited
22 to statements by the candidate, not by a supporter of or
23 surrogate for the candidate.

24 (c) A campaign communication criticizing an opponent of a
25 candidate may not contain a photo or audio or video recording of
26 the opponent that has been distorted, retouched, or morphed in
27 any way. A recording must be played in real time.

28 (d) A campaign communication that criticizes an opponent of
29 a candidate may not be published in the last three weeks before
30 the primary or general election in a legislative race or in the
31 last ten days before the primary or general election in a
32 statewide race, except to respond to criticism of the candidate
33 by an opponent, or a new position taken by an opponent, during
34 that time.

35 Subd. 5. [ENFORCEMENT OF CODE.] (a) A person may submit a
36 campaign communication to the council to determine whether it

complies with the clean campaign advertising code. During the nine months preceding the general election, the determination should be made within 72 hours after the council receives the submission. During the last three weeks before the primary or general election, the determination should be made within 24 hours after the council receives the submission. The council may delegate the determination to the staff of the council.

(b) If the communication is submitted before it is published, the council may grant the publisher permission to display with the communication a clean campaign advertising logo approved by the council. If the communication is submitted after it has been published and the council determines that it violates the code, the council should notify the person submitting it, the media, and all candidates in the race that it violates the code and the nature of the violation.

Subd. 6. [CLEAN CAMPAIGN PLEDGE.] (a) The council may create a clean campaign pledge. In addition to any other provisions of the pledge developed by the council, a candidate who signs the pledge agrees to:

- (1) abide by the clean campaign advertising code;
- (2) publicly repudiate and urge voters to ignore any campaign communication in support of the candidate, or in opposition to an opponent of the candidate, that violates the clean campaign advertising code or that would violate the code if made by the principal campaign committee of the candidate;
- (3) not criticize an opponent in a campaign communication that is deceptive, misleading, or taken out of context;
- (4) not disseminate any campaign communication that appeals to hatred of or discrimination against persons in classes protected by the Minnesota Human Rights Act;
- (5) take full responsibility for campaign communications designed, produced, or disseminated by the candidate's principal campaign committee;
- (6) not use push-polling or any other organized telephone calling that criticizes an opponent of the candidate;
- (7) publicly repudiate and urge voters to ignore any

1 push-polling or any other organized telephone calling that
2 criticizes an opponent of the candidate; and

3 (8) participate in at least two debates, if a candidate for
4 legislative office, or at least eight debates, if a candidate
5 for statewide office.

6 (b) The council may notify the media of the candidates who
7 have signed the clean campaign pledge.

8 (c) The council may consider a complaint that a candidate
9 has violated the clean campaign pledge and issue an opinion on
10 the complaint.

11 Sec. 6. Minnesota Statutes 2004, section 211B.04, is
12 amended to read:

13 211B.04 [CAMPAIGN LITERATURE MUST INCLUDE DISCLAIMER.]

14 (a) A person who participates in the preparation or
15 dissemination of campaign material other than as provided in
16 section 211B.05, subdivision 1, that does not prominently
17 include the name and address of the person or committee causing
18 the material to be prepared or disseminated in a disclaimer
19 substantially in the form provided in paragraph (b) or (c) is
20 guilty of a misdemeanor.

21 (b) Except in cases covered by paragraph (c), the required
22 form of disclaimer is: "Prepared and paid for by the
23 committee,(address)" for material prepared and paid
24 for by a principal campaign committee, or "Prepared and paid for
25 by the committee,(address), in support of
26(insert name of candidate or ballot question)" for
27 material prepared and paid for by a person or committee other
28 than a principal campaign committee. The committee name given
29 in the disclaimer for a committee that is registered with the
30 Campaign Finance and Public Disclosure Board must be its full
31 name as registered with the board.

32 (c) In the case of broadcast media, the required form of
33 disclaimer is: "Paid for by the committee."

