

## S.F. No. 1911 – Minnesota Civic Fund (as amended by the A-1 author's amendment)

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SF 1911 establishes the Minnesota Civic Fund, which is a public campaign finance program in the newly created chapter 10B. The Campaign Finance and Public Disclosure Board ("Board") administers the program. In short, the program provides credits to participants in the state who may assign the credits to qualifying candidates and political parties. The candidates and political parties may then redeem the credits as campaign contributions. The bill also discontinues the political contribution refund program in 2028.

Section 1 [Minn. Stat. 10A. 01, subd. 11; Contribution] adds a cross reference to chapter 10B in the definition of "contribution" in chapter 10A.

Section 2 [Minn. Stat. 10A.02, 13; Rules] allows the Board to adopt administrative rules to carry out the purposes of chapter 10B.

Section 3 [Minn. Stat. 10A.15, subd. 1; Anonymous contributions] provides than an anonymous contribution is not an eligible contribution for purposes of qualifying for the Minnesota Civic Fund program in chapter 10B.

Section 4 [Minn. Stat. 10A. 20, subd. 3; Contents of report] requires campaign reports to include the aggregate value of Minnesota Civic Fund credits redeemed under chapter 10B during the reporting period.

Section 5 [Minn. Stat. 10A.322, subd. 4; Refund receipt; penalty] prohibits candidates and political parties from issue political contribution refund receipt forms after December 31, 2027.

Section 6 [Minn. Stat. 10A.34, subd. 4; Penalty for violation of chapter 10B or 211B under board's jurisdiction] provides a default penalty for a violation of chapter 10B is the Board imposing a civil penalty of up to \$3,000.

Section 7 [Minn. Stat. 10B.01; Definitions] provides definitions for chapter 10B.

Section 8 [Minn. Stat. 10B.02; Minnesota Civic Fund Credits] establishes how individuals participate in the Civic Fund program.

Subdivision 1 [Automatic participation] requires the secretary of state to provide the Board with the public voter information list by February 1 of each year. By March 1, the Board must provide the notice described in subdivision to each person about the program.

Subdivision 2 [Optional participation] allows an individual who does not have an active voter registration status but who resides in Minnesota and is a citizen or lawful permanent resident to submit a written request to the Board to participate in the program. Upon timely receipt of a properly completed form, the Board must send a notice as provided in subdivision 3.

Subdivision 3 [Notice] specifies what must be included in the notice sent to participants. Among the required information, the notice must include the person's name, a unique Civic Fund credit identification number, and an explanation of the program and instructions to direct the credit to a qualifying principal campaign committee or political party in increments of \$25. The notice must be mailed to the participant unless the participant has requested that the notice be emailed.

Section 9 [Minn. Stat. 10B.04; Assignment of Credit] provides that a donor may assign a Civic Fund credit to a qualified candidate or political party electronically, by mail, or in person. A donor may only assign a credit to a candidate who represents the address or location where the donor lives. A donor receives \$100 in credits and may assign them in \$25 increments. At the time of assigning a credit, the donor must provide the specified information, including the donor's unique Civic Fund identification number. A donor may choose any person, except their employer or union, to assist them in assigning a credit. A credit must be assigned no later than 30 days after the state general election after the credit was issued. A credit that is validly assigned is irrevocable. The Uniform Electronic Transactions Act applies to this chapter.

Section 10 [Minn. Stat. 10B.05; No cash value] states that Civic Fund credits have no cash value and are not assets, income, or the property of the credit-holder.

Section 11 [Minn. Stat. 10B.06; Prohibitions] prohibits the assignment or transfer of Civic Fund credits for cash or other consideration. Prohibits a person from offering to purchase, buy, or sell a credit. Prohibits transferring credits as a gift. Prohibits assigning credits by proxy, power of attorney, or agent.

Section 12 [Minn. Stat. 10B.07; Qualification of candidates and political parties] specifies how candidates and political parties qualify to participate in the Civic Fund program.

Subdivision 1 [Candidate qualifications] provides that in order to be qualified for assignment or redemption of Civic Fund credits, candidates must have a principal campaign committee; be running for a office as a constitutional officer or state legislator; have signed a voluntary spending limits agreement; and have collected the requisite number of small contributions required in subdivision 2.

