

SENATE

STATE OF MINNESOTA

NINETY-FOURTH SESSION

S.F. No. 2386

(SENATE AUTHORS: MARTY, Boldon, Westlin, Bahr and Rest)		
DATE	D-PG	OFFICIAL STATUS
03/10/2025	717	Introduction and first reading
		Referred to Elections
03/13/2025	777	Author added Rest
03/24/2025	958a	Comm report: To pass as amended and re-refer to State and Local Government

1.1

A bill for an act

1.2

relating to campaign finance; providing funds for transition expenses for secretary

1.3

of state-elect, state auditor-elect, and attorney general-elect; amending the definition

1.4

of noncampaign disbursement; prohibiting making expenditures for inaugural

1.5

event expenses or transition expenses except through the candidate's principal

1.6

campaign committee or specified laws; authorizing rulemaking; amending

1.7

Minnesota Statutes 2024, section 10A.01, subdivision 26; proposing coding for

1.8

new law in Minnesota Statutes, chapters 5; 6; 8; 10A.

1.9

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

1.10

Section 1. [5.51] EXPENSES OF SECRETARY OF STATE-ELECT.

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Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined have the

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meanings given them.

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(b) "Secretary of state-elect" means the person who is not currently secretary of state

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and is the apparent successful candidate for the office of secretary of state following a

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general election.

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(c) "Commissioner" means the commissioner of the Department of Management and

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Budget.

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Subd. 2. **Transition expenses.** In the fiscal year of an election for secretary of state and

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subject to availability of funds, the commissioner shall transfer up to \$50,000 from the

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general contingent account in the general fund to the Department of Management and

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Budget. This transfer is subject to the review and advice of the Legislative Advisory

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Commission pursuant to section 3.30. In consultation with the secretary of state-elect, the

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commissioner shall use the transferred funds to pay expenses of the secretary of state-elect

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associated with preparing for the assumption of official duties as secretary of state. The

commissioner may use the transferred funds for expenses necessary and prudent for establishment of a transition office prior to the election and for dissolution of the office if the incumbent secretary of state is reelected or after the inauguration of a new secretary of state. Expenses of the secretary of state-elect may include suitable office space and equipment, communications and technology support, consulting services, compensation and travel costs, and other reasonable expenses. Compensation rates for temporary employees hired to support the secretary of state-elect and rates paid for consulting services for the secretary of state-elect shall be determined by the secretary of state-elect.

Subd. 3. **Unused funds.** No new obligations shall be incurred for expenses of the secretary of state-elect after the date of the inauguration. By March 31 of the year of the inauguration, the commissioner shall return to the general contingent account any funds transferred under this section that the commissioner determines are not needed to pay expenses of the secretary of state-elect.

Sec. 2. [6.93] EXPENSES OF STATE AUDITOR-ELECT.

Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined have the meanings given them.

(b) "State auditor-elect" means the person who is not currently state auditor and is the apparent successful candidate for the office of state auditor following a general election.

(c) "Commissioner" means the commissioner of the Department of Management and Budget.

Subd. 2. **Transition expenses.** In the fiscal year of an election for state auditor and subject to availability of funds, the commissioner shall transfer up to \$50,000 from the general contingent account in the general fund to the Department of Management and Budget. This transfer is subject to the review and advice of the Legislative Advisory Commission pursuant to section 3.30. In consultation with the state auditor-elect, the commissioner shall use the transferred funds to pay expenses of the state auditor-elect associated with preparing for the assumption of official duties as state auditor. The commissioner may use the transferred funds for expenses necessary and prudent for establishment of a transition office prior to the election and for dissolution of the office if the incumbent state auditor is reelected or after the inauguration of a new state auditor. Expenses of the state auditor-elect may include suitable office space and equipment, communications and technology support, consulting services, compensation and travel costs, and other reasonable expenses. Compensation rates for temporary employees hired

to support the state auditor-elect and rates paid for consulting services for the state auditor-elect shall be determined by the state auditor-elect.

Subd. 3. Unused funds. No new obligations shall be incurred for expenses of the state auditor-elect after the date of the inauguration. By March 31 of the year of the inauguration, the commissioner shall return to the general contingent account any funds transferred under this section that the commissioner determines are not needed to pay expenses of the state auditor-elect.