34 (d) Campaign material that is not circulated on behalf of a
35 particular candidate or ballot question must also include in the
36 disclaimer either that it is "in opposition to(insert name

1 of candidate or ballot question.....)"; or that "this
2 publication is not circulated on behalf of any candidate or
3 ballot question."

4 (e) This section does not apply to objects stating only the
5 candidate's name and the office sought, fund-raising tickets, or
6 personal letters that are clearly being sent by the candidate.

7 (f) This section does not apply to an individual or
8 association who acts independently of any candidate, candidate's
9 committee, political committee, or political fund and spends
0 only from the individual's or association's own resources a sum
1 that is less than \$500 in the aggregate to produce or distribute
2 campaign material that is distributed at least seven days before
3 the election to which the campaign material relates.

4 (g) This section does not modify or repeal section 211B.06.


**Senate Counsel, Research,
and Fiscal Analysis**

G-17 STATE CAPITOL
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.
ST. PAUL, MN 55155-1606
(651) 296-4791
FAX: (651) 296-7747
JO ANNE ZOFF SELLNER
DIRECTOR

Senate
State of Minnesota

05-3397 - Corporate Political Contributions

Author: Senator Dave Kleis

Prepared by: Peter S. Wattson, Senate Counsel (651/296-3812) 

Date: March 30, 2005

05-3397 relaxes various restrictions on corporate contributions to political campaigns.

Section 1 excludes from the definition of "campaign expenditure" the cost of a communication on any subject by a corporation intended for its shareholders or executive or administrative personnel, by a membership association intended for its members or the members' executive or administrative personnel, or by a labor organization intended for its members or executive or administrative personnel or their families.

Section 2 excludes the cost of the same kinds of communications from the definition of a "contribution."

Section 3 applies the new definitions in **sections 1 and 2** to the law prohibiting corporate contributions to or expenditures on political campaigns so that expenditures for those kinds of communications will now be legal in all political campaigns. It also excludes federal offices from the ban on corporate contributions to political campaigns.

Section 4 would allow a nonprofit corporation to provide unlimited support to one political committee or political fund, including paying the expenses of soliciting donations to the political committee or political fund.

PSW:ph

cc: Kelly Wolfe ✓

1 A bill for an act
2 relating to elections; clarifying certain terminology;
3 modifying certain restrictions on corporate spending
4 in political campaigns; amending Minnesota Statutes
5 2004, sections 10A.01, subdivisions 9, 11; 211B.15,
6 subdivisions 1, 17.

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

8 Section 1. Minnesota Statutes 2004, section 10A.01,
9 subdivision 9, is amended to read:

10 Subd. 9. [CAMPAIGN EXPENDITURE.] (a) "Campaign
11 expenditure" or "expenditure" means a purchase or payment of
12 money or anything of value, or an advance of credit, made or
13 incurred for the purpose of influencing the nomination or
14 election of a candidate or for the purpose of promoting or
15 defeating a ballot question.

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

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

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

25 "Expenditure" does not include:

 (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; or

7 (4) the cost of a communication on any subject by a
8 corporation intended for its shareholders or executive or
9 administrative personnel, by a membership association intended
10 for its members or the members' executive or administrative
11 personnel, or by a labor organization intended for its members
12 or executive or administrative personnel or their families.

13 (e) In this subdivision and in subdivision 11, the
14 following terms have the meanings given them.

15 (1) "Executive or administrative personnel" means
16 individuals employed by a corporation, membership association,
17 or labor organization who are paid on a salary rather than an
18 hourly basis and who have policymaking, managerial,
19 professional, or supervisory responsibilities.

20 (2) "Labor organization" means any organization of any
21 kind, or any agency or employee representative committee or
22 plan, in which employees participate and that exists for the
23 purpose, in whole or in part, of dealing with employers
24 concerning grievances, labor disputes, wages, rates of pay,
25 hours of employment, or conditions of work.

