

State of Minnesota  
**Campaign Finance and Public Disclosure Board**  
190 Centennial Building . 658 Cedar Street . St. Paul, MN 55155-1603

THE FOLLOWING PUBLICATION DOES NOT IDENTIFY  
THE REQUESTER OF THE ADVISORY OPINION, WHICH IS NON PUBLIC DATA  
under Minn. Stat. § 10A.02, subd. 12(b)

**RE: Use of campaign funds to rent, lease, or purchase an automobile, legality of anonymous contributions, and authority of deputy treasurer.**

**ADVISORY OPINION 321**

**SUMMARY**

Principal campaign committees that use campaign funds to purchase, lease, or rent a vehicle must allocate the cost of using the vehicle for both campaign activities and noncampaign activities in order to accurately report to the Board. Anonymous contributions of over \$20 must be forwarded in their entirety to the Campaign Finance and Public Disclosure Board. Deputy treasurers who are delegated authority by a principal campaign committee may submit reports and filings to the Board.

**FACTS**

As the campaign chair for a candidate exploring the possibility of running for office, you ask the Campaign Finance and Public Disclosure Board (the Board) for an advisory opinion based on the following facts:

1. You represent a potential candidate that will be covered by the provisions of Minnesota Statutes Chapters 10A and 211B.
2. You ask for clarification of the terms “travel and transportation” as used in Minnesota Statutes 211B.12, as well as specific information on the legality of using campaign funds to lease, rent, or purchase an automobile.
3. You ask for clarification of the provisions for accepting anonymous contributions as provided in Minnesota Statutes 10A.15.
4. You ask what responsibility a principal campaign committee can delegate to a deputy treasurer.

## **ISSUE ONE**

May campaign funds be used to rent, lease, or purchase an automobile for use in campaign related functions?

## **OPINION**

Minnesota Statutes 211B.12 provides a listing of permitted campaign expenditures that may be made by candidates for state office and prohibits the conversion of campaign funds to personal use. The Board has no authority to issue an opinion interpreting this statute, or any statute outside of Chapter 10A. You may wish to confer with legal counsel to determine what constraints this statute places on the use of campaign funds, and in particular the meaning of “travel and transportation” as used in the statute.

If you determine that Minnesota Statutes 211B.12 allows for the use of campaign funds to purchase, lease, or rent a vehicle you will need to report all expenditures of campaign funds for that purpose to the Board. If an automobile is rented, the committee will need to ensure that either the vehicle is used only for campaign related purposes, or provide a system to accurately monitor the cost of using the vehicle for non-campaign related purposes. This monitoring is necessary to ensure that campaign funds are not converted to personal use.

For a related issue the Board has established in Minnesota Rules 4503.0500, subpart 8, that contributing the use of an automobile to a campaign is an in kind contribution valued at the lowest rate used by the state of Minnesota to reimburse its employees for automobile use. (As of the date of this opinion that rate is 23 cents per mile.) The Board believes that this rate should be used to determine a fair cost when billing an individual for personal use of a vehicle rented by the committee. Money paid to the committee for non-campaign related use of the vehicle would be reported to the Board as miscellaneous income.

The price paid for renting, leasing, or purchasing a vehicle should be no less than the fair market value that would be paid by any private individual not associated with the campaign. If the price paid for use of the vehicle by the principal campaign committee is less than fair market value, the vendor will have made an in kind contribution to the principal campaign committee. The value of the in kind contribution will equal the difference between fair market value and actual cost. In kind contributions of over \$100 must be reported to the Board.

A committee receiving a in kind contribution from a vendor should be aware that if the vendor is a corporation, the contribution is prohibited under Minnesota Statutes 211B.15, subdivision 2.

If a committee leases a vehicle for campaign use, the issues related to reporting the expenditures incurred and monitoring the use of the vehicle are the same as those described above when renting an automobile.

