

Minnesota

Campaign Finance and Public Disclosure Board Meeting

Thursday, December 15, 2022

9:30 A.M.

Blazing Star Room
Centennial Office Building

REGULAR SESSION AGENDA

1. **Approval of minutes**
 - A. November 14, 2022
2. **Chair's report**
 - A. Meeting schedule
3. **Executive director report** – No written materials
4. **Possible 2023 Legislative Recommendations**
5. **Enforcement report**
6. **Prima facie determination**
7. **Legal report**
8. **Other business**

EXECUTIVE SESSION

Immediately following regular session

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

.....
**November 14, 2022
Blazing Star Room
Centennial Office Building**
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MINUTES

The meeting was called to order by Vice Chair Soule.

Members present: Asp, Leppik, Rashid (arrived during chair's report), Soule, Swanson

Members absent: Flynn

Others present: Sigurdson, Engelhardt, Hager, Olson, staff; Kaisershot, counsel (arrived during executive director's report)

MINUTES (October 5, 2022)

The following motion was made:

Member Leppik's motion: To approve the October 5, 2022, minutes as drafted.

Vote on motion: A roll call vote was taken. All members present voted in the affirmative.

CHAIR'S REPORT

2022 and 2023 meeting schedule

The next Board meeting is scheduled for 9:30 a.m. on Thursday, December 15, 2022.

EXECUTIVE DIRECTOR'S REPORT

Mr. Sigurdson presented members with a memorandum that is attached to and made a part of these minutes.

Campaign finance reports

Mr. Sigurdson stated that there are currently a few outstanding 2022 pre-general reports. Mr. Sigurdson explained the efforts taken by Board staff to ensure reports were timely filed.

Annual Report of Board Operations for Fiscal Year 2022

The Annual Report of Board Operations by Fiscal Year is required by statute, and is filed with the Legislative Reference Library, the Governor's office, and legislative leadership. Mr. Sigurdson provided a brief overview of the document. After discussion the following motion was made:

Member Soule's motion: To approve the annual report.

Vote on motion: A roll call vote was taken. All members present voted in the affirmative.

Lobbyist disbursement summary

The Board produces an annual summary of disbursements made on lobbying in Minnesota. The summary for calendar year 2021 is now complete and available on the Board's website. Mr. Sigurdson stated that annual lobbying disbursements increased by just over 8% in 2021 and also described the contents of the 2021 Lobbying Disbursement Summary.

RECONCILIATION OF CONTRIBUTIONS

Mr. Sigurdson presented members with a memorandum regarding this matter that is attached to and made a part of these minutes. Mr. Sigurdson said that each year Board staff tries to identify instances in which contributions reportedly made and received by registered entities are not reflected by the reports filed by each entity. Mr. Sigurdson said that there is \$17,750 in 2021 contributions that has yet to be reconciled, but 99.77% of 2021 contributions have been reconciled. In response to a question from Vice Chair Soule Mr. Sigurdson explained two common causes of reconciliation issues. Mr. Sigurdson stated that registered entities sometimes report contributions with an incorrect source or recipient due to confusion caused by similar names among committees, funds, and party units. Mr. Sigurdson said that another cause is contributions made toward the end of a calendar year but not reported as received until the following calendar year.

MEMBER SWANSON'S PROPOSAL ON STAYED FINES

Mr. Sigurdson presented members with a memorandum regarding this matter that is attached to and made a part of these minutes. Mr. Sigurdson stated that typically a conciliation agreement regarding a prohibited contribution or a contribution limit violation requires the return of the excess or prohibited contributions and imposes a civil penalty equal to the amount of a violation, for a first-time violation. Mr. Sigurdson explained that in that instance, approximately 75% of the penalty is typically stayed until the end of the election segment, then if there is no subsequent similar violation that portion of the civil penalty is waived.

Member Swanson stated that the purpose of his proposal is to eliminate the routine use of stayed fines, but a stayed fine may be appropriate in some instances. In response to a question from Member

Leppik, Member Swanson said that he does not expect his proposal to change the amount that a committee is required to immediately pay, and that Board staff may recommend that a committee be required to pay a percentage of the violation amount. Member Swanson said the rationale for his proposal is that in several cases the Board has imposed a stayed civil penalty via a conciliation agreement when he does not feel that there was a good reason to do so.