Sec. 3. [8.40] EXPENSES OF ATTORNEY GENERAL-ELECT.

Subdivision 1. Definitions. (a) For purposes of this section, the terms defined have the meanings given them.

(b) "Attorney general-elect" means the person who is not currently attorney general and is the apparent successful candidate for the office of attorney general following a general election.

(c) "Commissioner" means the commissioner of the Department of Management and Budget.

Subd. 2. Transition expenses. In the fiscal year of an election for attorney general and subject to availability of funds, the commissioner shall transfer up to \$75,000 from the general contingent account in the general fund to the Department of Management and Budget. This transfer is subject to the review and advice of the Legislative Advisory Commission pursuant to section 3.30. In consultation with the attorney general-elect, the commissioner shall use the transferred funds to pay expenses of the attorney general-elect associated with preparing for the assumption of official duties as attorney general. The commissioner may use the transferred funds for expenses necessary and prudent for establishment of a transition office prior to the election and for dissolution of the office if the incumbent attorney general is reelected or after the inauguration of a new attorney general. Expenses of the attorney general-elect may include suitable office space and equipment, communications and technology support, consulting services, compensation and travel costs, and other reasonable expenses. Compensation rates for temporary employees hired to support the attorney general-elect and rates paid for consulting services for the attorney general-elect shall be determined by the attorney general-elect.

Subd. 3. Unused funds. No new obligations shall be incurred for expenses of the attorney general-elect after the date of the inauguration. By March 31 of the year of the inauguration, the commissioner shall return to the general contingent account any funds transferred under

4.1 this section that the commissioner determines are not needed to pay expenses of the attorney
4.2 general-elect.

4.3 Sec. 4. Minnesota Statutes 2024, section 10A.01, subdivision 26, is amended to read:

4.4 Subd. 26. **Noncampaign disbursement.** (a) "Noncampaign disbursement" means a
4.5 purchase or payment of money or anything of value made, or an advance of credit incurred,
4.6 or a donation in kind received, by a principal campaign committee for any of the following
4.7 purposes:

4.8 (1) payment for accounting and legal services related to operating the candidate's
4.9 campaign committee, serving in office, or security for the candidate or the candidate's
4.10 immediate family, including but not limited to seeking and obtaining a harassment restraining
4.11 order;

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

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

4.14 (4) return of a public subsidy;

4.15 (5) payment for food, beverages, and necessary utensils and supplies, entertainment,
4.16 and facility rental for a fundraising event;

4.17 (6) services for a constituent by a member of the legislature or a constitutional officer
4.18 in the executive branch as provided in section 10A.173, subdivision 1;

4.19 (7) payment for food and beverages consumed by a candidate or volunteers while they
4.20 are engaged in campaign activities;

4.21 (8) payment for food or a beverage consumed while attending a reception or meeting
4.22 directly related to legislative duties;

4.23 (9) payment of expenses incurred by elected or appointed leaders of a legislative caucus
4.24 in carrying out their leadership responsibilities;

4.25 (10) payment by a principal campaign committee of the candidate's expenses for serving
4.26 in public office, other than for personal uses;

4.27 (11) costs of child care for the candidate's children when campaigning;

4.28 (12) fees paid to attend a campaign school;

4.29 (13) costs of a postelection party during the election year when a candidate's name will
4.30 no longer appear on a ballot or the general election is concluded, whichever occurs first;