26 (3) "Members" means all persons who are currently
27 satisfying the requirements for membership in a membership
28 association, affirmatively accept the membership association's
29 invitation to become a member, and either:

30 (i) have some significant financial attachment to the
31 membership association, such as a significant investment or
32 ownership state, but not merely the payment of dues;

33 (ii) are required to pay on a regular basis a specific
34 amount of dues that is predetermined by the association and are
35 entitled to vote directly either for at least one member who has
36 full participatory and voting rights on the highest governing

1 body of the membership association, or for those who select at
2 least one member of those on the highest governing body of the
3 membership association; or

4 (iii) are entitled to vote directly for all of those on the
5 highest governing body of the membership association.

6 (4) "Membership association" means a membership
7 organization; trade association; cooperative; corporation
8 without capital shares; or local, national, or international
9 labor organization that:

10 (i) expressly provides for members in its articles and
11 bylaws;

12 (ii) expressly solicits members; and

13 (iii) expressly acknowledges the acceptance of membership,
14 such as by sending a membership card or inclusion on a
15 membership newsletter list.

16 (5) "Shareholder" means a person who has a vested
17 beneficial interest in one or more shares, has the power to
18 direct how those shares are voted if they are voting shares, and
19 has the right to receive dividends.

20 Sec. 2. Minnesota Statutes 2004, section 10A.01,
21 subdivision 11, is amended to read:

22 Subd. 11. [CONTRIBUTION.] (a) "Contribution" means money,
23 a negotiable instrument, or a donation in kind that is given to
24 a political committee, political fund, principal campaign
25 committee, or party unit.

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

36 (c) "Contribution" does not include services provided

1 without compensation by an individual volunteering personal time
2 on behalf of a candidate, ballot question, political committee,
3 political fund, principal campaign committee, or party unit, or
4 the publishing or broadcasting of news items or editorial
5 comments by the news media.

6 (d) "Contribution" does not include the cost of a
7 communication on any subject by a corporation intended for its
8 shareholders or executive or administrative personnel, by a
9 membership association intended for its members or the members'
10 executive or administrative personnel, or by a labor
11 organization intended for its members or executive or
12 administrative personnel or their families, as defined in
13 subdivision 9.

14 Sec. 3. Minnesota Statutes 2004, section 211B.15,
15 subdivision 1, is amended to read:

16 Subdivision 1. [DEFINITIONS.] ~~For purposes of~~ (a) The
17 definitions in this subdivision apply to this section.

18 (b) "Contribution" has the meaning given in section 10A.01,
19 subdivision 11.

20 (c) "Corporation" means:

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

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

25 (3) a limited liability company formed under chapter 322B,
26 or under similar laws of another state, that does business in
27 this state.

28 (d) "Expenditure" has the meaning given in section 10A.01,
29 subdivision 9.

30 (e) "Political office" means an elective office of the
31 state or a political subdivision, but does not include the
32 office of president of the United States or the office of
33 senator or representative in Congress.

34 Sec. 4. Minnesota Statutes 2004, section 211B.15,
35 subdivision 17, is amended to read:

36 Subd. 17. [~~NONPROFIT-CORPORATION-POLITICAL~~]

1 ~~ACTIVITY~~ ADMINISTRATIVE SUPPORT.] It is not a violation of this
2 section for a nonprofit corporation to provide administrative
3 assistance to one political committee or political fund that is
4 associated with the nonprofit corporation and registered with
5 the Campaign Finance and Public Disclosure Board under section
6 10A.14. ~~Such~~ Administrative assistance ~~must-be-limited-to~~
7 includes accounting, clerical or legal services, bank charges,
8 utilities, office space, and supplies, and the expenses of
9 soliciting donations to the political committee or political
10 fund. The records of the political committee or political fund
11 may be kept on the premises of the nonprofit corporation.