In response to questions from Vice Chair Soule and Chair Rashid, Mr. Sigurdson said that he believes the Board collects a small percentage of stayed civil penalties, likely less than 5%. Mr. Sigurdson said he does not have any problem with generally requiring immediate payment of the full amount.

In response to a question from Ms. Engelhardt, Member Swanson stated that he did not mean for his proposal to impact the amount of the civil penalty to be paid. Vice Chair Soule said he is fine with the proposal and stated that he feels that the amounts violators have been required to pay initially have been appropriate. Vice Chair Soule said his preference is that Board staff not recommend higher civil penalty amounts in reaction to the change proposed by Member Swanson.

In response to a question from Chair Rashid, Mr. Olson said that a stayed civil penalty is useful in some instances, especially those in which a committee would have a hard time paying the stayed penalty. Mr. Olson also said that if the Board generally won't stay a substantial portion of a civil penalty for a first-time violation, then a conciliation agreement will be rather similar to findings, and he feels that the Board should provide an incentive to committees to agree to a conciliation agreement.

Vice Chair Soule said that committees will have an incentive not to commit the same violation because a second violation would be cause to impose a higher civil penalty for the second violation. Member Asp said he supports the proposal and said he would like more analysis of the factors underlying a recommended civil penalty amount. Chair Rashid spoke in favor of the proposal. Member Leppik spoke in opposition to the proposal. A straw poll was taken by show of hands with Members Asp, Rashid, Soule, and Swanson voting in favor of the proposal, and Member Leppik voting in opposition to the proposal. Mr. Sigurdson recommended implementing the change in approach starting with violations that occur after the end of the 2021-2022 election cycle segment.

ENFORCEMENT REPORT

A. Discussion Items

Except for discussion item 2, the following requests were voted on via a single motion which is described at the bottom of the following list.

1. Request to refer matter to the Attorney General's Office – Lobbyist Ernest Avalos III

Ernest Avalos III (4723) has been a lobbyist registered with the Board since February 7, 2020. Mr. Avalos failed to file his lobbyist disbursement report that was due June 15, 2022. He has incurred the maximum late filing fee of \$1,000. There is no civil penalty because a certified letter was not sent.

Numerous notices were sent to Lobbyist Avalos regarding the deadline for the report and the late filing fee for not filing the report. Staff is asking the Board to refer the matter to the Attorney General's Office to seek an order compelling filing the report and payment of the balance owed.

2. Request to refer matter to the Attorney General's Office – Lobbyist Meagan Perry

This request was withdrawn by Board staff because Ms. Perry has now filed a lobbyist termination statement and has communicated with Board staff regarding the outstanding late filing fees.

3. Request to refer matter to the Attorney General's Office – Lobbyist Stephanie Ohlmann

Stephanie Ohlmann (4861) has been a lobbyist registered with the Board since January 1, 2021. Ms. Ohlmann failed to file her lobbyist disbursement report that was due June 15, 2022. She has incurred the maximum late filing fee of \$1,000. There is no civil penalty because a certified letter was not sent. Numerous notices were sent to Lobbyist Perry regarding the deadline for the report and the late filing fee for not filing the report. Staff is asking the Board to refer the matter to the Attorney General's Office to seek an order compelling filing the report and payment of the balance owed.

4. Request to refer matter to the Attorney General's Office –Lobbyist Principal Trace

Trace (7629) was a lobbyist principal that had one lobbyist registered with the Board from June 1, 2019 through May 28, 2021 and filed annual reports with the Board for 2019 and 2020. Trace failed to file its Annual Report of Lobbyist Principal that was due March 15, 2022 for the 2021 calendar year. Trace has incurred the maximum late filing fee of \$1,000 and the maximum civil penalty of \$1,000. Numerous notices were sent to Trace regarding the deadline for the report and the late filing fee for not filing the report. Staff is asking the Board to refer the matter to the Attorney General's Office to seek an order compelling filing the report and payment of the balance owed.