- 5.1 (14) interest on loans paid by a principal campaign committee on outstanding loans;
- 5.2 (15) filing fees;
- 5.3 (16) post-general election holiday or seasonal cards, thank-you notes, or advertisements
- 5.4 in the news media mailed or published prior to the end of the election cycle;
- 5.5 (17) the cost of campaign material purchased to replace defective campaign material, if
- 5.6 the defective material is destroyed without being used;
- 5.7 (18) contributions to a party unit;
- 5.8 (19) payments for funeral gifts or memorials;
- 5.9 (20) the cost of a magnet less than six inches in diameter containing legislator contact
- 5.10 information and distributed to constituents;
- 5.11 (21) costs associated with a candidate attending a political party state or national
- 5.12 convention in this state;
- 5.13 (22) other purchases or payments specified in board rules or advisory opinions as being
- 5.14 for any purpose other than to influence the nomination or election of a candidate or to
- 5.15 promote or defeat a ballot question;
- 5.16 (23) costs paid to a third party for processing contributions made by a credit card, debit
- 5.17 card, or electronic check;
- 5.18 (24) costs paid by a candidate's principal campaign committee to support the candidate's
- 5.19 participation in a recount of ballots affecting the candidate's election;
- 5.20 (25) a contribution to a fund established to support a candidate's participation in a recount
- 5.21 of ballots affecting that candidate's election;
- 5.22 (26) costs paid by a candidate's principal campaign committee for a single reception
- 5.23 given in honor of the candidate's retirement from public office after the filing period for
- 5.24 affidavits of candidacy for that office has closed;
- 5.25 (27) a donation from a terminating principal campaign committee to the state general
- 5.26 fund;
- 5.27 (28) a donation from a terminating principal campaign committee to a county obligated
- 5.28 to incur special election expenses due to that candidate's resignation from state office;
- 5.29 (29) during a period starting January 1 in the year following a general election and ending
- 5.30 on December 31 of the year of general election, total payments of up to \$3,000 for
- 5.31 detection-related security monitoring expenses for a candidate, including home security

6.1 hardware, maintenance of home security monitoring hardware, identity theft monitoring
6.2 services, and credit monitoring services; ~~and~~

6.3 (30) costs paid to repair or replace campaign property that was: (i) lost or stolen, or (ii)
6.4 damaged or defaced to such a degree that the property no longer serves its intended purpose.
6.5 For purposes of this clause, campaign property includes but is not limited to campaign lawn
6.6 signs. The candidate must document the need for these costs in writing or with photographs;
6.7 and

6.8 (31) transition expenses and inaugural event expenses as defined in section 10A.174.

6.9 (b) The board must determine whether an activity involves a noncampaign disbursement
6.10 within the meaning of this subdivision.

6.11 (c) A noncampaign disbursement is considered to be made in the year in which the
6.12 candidate made the purchase of goods or services or incurred an obligation to pay for goods
6.13 or services.

6.14 Sec. 5. [10A.174] INAUGURAL EVENT AND TRANSITION EXPENSES.

6.15 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
6.16 the meanings given.

6.17 (b) "Inaugural event expenses" means expenses incurred for any event related to the
6.18 individual's inauguration held between the general election of a person elected to a statewide
6.19 office and January 31 of the year in which the officeholder takes office. In the event that a
6.20 person fills a vacancy in a constitutional office, "inaugural event expenses" means expenses
6.21 incurred for any event related to the individual's inauguration between the time that it was
6.22 confirmed that the individual would assume the constitutional office and the date four weeks
6.23 after the individual is sworn into office.

6.24 (c) "Transition expenses" means expenses incurred in preparing for the assumption of
6.25 official duties as governor, lieutenant governor, secretary of state, state auditor, or attorney
6.26 general. Expenses include but are not limited to establishment of a transition office, the
6.27 dissolution of the office, office space and equipment, communications and technology
6.28 support, consulting services, compensation and travel costs, and other reasonable expenses.
6.29 Transition expenses do not include expenses that are incurred after the officeholder takes
6.30 office.

6.31 Subd. 2. Inaugural event and transition expenses; contributions. A candidate or a
6.32 candidate's principal campaign committee must not solicit or accept any contributions for
6.33 or make any expenditure for inaugural event expenses or transition expenses except through

7.1 the candidate's principal campaign committee or as provided in section 4.51, 5.51, 6.93, or
7.2 8.40.

7.3 Sec. 6. **RULEMAKING.**

7.4 The Campaign Finance and Public Disclosure Board must amend Minnesota Rules, part
7.5 4503.0900, to conform to the requirements of this bill regarding transition expenses. The
7.6 board may use the good cause exemption under Minnesota Statutes, section 14.388, for
7.7 purposes of this section.