

February 3, 2025

Senator Ron Latz
Senator Warren Limmer
Senate Judiciary and Public Safety Committee
Minnesota Senate Building.
St. Paul, MN 55155

Testimony submitted for 2/3/2025 Senate Judiciary & Safety committee; Recommended changes to SF0009:

I do not oppose the effort to streamline the PCR re-imbursement process, but I am recommending two additional changes. In any effort to streamline or automate a process, it is necessary to optimize the process as a first step. I am recommending the following two changes to 290.06 to remove two elements of corruption:

- Removal of reimbursements for political party contributions
- Restricting reimbursements for candidate campaign contributions made only to candidates running in the donors voting district.

There are too many arguments against the blatant corruption of the major political parties to list here. But in summary, political parties exist to elect candidates of a particular mindset to office and have no mandate, directive, or motivation to serve the public, the public's interest, or the greater good. The two major political parties are self-serving organizations that often work in opposition of the public interest by intentionally limiting the public's voting rights and choice in elections, intimidating elected representatives, and intentionally creating laws that discriminate against candidates based on their party affiliation. It is against the public's interest to require taxpayers to subsidize organizations that are intentionally working against the public good. In 2023, over \$1.7M of taxpayer dollars were used to subsidize political parties that have no mandate or intention of serving the public.

It is my belief that a fundamental tenant of campaign finance should be that if any entity or person is not eligible to vote in an election, they should not be able to donate money to that campaign. In the context of this tenant, I am recommending an additional requirement for reimbursement of donations to candidates. Reimbursement for donations to candidates can only be provided when the candidate is running in the registered district of the donor. It is a problem for individuals to donate funds to a campaign to influence an election outcome in an election where they cannot vote or be legitimately represented by the candidate. While changes to 290.06 will not change the corrupt donation opportunity, it can deny reimbursement for donations to candidates that won't represent the donor.

I am asking the committee to consider the following redlined changes to remove the corrupt elements of the PCR program prior to streamlining its filing process.

Tom Wiesen
Mahtomedi, MN

SENATE

STATE OF MINNESOTA

NINETY-FOURTH SESSION

S.F. No. 9

(SENATE AUTHORS: REST, Westlin and Koran)			
DATE	D-PG		OFFICIAL STATUS
01/16/2025	59	Introduction and first reading	
		Referred to Elections	
01/27/2025	171a	Comm report: To pass as amended and re-refer to Judiciary and Public Safety	

This redlined version of SF0009 intends to remove all references to political parties and political parties as eligible donation recipients for donor reimbursment. It also adds a requirement that a donation to a candidate's campaign cannot be reimbursed unless the candidate is running for office in the donors registered district. Deletions are lined out in red, additions are typed in red, and all lines with changes are indicated by purple highlights on the line numbers for easy identification.

1.1

A bill for an act

1.2

relating to elections; requiring the commissioner of revenue to establish an online

1.3

system to claim the political contribution refund; modifying the political

1.4

contribution refund program to allow for electronic information transfer between

1.5

the Campaign Finance and Public Disclosure Board and the Department of

1.6

Revenue; classifying data; appropriating money; amending Minnesota Statutes

1.7

2024, sections 10A.02, subdivision 11b; 10A.322, subdivision 4; 290.06,

1.8

subdivision 23.

1.9

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

1.10

Section 1. Minnesota Statutes 2024, section 10A.02, subdivision 11b, is amended to read:

1.11

Subd. 11b. **Data privacy related to electronic reporting system.** (a) The board may

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develop and maintain systems to enable treasurers to enter and store electronic records

1.13

online for the purpose of complying with this chapter. Data entered into such systems by

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treasurers or their authorized agents is not government data under chapter 13 and may not

1.15

be accessed or used by the board for any purpose without the treasurer's written consent.

1.16

Data from such systems that has been submitted to the board as a filed report is government

1.17

data under chapter 13.

