

State of Minnesota
Campaign Finance & Public Disclosure Board
Suite 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: Fundraising and Expenditures by a Political Party Unit

ADVISORY OPINION 356

SUMMARY

A political party unit may raise and spend funds for women candidates as a group providing the fundraising does not refer to a specific candidate and the contributions and expenditures are properly reported to the Board.

FACTS

As a representative of a political party unit registered with the Campaign Finance and Public Disclosure Board (the Board), you ask for an advisory opinion based on the following facts:

1. The political party unit would like to establish a fundraising effort to support the recruiting, training, and election of women to the Minnesota House of Representatives.
2. Proceeds from the fund raising effort would be deposited in the political party bank account and tracked on a separate internal ledger.
3. Fundraising efforts would not be used to benefit one or two specific candidates, but rather to support women of the political party who may become candidates for a seat in the State House.

ISSUE ONE

Is the fundraising effort described in the facts of this request a form of earmarking?

OPINION

No. Under Minn. Stat. §10A.16 a political party unit may not solicit or accept a contribution under the express or implied condition the contribution, or any part or the contribution be directed to a particular candidate. As described in the facts of this request the fundraising will be directed to support multiple candidates of a given gender, not a specific candidate.

The Board notes that a fundraising effort for a specific gender of candidate could be earmarking if only one candidate could benefit from the funds raised, even if no specific candidate is named. For example, fundraising to elect a woman governor of a given political party that did not name a specific candidate would still be earmarking if there were only one woman of that political party running for governor.

ISSUE TWO

Are expenditures for the recruiting, training, and election of women candidates for the State House of Representatives a type of multi-candidate expenditure?

OPINION

The requestor will need to compare the purpose of a given expenditure to the types of expenditures provided in Minn. Stat. §10A.275 to determine if the expenditure is a multicandidate political party expenditure. Minn. Stat. §10A.275 provides for five types of expenditures that qualify as a multicandidate political party expenditure. None of the five multicandidate political party expenditures depend on gender or any other demographic variable as a qualifier. For example, Minn. Stat. §10A.275, subd. 1 (4), provides that “expenditures for a political party fund-raising effort on behalf of three or more candidates” is a type of multicandidate political party expenditure. Therefore, if the fund-raising effort benefits three or more candidates it is a multicandidate political party expenditure regardless of the gender of the candidates.

ISSUE THREE

Does the political party unit need to establish a separate bank account for the money raised from the fundraising effort for women candidates described in this request?

OPINION

No. The funds raised through the fundraising effort for women candidates remain contributions to the political party unit that may be deposited with any other contributions the caucus receives. Similarly money spent by the political party unit on behalf of women candidates are either a multicandidate political party expenditure, a contribution to a particular woman candidate, or an independent expenditure on behalf of a particular woman candidate that may be made from the general bank account of the political party unit.

ISSUE FOUR

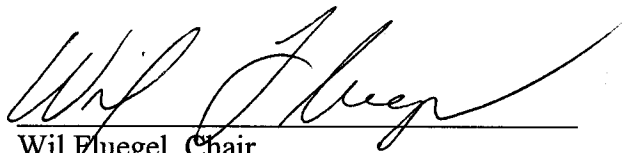
How are funds raised and expended for women candidates reported to the Board?

OPINION

Funds raised by the fundraising effort for women described in this request would be reported on the Report of Receipts and Expenditures as contributions to the political party unit. No special identification of receipts received in response to the fundraising effort for women is required when reporting to the Board.

Expenditures for women candidates that qualify as multicandidate political party expenditures are reported on the Report of Receipts and Expenditures using schedule B1, Expenditures. Multicandidate political party expenditures of more than \$100 must specify the purpose of the expenditure and the name and address of the vendor who provided the service. Expenditures for women candidates that do not qualify as a multicandidate political party expenditure are reported as either a contribution to a specific candidate or as an independent expenditure made on behalf of a specific candidate.

Issued April 28, 2004



Wil Fluegel, Chair
Campaign Finance and Public Disclosure Board

Cited Statutes

10A.16 Earmarking contributions prohibited.

An individual, political committee, political fund, principal campaign committee, or party unit may not solicit or accept a contribution from any source with the express or implied condition that the contribution or any part of it be directed to a particular candidate other than the initial recipient. An individual, political committee, political fund, principal campaign committee, or party unit that knowingly accepts any earmarked contribution is guilty of a gross misdemeanor and subject to a civil penalty imposed by the board of up to \$3,000.

10A.275 Multicandidate political party expenditures.

Subdivision 1. **Exceptions.** Notwithstanding other provisions of this chapter, the following expenditures by a party unit, or two or more party units acting together, with at least one party unit being either: the state committee or the party organization within a congressional district, county, or legislative district, are not considered contributions to or expenditures on behalf of a candidate for the purposes of section 10A.25 or 10A.27 and must not be allocated to candidates under section 10A.20, subd. 3, paragraph (g):

(1) expenditures on behalf of candidates of that party generally without referring to any of them specifically in a published, posted, or broadcast advertisement;

(2) expenditures for the preparation, display, mailing, or other distribution of an official party sample ballot listing the names of three or more individuals whose names are to appear on the ballot;

(3) expenditures for a telephone conversation including the names of three or more individuals whose names are to appear on the ballot;

(4) expenditures for a political party fund-raising effort on behalf of three or more candidates; or

(5) expenditures for party committee staff services that benefit three or more candidates.