5. Request to refer matter to the Attorney General's Office –Lobbyist Principal Environment America dba Environment Minnesota

Environment America dba Environment Minnesota (6403) was a lobbyist principal that had lobbyists registered with the Board from 2010 through May 31, 2021, and filed annual reports with the Board for 2010 through 2020. Environment America failed to file its Annual Report of Lobbyist Principal that was due March 15, 2022, for the 2021 calendar year. Environment America has incurred the maximum late filing fee of \$1,000 and the maximum civil penalty of \$1,000. Environment America further owes a \$675 late filing fee for the 2019 Annual Report of Lobbyist Principal. Numerous notices were sent to Environment America regarding the deadline for the report and the late filing fee for not filing the report. Staff is asking the Board to refer the matter to the Attorney General's Office to seek an order compelling filing the report and payment of the balance owed.

6. Request to refer matter to the Attorney General’s Office – Ashley Burg (Senate candidate)

Ms. Burg filed her affidavit of candidacy on May 31, 2022. Her original statement of economic interest due June 14, 2022, has not been filed. Ms. Burg has incurred the maximum late filing fee of \$100 and the maximum civil penalty of \$1,000 for the EIS. Multiple notices were sent to Ms. Burg regarding the need to file the EIS. Staff is asking the Board to refer the matter to the Attorney General’s Office to seek an order compelling filing of the EIS and payment of the balance owed.

The following motion was made:

Member Soule’s motion: To approve the requests stated within discussion items 1, 3, 4, 5, and 6.

Vote on motion: A roll call vote was taken. All members present voted in the affirmative.

B. Waiver Requests

Entity	Late Fee/ Civil Penalty	Report Due	Factors and Recommended Action	Board Member's Motion	Motion	Vote on Motion
1. MPA Political Action Committee (41040)	\$100 LFF	September 2022	Report due September 27, 2022, and filed October 3, 2022. Treasurer thought report had been submitted prior to the deadline and when contacted by Board staff before the due date, he was unable to file the report because he was out of town . Board staff was able to verify the PAC tried to submit a report on September 15, 2022 but the process did not complete, likely due to internet issues on the PAC's end. Ending cash balance of \$2,610 as of October 24, 2022. RECOMMENDED ACTION: Waive	Swanson	Approve the staff recommendation	Unanimously passed

<p>2. UAW Minnesota CAP Council Political Fund (30035)</p>	<p>\$25 LFF</p>	<p>September 2022</p>	<p>Report due September 27, 2022, and filed September 28, 2022. Had telephone call with Board staff on 27th at which time she thought the report was submitted along with an amended pre-primary report. The Board received the amendment but not the September report, so she filed it the next day. Ending cash balance of \$28,785 as of October 24, 2022. RECOMMENDED ACTION: Waive</p>	<p>Swanson</p>	<p>Approve the staff recommendation</p>	<p>Unanimously passed</p>
<p>3. Zupancich for Senate (18863)</p>	<p>\$500 LFFs</p>	<p>Pre-Primary 24-Hour Notice (x2) and 2022 Pre-Primary</p>	<p>\$400 in LFFs for two 24-hour notices due July 24, 2022, but not filed until July 28, 2022. \$100 LFF for pre-primary report due July 25, 2022, but not filed until July 27, 2022. Former treasurer had a partner with serious health issues. Said computer issues were partially to blame. Once candidate took over reporting, issues quickly resolved. New treasurer now in place. Ending cash balance of \$9,383 as of October 24, 2022. RECOMMENDED ACTION: Waive</p>	<p>Swanson</p>	<p>Approve the staff recommendation</p>	<p>Unanimously passed</p>
<p>4. PAL 9 National Association of Letter Carriers (40246)</p>	<p>\$100 LFF</p>	<p>September 2022</p>	<p>Report due September 27, 2022, and filed October 3, 2022. Report was late due to internet connection not being compatible with CFB software. Was able to file once learned of mistake and used different internet. Ending cash balance of \$8,440 as of October 24, 2022. RECOMMENDED ACTION: Waive</p>	<p>Swanson</p>	<p>Approve the staff recommendation</p>	<p>Unanimously passed</p>