1.18

(b) For purposes of administering the refund under section 290.06, subdivision 23, the

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board may access or use the following data entered and stored in an electronic reporting

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system and share the data with the commissioner of revenue: (1) the amount of the

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contribution; (2) the name and address of the contributor; (3) any unique identifier for the

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contribution; (4) the name and campaign identification number of ~~the party or~~ candidate

1.23

that received the contribution; and (5) the date on which the contribution was received. Data

1.24

accessed, used, or maintained by the board under this paragraph are classified as nonpublic

2.1 data, as defined in section 13.02, subdivision 9, and private data on individuals, as defined
2.2 in section 13.02, subdivision 12.

2.3 **EFFECTIVE DATE.** This section is effective January 1, 2027.

2.4 Sec. 2. Minnesota Statutes 2024, section 10A.322, subdivision 4, is amended to read:

2.5 Subd. 4. **Refund receipt forms receipts; penalty.** (a) The board must make available
2.6 ~~to a political party on request and to~~ any candidate for whom an agreement under this section
2.7 is effective, ~~a supply of official refund receipt forms~~ receipts in an electronic format that
2.8 state in boldface type that:

2.9 (1) a contributor who is given a receipt ~~form~~ is eligible to claim a refund as provided in
2.10 section 290.06, subdivision 23; and

2.11 (2) if the contribution is to a candidate, that the candidate has signed an agreement to
2.12 limit campaign expenditures as provided in this section.

2.13 ~~The forms must provide duplicate copies of the receipt to be attached to the contributor's~~
2.14 ~~claim.~~ An official refund receipt must only be issued for a contribution of \$10 or more.
2.15 Each receipt must be in an electronic format and include a unique receipt validation number
2.16 that allows the commissioner of revenue to verify the information on the receipt with the
2.17 Campaign Finance Board. A ~~political party or~~ candidate may provide a printed copy of the
2.18 electronic receipt to the contributor.

2.19 (b) Once each business day, the board must provide the commissioner of revenue a
2.20 receipt validation report. For each contribution reported to the board since the previous
2.21 report, the report must include:

2.22 (1) the date and amount of the contribution;

2.23 (2) the name and address of the contributor;

2.24 (3) the name and campaign identification number of the ~~party or~~ candidate that received
2.25 the contribution; and

2.26 (4) the receipt validation number assigned to the contribution.

2.27 ~~(b)~~ (c) The willful issuance of an official refund receipt ~~form or a facsimile of one~~ to
2.28 any of the candidate's contributors by a candidate or treasurer of a candidate who did not
2.29 sign an agreement under this section is subject to a civil penalty of up to \$3,000 imposed
2.30 by the board.

3.1 ~~(e)~~ (d) The willful issuance of an official refund receipt ~~form or a facsimile~~ to an
 3.2 individual not eligible to claim a refund under section 290.06, subdivision 23, is subject to
 3.3 a civil penalty of up to \$3,000 imposed by the board.

3.4 ~~(d)~~ (e) A violation of paragraph ~~(b)~~ (c) or ~~(e)~~ (d) is a misdemeanor.

3.5 (f) A receipt validation report and a receipt validation number prepared pursuant to this
 3.6 section are classified as nonpublic data, as defined in section 13.02, subdivision 9, and
 3.7 private data on individuals, as defined in section 13.02, subdivision 12.

3.8 **EFFECTIVE DATE.** This section is effective for contributions made after December
 3.9 31, 2026.

3.10 Sec. 3. Minnesota Statutes 2024, section 290.06, subdivision 23, is amended to read:

3.11 Subd. 23. **Refund of contributions to ~~political parties and candidates~~.** (a) A taxpayer
 3.12 may claim a refund equal to the amount of the taxpayer's contributions made in the calendar
 3.13 year to candidates ~~and to a political party~~. The maximum total refund per calendar year for
 3.14 an individual must not exceed \$75 and for a married couple, filing jointly, must not exceed
 3.15 \$150. The commissioner must not issue a refund, whether in one payment or in aggregate,
 3.16 to a taxpayer that exceeds the maximum refund amounts specified in this subdivision. A
 3.17 refund of a contribution is allowed only if the taxpayer files:

3.18 (1) a form required by the commissioner and attaches to the form a copy of an official
 3.19 refund receipt form issued by the candidate or party and signed by the candidate, the treasurer
 3.20 of the candidate's principal campaign committee, or the chair or treasurer of the party unit,
 3.21 after the contribution was received. ~~The receipt forms must be numbered, and the data on~~
 3.22 ~~the receipt that are not public must be made available to the campaign finance and public~~
 3.23 ~~disclosure board upon its request; or~~

3.24 (2) a claim using the electronic filing system authorized in paragraph (i).

