

**STATE OF MINNESOTA
CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD**

Findings Regarding Larson, Allen, Weishair & Co., LLP

Summary of Investigation

The Minnesotans for Better Roads and Transit Committee (“MBRTC”), a registered ballot question political committee, notified the Campaign Finance and Public Disclosure Board (“the Board”) that the MBRTC received a \$2,500 contribution from Larson, Allen, Weishair & Co., LLP (“Larson Allen”) an unregistered association, on July 5, 2006. The contribution was made without providing the required disclosure.

Minnesota Statutes, section 10A.27, subdivision 13 (b). prohibits an unregistered association from making a contribution to a registered political committee unless, at the time the contribution was made, the unregistered association provides the recipient with the disclosure required by Minnesota Statutes, section, 10A.20.

On March 27, 2007, the Board notified Larsen Allen that the contribution the association made to the MBRTC in 2006 appeared to violate the provisions of the aforementioned statute.

Thomas J. Shroyer, attorney, responded on behalf of Larson Allen on April 17, 2007. Mr. Shroyer stated that: “Larson Allen relied entirely and in good faith on the MBRT to ensure that its \$2,500 contribution was fully compliant with Minnesota law governing campaign financing. Larson Allen was, therefore, surprised to receive a letter from MBRT, dated September 26, 2006, advising that a “written disclosure form” was required for contributions by “incorporated associations.” “ ...Even while recognizing that the point is academic, from a legal perspective the distinction in Minn. Stat. §211B.15, between “corporation” and all other forms of business enterprise, is inexplicable...”

On September 26, 2006, the MBRTC returned the \$2,500 contribution to Larson Allen. A copy of the check and cover letter used to return the contribution was provided to the Board. A contribution may be returned for up to 60 days after it was deposited by the recipient to clear a violation of Chapter 10A. After 60 days the contribution is deemed accepted by the receiving committee under the provisions of Minnesota Statutes, section 10A.15, subdivision 3

Larson Allen made a second donation of \$2,500 to the MBRTC with the required disclosure on October 30, 2006.

Board Analysis

This matter was considered by the Board in executive sessions in its meetings on April 10, 2007 and May 8, 2007. The Board's decision was based upon correspondence from Mr. Shroyer, the MBRTC, and Board records.

A political committee formed to support or oppose a ballot question has greater latitude in the type of organizations from which it may receive a contribution compared to other types of political committees and political party units. Minnesota Statutes, section 211B.15, subdivision 4, provides in part that “A corporation may make contributions to promote or defeat a ballot question...” For the purposes of this statute “corporation” is defined to include for profit and nonprofit corporations, and limited liability companies formed under Minnesota Statutes Chapter 322B or similar laws of another state. The firm Larson Allen is a

Relevant Statutes

Minnesota Statutes, section 10A.27, subdivision 13. Unregistered association limit; statement; penalty. (a) The treasurer of a political committee, political fund, principal campaign committee, or party unit must not accept a contribution of more than \$100 from an association not registered under this chapter unless the contribution is accompanied by a written statement that meets the disclosure and reporting period requirements imposed by section 10A.20. This statement must be certified as true and correct by an officer of the contributing association. The committee, fund, or party unit that accepts the contribution must include a copy of the statement with the report that discloses the contribution to the board. This subdivision does not apply when a national political party contributes money to its affiliate in this state.

(b) An unregistered association may provide the written statement required by this subdivision to no more than three committees, funds, or party units in a calendar year. Each statement must cover at least the 30 days immediately preceding and including the date on which the contribution was made. An unregistered association or an officer of it is subject to a civil penalty imposed by the board of up to \$1,000, if the association or its officer:

- (1) fails to provide a written statement as required by this subdivision; or
- (2) fails to register after giving the written statement required by this subdivision to more than three committees, funds, or party units in a calendar year.

(c) The treasurer of a political committee, political fund, principal campaign committee, or party unit who accepts a contribution in excess of \$100 from an unregistered association without the required written disclosure statement is subject to a civil penalty up to four times the amount in excess of \$100.

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. 4. **Ballot question.** A corporation may make contributions or expenditures to promote or defeat a ballot question, to qualify a question for placement on the ballot unless otherwise prohibited by law, or to express its views on issues of public concern. A corporation may not make a contribution to a candidate for nomination, election, or appointment to a political office or to a committee organized wholly or partly to promote or defeat a candidate.

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