<p>5. Roger Kittelson 20A Campaign Committee (18956)</p>	<p>\$550 LFF</p>	<p>2022 Pre-Primary</p>	<p>Report due July 25, 2022, and filed received by the Board August 9, 2022. Treasurer attempted to file the report on July 23, 2022, after talking with Board IT staff but the report was not received that day. When the treasurer realized the report was not received by the Board he again contacted Board staff August 7, 2022, spoke with Board IT staff on August 8, 2022, to resolve the issue and was able to submit on August 9, 2022. Ending cash balance of \$559 as of October 24, 2022. RECOMMENDED ACTION: Waive</p>	<p>Swanson</p>	<p>Approve the staff recommendation</p>	<p>Unanimously passed</p>
<p>6. Leigh Finke for MN (18807)</p>	<p>\$1,000 LFF</p>	<p>Pre-Primary 24-Hour Notice</p>	<p>Notice due August 5, 2022, and provided October 10, 2022. Contribution totaled \$1,000. Notice was not provided timely due to the treasurer not understanding the software. New treasurer has been put in place. Ending cash balance of \$18,323 as of October 24, 2022. Board typically reduces \$1,000 LFFs for 24-hour notices to \$250 for a first-time violation. RECOMMENDED ACTION: Reduce to \$250</p>	<p>Leppik</p>	<p>Reduce to \$250</p>	<p>Unanimously passed</p>
<p>7. NAPAC-MN (41276)</p>	<p>\$225 LFF</p>	<p>September 2022</p>	<p>Report due September 27, 2022, and filed October 10, 2022. This was a no-change statement. Report was late due to not understanding the due dates. Was recently provided a list of the due dates to prevent further issues in the future. Pre-general report was filed on time and listed an ending cash balance of \$821. Committee has had very minimal financial activity. RECOMMENDED ACTION: No recommendation</p>	<p>Asp</p>	<p>Waive</p>	<p>Unanimously passed</p>

Felipe Illescas, Government Affairs Director for the Minnesota Nursery and Landscape Association, appeared before the Board regarding the waiver request of the MN Green Industry PAC. Mr. Illescas stated that there was a transition in staff so for two-to-three months there was no person handling the committee's reporting. Mr. Illescas said that he started in late August and there was also a transition in the committee's chair and treasurer.

8. MN Green Industry PAC (70053)	\$100 LFF	September 2022	Report due September 27, 2022, and filed October 3, 2022. Report was late due to internal staff transitions. Ending cash balance of \$5,219 as of October 24, 2022. RECOMMENDED ACTION: No recommendation	Soule	Waive	Unanimously passed
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C. Informational Items

1. Payment of late filing fee for September 2022 report of receipts and expenditures

Minnesota Conservative PAC, \$25
 Minnesota Seasonal Recreational Property Owners PAC, \$100

2. Payment of late filing fee for 2022 pre-primary report of receipts and expenditures

Livingston (Nancy) for Senate, \$150
 5th Congressional District IAP, \$50

3. Payment of late filing fee for 2022 pre-primary notice of large contribution

Dr. Scott Jensen for Governor, \$2,000 (\$1,000 x2)

4. Payment of late filing fee for June 2022 report of receipts and expenditures

IAFF-Local #1935 PAC, \$25

5. Payment of late filing fee for lobbyist disbursement report due 6/15/2022

Kayla Christensen, \$50
 Hue Nguyen, \$50
 Grace Keliher, \$25

6. Payment of late filing fee for lobbyist principal report due 3/15/2022

MN Energy Forum Action, \$150

7. Payment of late filing fee for original EIS

Ethan Cha, \$75

8. Payment of civil penalty for disclaimer violation

Lisa Hanson for Senate, \$200

9. Forwarded anonymous contributions

Greg Boe for State House, \$50
1st Congressional District RPM, \$25
Keith Ellison for Attorney General, \$130

PRIMA FACIE DETERMINATIONS

Mr. Sigurdson presented members with a memorandum regarding these matters that is attached to and made a part of these minutes.

LEGAL COUNSEL'S REPORT

Prior to the meeting Mr. Hartshorn provided members with a legal report that is attached to and made a part of these minutes. Mr. Kaisershot presented the report to the Board and stated that Mr. Hartshorn anticipates filing a motion for default judgment in the Ashley Martinez-Perez matter within the next couple months.