If a committee purchases a vehicle for campaign use, the issues related to reporting the expenditures incurred and monitoring the use of the vehicle are the same as those described above when renting an automobile. In addition, a vehicle purchased by a principal campaign committee is an asset of the committee that must be accounted for upon the sale of the vehicle, or the termination of the committee. The method of disposing of the vehicle and the amount the vehicle is sold for must be reported to the Board. A principal campaign committee is responsible to ensure that all physical assets of the committee, including a vehicle, are either used for campaign purposes or the committee is reimbursed at an appropriate rate for their use. This responsibility does not end when a given campaign or election cycle is complete.

## **ISSUE TWO**

Are all anonymous contributions prohibited, or only those in excess of \$20?

### **OPINION**

Minnesota Statutes 10A.15, subdivision 1, provides in part that “A...principal campaign committee...may not retain an anonymous contribution in excess of \$20.” Therefore, an anonymous contribution which does not exceed \$20 may be retained by a committee. A contribution of over \$20 may be retained if the contributor’s name, address, amount of contribution, and date of receipt are known and recorded by the committee. In addition, a committee that receives aggregate contributions from an individual of over \$100 must collect and retain information on the contributor’s employer or occupation.

## **ISSUE THREE**

Can a deputy treasurer for a Principal Campaign Committee sign the reporting documents required by the Board?

### **OPINION**

Minnesota Statutes 10A.11, subdivision 3, provides in part that a principal campaign committee may appoint one or more deputy treasurers. To be recognized by the Board, a deputy treasurer must be identified on the Principal Campaign Committee Statement of Registration and Organization. It is the opinion of the Board that a deputy treasurer can sign and file required reports and statements with the Board. However the treasurer of a principal campaign committee remains responsible for the accuracy and timeliness of reports submitted by a deputy treasurer. Ultimately the candidate is responsible for the

candidate's principal campaign committee's compliance with Minnesota Statutes Chapter 10A. (Minnesota Rules 4503.0200 subp. 2).

Issued 8-8-00

A handwritten signature in cursive script, appearing to read "Wil Fluegel", written over a horizontal line.

Wil Fluegel, Chair  
Campaign Finance and Public Disclosure Board

## **Cited Statutes and Rules**

### **10A.11 Organization of Committees and Party Units.**

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

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

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

### **10A.15 Contributions.**

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

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

### **211B.12 Legal expenditures.**

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

- (1) salaries, wages, and fees;
- (2) communications, mailing, transportation, and travel;
- (3) campaign advertising;
- (4) printing;

(5) office and other space and necessary equipment, furnishings, and incidental supplies;

(6) charitable contributions of not more than \$50 to any charity annually; and

(7) other expenses, not included in clauses (1) to (6), that are reasonably related to the conduct of election campaigns. In addition, expenditures made for the purpose of providing information to constituents, whether or not related to the conduct of an election, are permitted expenses. Money collected for political purposes and assets of a political committee or political fund may not be converted to personal use.

### **211B.15 Corporate Political Contributions.**

**Subdivision 1.** Definitions. For purposes of this section, "corporation" means:

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

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

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

**Subd. 2.** Prohibited contributions. A corporation may not make a contribution or offer or agree to make a contribution, directly or indirectly, of any money, property, free service of its officers, employees, or members, or thing of monetary value to a major political party, organization, committee, or individual to promote or defeat the candidacy of an individual for nomination, election, or appointment to a political office. For the purpose of this subdivision, "contribution" includes an expenditure to promote or defeat the election or nomination of a candidate to a political office that is made with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of, a candidate or committee established to support or oppose a candidate.

### **4503.0200 Organization Of Political Committees And Political Funds.**

**Subpart. 2.** Officers of principal campaign committee. A candidate may be chair, treasurer, or both, of the candidate's own principal campaign committee. The candidate is ultimately responsible for the principal campaign committee's compliance with Minnesota Statutes, chapter 10A.

**4503.0500 Contributions.**

**Subpart 8.** Value of contributions of automobile use. Automobile use provided without reimbursement to the provider is a donation in kind valued at the lowest rate used by the state of Minnesota to reimburse its employees for automobile use.