3.25 The form or claim must include one or more unique receipt validation numbers from receipts
 3.26 issued pursuant to section 10A.322, subdivision 4.

3.27 (b) A claim must be filed with the commissioner no sooner than January 1 of the calendar
 3.28 year in which the contribution was made and no later than April 15 of the calendar year
 3.29 following the calendar year in which the contribution was made. ~~A taxpayer may file only~~
 3.30 ~~one claim per calendar year.~~ A claim must be for a minimum of \$10. Amounts paid by the
 3.31 commissioner after June 15 of the calendar year following the calendar year in which the
 3.32 contribution was made must include interest at the rate specified in section 270C.405.

4.1 ~~(b)~~ (c) No refund is allowed under this subdivision for a contribution to a candidate
4.2 unless the candidate:

4.3 (1) has signed an agreement to limit campaign expenditures as provided in section
4.4 10A.322;

4.5 (2) is seeking an office for which voluntary spending limits are specified in section
4.6 10A.25; and

4.7 (3) has designated a principal campaign committee.

~~(4) Is running in the same district as the donor's registered district.~~

4.8 This subdivision does not limit the campaign expenditures of a candidate who does not
4.9 sign an agreement but accepts a contribution for which the contributor improperly claims
4.10 a refund.

4.11 ~~(e) (d) For purposes of this subdivision, "political party" means a major political party~~
4.12 ~~as defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion~~
4.13 ~~on the income tax or property tax refund form under section 10A.31, subdivision 3a.~~

4.14 ~~A "major party" or "minor party" includes the aggregate of that party's organization~~
4.15 ~~within each house of the legislature, the state party organization, and the party organization~~
4.16 ~~within congressional districts, counties, legislative districts, municipalities, and precincts.~~

4.17 "Candidate" means a candidate as defined in section 10A.01, subdivision 10, except a
4.18 candidate for judicial office.

4.19 "Contribution" means a gift of money.

4.20 ~~(d)~~ (e) The commissioner shall make copies of the form available to the public and
4.21 candidates upon request.

4.22 ~~(e)~~ (f) The following data collected or maintained by the commissioner under this
4.23 subdivision are private: the identities of individuals claiming a refund, the identities of
4.24 candidates to whom those individuals have made contributions, and the amount of each
4.25 contribution.

4.26 ~~(f)~~ (g) The commissioner shall report to the campaign finance and public disclosure
4.27 board by each August 1 a summary showing the total number and aggregate amount of
4.28 political contribution refunds made on behalf of each candidate ~~and each political party.~~
4.29 These data are public.

4.30 ~~(g)~~ (h) The amount necessary to pay claims for the refund provided in this section is
4.31 appropriated from the general fund to the commissioner of revenue.

5.1 ~~(h) For a taxpayer who files a claim for refund via the Internet or other electronic means,~~
5.2 ~~the commissioner may accept the number on the official receipt as documentation that a~~
5.3 ~~contribution was made rather than the actual receipt as required by paragraph (a).~~

5.4 (i) The commissioner must establish an electronic filing system by which refunds are
5.5 claimed.

5.6 **EFFECTIVE DATE.** This section is effective for contributions made after December
5.7 31, 2026.

5.8 Sec. 4. **APPROPRIATION; POLITICAL CONTRIBUTION REFUND**
5.9 **ELECTRONIC FILING SYSTEM.**

5.10 \$..... in fiscal year 2026 and \$..... in fiscal year 2027 are appropriated from the general
5.11 fund to the commissioner of revenue to establish and implement an electronic filing system
5.12 for political contribution refund claims. The base for this appropriation is \$..... for fiscal
5.13 year 2028 and \$..... for fiscal year 2029.