Subdivision 2 [Small contributions] provides that a candidate must have collected contributions from individuals eligible to participate in the program who live in the are represented by the candidate in at least the amount specified for each office, counting only the first \$50 from each contributor.

Subdivision 3 [Political party unit qualification] provides that in order to be qualified for assignment or redemption of Civic Fund credits, a political party must be a unit of a major political party or a minor political party.

Section 13 [Minn. Stat. 10B.08; Redemption of credits; distribution of contributions] provides the details on redemption and distribution of Civic Fund credits.

Subdivision 1 [Redemption value cap] provides that "redemption value cap" means the maximum aggregate dollar value of credits that may be redeemed in the program in a calendar year. For calendar years 2025 and 2026, the redemption value cap for each year is an amount equal to 8 percent of the total dollar value of all credits issue by the Board in that year. There is a process for raising the cap if, during a two-year period, the dollar value of all credits redeemed exceeds 75 percent of the aggregated redemption value cap in each of the two years. The cap must not exceed 16 percent of the total value of credits issued unless authorized by law.

Subdivision 2 [Redemption procedures] provides that a candidate or political party that has been assigned a Civic Fund credit may submit it to the Board for redemption. A candidate may only redeem credits that equal no more than fifty percent of the candidate spending limit for the applicable office. A political party may only redeem credits that equal no more than \$750,000.

Subdivision 3 [Verification] requires the Board to verify information about the candidate or party, the donor, and the credit before redeeming a credit.

Subdivision 4 [Distribution of contribution] requires the board, upon determining it is valid for distribution, to disburse the value of the credit to the candidate or the political party. A candidate or political party must submit credits for redemption on or before December 31 in the year in which the credit was issued.

Subdivision 5 [Effect of credits on contribution reporting and limits] provides that the value of a redeemed credit is a contribution from the donor.

Subdivision 6 [Redemption and distribution schedule] requires the Board to promptly verify all assigned credits received by the board. Establishes a timeline for the Board distribute redeemed credits, which varies depending on how close it is to an election.

Subdivision 7 [Appropriation] annually appropriates amounts necessary to redeem credits and administer the program from the general fund to the Board.

Section 14 [Minn. Stat. 10B.09; Use of contribution] provides that a contribution received by a candidate or political party under chapter 10B may only be used for purposes authorized under chapter 10A or section 211B.12.

Section 15 [Minn. Stat. 10B.10; Return of proceeds] requires a candidate that has unspent proceeds from redeemed Civic Fund credits to return them to the Board by January 31 in the year after the candidate was on the general election ballot. A political party must also return unspent funds.

Section 16 [Minn. Stat. 10B.11; Violations; enforcement] provides that the Board may make audits and investigations with respect to chapter 10B, consistent with the powers and remedies provided in chapter 10A.

Section 17 [Minn. Stat. 289.37, subd. 2; Erroneous refunds] makes a conforming change to the discontinuation of the political contribution refund program. This section is effective April 16, 2028.

Section 18 [Minn. Stat. 289A.50, subd. 1; General right to refund] makes a conforming change to the discontinuation of the political contribution refund program. This section is effective April 16, 2028.

Section 19 [Minn. Stat. 290.01, subd. 6; Taxpayer] makes a conforming change to the discontinuation of the political contribution refund program. This section is effective April 16, 2028.

Section 20 [Minn. Stat. 290.06, subd. 23; Refund of contribution to political parties and candidates] allows taxpayers to claim political contribution refunds until April 15, 2028. After that, the program is discontinued. This section is effective the day following final enactment.

Section 21 [Rulemaking] allows the Board to adopt rules related to the Civic Fund program using the expedited rulemaking process.

Section 22 [Public Education Campaign] requires the Board to conduct a public education campaign regarding the Civic Fund program, with a focus on lower-income communities. The Board may make grants to community organizations for community outreach and public education purposes. Appropriates an unspecified amount to the Board for these purposes.

Section 23 [Repealer] repeals sections related to the political contribution refund program. This section is effective January 1, 2028.

Section 24 [Effective date; rulemaking] provides that this act is effective January 1, 2026, unless otherwise specified.

