State of Minnesota

Campaign Finance & Public Disclosure Board Suite 190, Centennial Building. 658 Cedar Street. St. Paul, MN 55155-1603

THIS ADVISORY OPINION IS PUBLIC DATA

pursuant to a consent for release of information signed by the requester

RE: Noncampaign disbursements for donations to a county obligated to incur special election expenses due to a candidate's resignation

To: Mr. James P. Dunn Chief Deputy Nicollet County Attorney 326 South Minnesota Avenue St. Peter, MN 56082

ADVISORY OPINION 433

SUMMARY

Funds donated by a terminating principal campaign committee to the state general fund or to a county obligated to incur special election expenses due to that candidate's resignation are noncampaign disbursements under Minnesota Statutes section 10A.01, subdivision 26.

FACTS

As an attorney for Nicollet County, you ask the Campaign Finance and Public Disclosure Board for an advisory opinion. Your request is based on the following facts:

- For many years, Terry Morrow has represented Nicollet County in the Minnesota House of Representatives. Mr. Morrow has a principal campaign committee registered with the Board.
- 2. Mr. Morrow recently resigned from the House of Representatives. A special election therefore must be held to fill his seat in the legislature. This election has been scheduled for February 12, 2013.
- Mr. Morrow has asked Nicollet County if he can donate the remainder of his campaign committee's funds to the county to offset the costs of conducting the special election.
 Mr. Morrow then will terminate his committee's registration with the Board.
- 4. The county would like to accept Mr. Morrow's offer. The county is concerned, however, because Minnesota law does not expressly state that the proposed donation is an allowed use of a principal campaign committee's funds. The county does not want to accept and spend the donated funds and then later discover that it must return this money. The county therefore is seeking Board guidance on this issue.

Question

Would funds donated to Nicollet County by Terry Morrow's terminating principal campaign committee be considered noncampaign disbursements under Chapter 10A?

Opinion

Minnesota Statutes section 211B.12 provides that the "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 26."

The Campaign Finance and Public Disclosure Board does not have the authority to interpret Chapter 211B. The Board therefore cannot consider whether the proposed donation here would be permitted as a use of funds "reasonably related to the conduct of election campaigns."

The Board, however, does have the authority to administer Chapter 10A. Consequently, the Board can determine whether the proposed donation is a noncampaign disbursement under section 10A.01, subdivision 26. If the proposed donation is a noncampaign disbursement under Chapter 10A, it would be a permitted use of political funds under Minnesota Statutes section 211B.12.

Minnesota Statutes section 10A.01, subdivision 26, defines over 20 specific types of noncampaign disbursements. The proposed donation in this case does not fall within one of the specified categories.

Minnesota Statutes section 10A.01, subdivision 26, however, also gives the Board the authority to recognize new categories of noncampaign disbursements. Any new noncampaign disbursement must be for a "purpose other than to influence the nomination or election of a candidate or to promote or defeat a ballot question." The Board uses this authority with caution. Typically, a new category of noncampaign disbursements is consistent in some way with an existing noncampaign disbursement or with other provisions in Chapter 10A.

Historically, the Board has allowed terminating principal campaign committees to donate their money to the state general fund. See Minn. Stat. § 10A.24, subd. 1 (before principal campaign committee can terminate registration with Board, it must first dispose of all assets over \$100).

In these instances, the Board has directed the terminating committee to report the donation as a noncampaign disbursement because giving money to the state general fund is a purpose unrelated to the nomination or election of a candidate or the promotion or defeat of a ballot question. A donation from a terminating principal campaign committee to a county obligated to incur special election expenses due to that candidate's resignation would also be a purpose unrelated to the nomination or election of a candidate or the promotion or defeat of a ballot question.

Treating a donation from a terminating principal campaign committee to the state general fund or a county obligated to incur special election expenses due to that candidate's resignation as a noncampaign disbursement is consistent with other provisions in Chapter 10A. For example, Minnesota Statutes section 10A.324 requires candidate committees to return excess public subsidy payments to the state treasury. Minnesota Statutes section 10A.01, subdivision 26,

clause (4), then allows these candidate committees to report the return of the public subsidy funds as noncampaign disbursements. Similarly, Minnesota Statutes section 10A.15, subdivision 1, requires all types of committees to forward anonymous contributions greater than \$20 to the Board for deposit in the state treasury.

Although the Board has long allowed terminating candidate committees to report transfers to the state general fund as noncampaign disbursements, the Board has never formally recognized these donations as a category of noncampaign disbursements. To rectify this omission, the Board, in this opinion, now formally recognizes donations from terminating principal campaign committees to the state general fund or to a county obligated to incur special election expenses due to that candidate's resignation as noncampaign disbursements under Minnesota Statutes section 10A.01, subdivision 26.

Any funds donated to Nicollet County by Terry Morrow's terminating principal campaign committee therefore would be noncampaign disbursements under Chapter 10A.

Dated: February 5, 2013

/s/ Andrew M. Luger

Andrew M. Luger, Chair

Campaign Finance and Public Disclosure Board

Relevant Statutes

Minn. Stat. § 10A.01, Subd. 26. Noncampaign disbursement. "Noncampaign disbursement" means a purchase or payment of money or anything of value made, or an advance of credit incurred, or a donation in kind received, by a principal campaign committee for any of the following purposes:

. . . .

(4) return of a public subsidy;

. . . .

(22) other purchases or payments specified in board rules or advisory opinions as being for any purpose other than to influence the nomination or election of a candidate or to promote or defeat a ballot question;