12 ~~The-administrative-assistance-provided-by-the-nonprofit~~
13 ~~corporation-to-the-political-committee-or-political-fund-is~~
14 ~~limited-annually-to-the-lesser-of-\$5,000-or-7-1/2-percent-of-the~~
15 ~~expenditures-of-the-political-committee-or-political-fund.~~



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Companion: HF1193

Revisor Number: 05-2545

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Authors

Short Elections constituent services noncampaign disbursement definition
Description expansion

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Description actions and initial committee hearings)

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KEY: ~~stricken~~ = old language to be removed
underscored = new language to be added

NOTE: If you cannot see any difference in the key above, you need to change the display of stricken and/or underscored language.

Authors and Status ■ List versions

S.F. No. 1494, as introduced 84th Legislative Session (2005-2006) Posted on Mar 04, 2005

- 1.1 A bill for an act
- 1.2 relating to elections; campaign finance; providing
- 1.3 that certain costs of a suggestion solicitation and
- 1.4 postage are constituent services; amending Minnesot
- 1.5 Statutes 2004, section 10A.01, subdivision 26.
- 1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.7 Section 1. Minnesota Statutes 2004, section 10A.01,
- 1.8 subdivision 26, is amended to read:
- 1.9 Subd. 26. [NONCAMPAIGN DISBURSEMENT.] "Noncampaign
- 1.10 disbursement" means a purchase or payment of money or anythin
- 1.11 of value made, or an advance of credit incurred, or a donatio
- 1.12 in kind received, by a principal campaign committee for any o
- 1.13 the following purposes:
- 1.14 (1) payment for accounting and legal services;
- 1.15 (2) return of a contribution to the source;
- 1.16 (3) repayment of a loan made to the principal campaign
- 1.17 committee by that committee;
- 1.18 (4) return of a public subsidy;
- 1.19 (5) payment for food, beverages, entertainment, and
- 1.20 facility rental for a fund-raising event;
- 1.21 (6) services for a constituent by a member of the
- 1.22 legislature or a constitutional officer in the executive bran
- 1.23 including the costs of preparing and mailing a suggestion
- 1.24 solicitation postcard to constituents, performed from the
- 1.25 beginning of the term of office to adjournment sine die of th
- 2.1 legislature in the election year for the office held, and hal
- 2.2 the cost of services for a constituent by a member of the
- 2.3 legislature or a constitutional officer in the executive bran
- 2.4 performed from adjournment sine die to 60 days after adjournm
- 2.5 sine die;
- 2.6 (7) payment for food and beverages provided to campaign

- 2.7 volunteers while they are engaged in campaign activities;
- 2.8 (8) payment of expenses incurred by elected or appointed
- 2.9 leaders of a legislative caucus in carrying out their leaders
- 2.10 responsibilities;
- 2.11 (9) payment by a principal campaign committee of the
- 2.12 candidate's expenses for serving in public office, other than
- 2.13 for personal uses;
- 2.14 (10) costs of child care for the candidate's children when
- 2.15 campaigning;
- 2.16 (11) fees paid to attend a campaign school;
- 2.17 (12) costs of a postelection party during the election yea
- 2.18 when a candidate's name will no longer appear on a ballot or
- 2.19 general election is concluded, whichever occurs first;
- 2.20 (13) interest on loans paid by a principal campaign
- 2.21 committee on outstanding loans;
- 2.22 (14) filing fees;
- 2.23 (15) post-general election thank-you notes or
- 2.24 advertisements in the news media;
- 2.25 (16) the cost of campaign material purchased to replace
- 2.26 defective campaign material, if the defective material is
- 2.27 destroyed without being used;
- 2.28 (17) contributions to a party unit; and
- 2.29 (18) other purchases or payments specified in board rules
- 2.30 or advisory opinions as being for any purpose other than to
- 2.31 influence the nomination or election of a candidate or to
- 2.32 promote or defeat a ballot question.
- 2.33 The board must determine whether an activity involves a
- 2.34 noncampaign disbursement within the meaning of this subdivisi
- 2.35 A noncampaign disbursement is considered to be made in the
- 2.36 year in which the candidate made the purchase of goods or
- 3.1 services or incurred an obligation to pay for goods or servic

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