EXECUTIVE SESSION

Chair Rashid recessed the regular session of the meeting and called to order the executive session. Upon recess of the executive session, the chair reported the following matters into regular session:

Findings:

- In the Matter of the Complaint of John Persell regarding the Eichorn (Justin) for MN Senate Campaign Committee
- In the Matter of the Complaint of John Persell regarding the Matt Bliss for House committee

Dismissal:

- In the Matter of the Complaint of Marc Asch regarding The Republican Party of Minnesota
- In the Matter of the Complaint of George Selvestra regarding the Committee to Elect Josh Heintzeman
- In the Matter of the Complaint of Wayne Severud regarding the Vote for Loonan (Robert) committee and Loonan and Loonan Consulting

There being no other business, the meeting was adjourned by the chair.

Respectfully submitted,

Jeff Sigurdson
Executive Director

Attachments:

Executive Director's report

Draft Annual Report of Board Operations for Fiscal Year 2022

Memorandum regarding reconciliation of contributions between registered committees

Memorandum regarding guidelines for civil penalties in conciliation matters

Memorandum regarding prima facie determinations finding no violation

Determination in Complaint of Jon Erik Kingstad regarding Jim Schultz For Minnesota Attorney General, *et al.*

Determination in Complaint of Minnesota DFL regarding Dr. Scott Jensen for Governor and Heal Minnesota

Determination in Complaint of Minnesota DFL regarding the Kim Crockett for Secretary of State Committee and the American Principles Project PAC-Minnesota Fund

Determination in Complaint of Chantal Oechsle regarding the Bernie (Perryman) for House Committee Legal report



MINNESOTA

CAMPAIGN FINANCE BOARD

Board Meeting Dates for Calendar Year 2023

Meetings are at **9:30 A.M.** unless otherwise noted.

Wednesday, January 4

Wednesday, February 8

Wednesday, March 1

Wednesday, April 5

Wednesday, May 3

Wednesday, June 7

Wednesday, July 5

Wednesday, August 2

Wednesday, September 6

Wednesday, October 4

Wednesday, November 1

Wednesday, December 6



MINNESOTA CAMPAIGN FINANCE BOARD

Date: December 8, 2022

To: Board Members

From: Jeff Sigurdson, Executive Director

Telephone: 651-539-1189

Re: Possible legislative proposals

This memo reviews the legislative recommendations previously proposed by the Board that have not been adopted by the legislature, and also provides a number of new recommendations that staff believes would improve the Board's administration and enforcement of Chapter 10A. The statutory language for recommendations from prior years is attached to this memo, and specific language for the new recommendations will be drafted if the Board is interested in the recommendation.

The recommendations are grouped by program area, and include a brief history of the Board's efforts with recommendations from prior years.

Economic Interest Statement Policy Recommendations from Prior Years

Starting in 2018, the Board recommended that economic interest statements (EIS) include the financial holdings of the public official's spouse. This recommendation was heard in the House, but ultimately stalled because it did not cover domestic partners, and language to resolve that issue to the legislature's satisfaction could not be drafted. In 2019 the Board attempted to solve the issue by moving to a standard that would require disclosure of a "beneficial interest." This interest would include a spouse, and any other individual whose financial holdings might directly benefit the public official. The beneficial interest recommendation has not ever been authored. The recommendation that the EIS program have a two-tiered disclosure system, with the second tier requiring less financial disclosure for public officials who have limited authority, was presented and authored in 2018. Some legislators told me that they personally supported this idea, but in the end the Board's recommendations on a two-tiered system did not pass out of committee. In 2019 the Board recommended that public officials disclose direct interests in government contracts, but that proposal was not authored.

- **Establish a two-tiered disclosure system.** The disclosure required for soil and water conservation district supervisors and members of watershed districts and watershed management organizations is excessive given their limited authority. In a two-tiered system, members of these boards and districts would disclose their occupation, sources of compensation and non-homesteaded property owned in the state. The members of

these boards and districts would not disclose securities or professional or business categories.

- **Require public and local officials to disclose direct interests in government contracts.** This new disclosure would consist of a listing of any contract, professional license, lease, franchise, or permit issued by a state agency or any political subdivision of the state to the public official as an individual, or to any business in which the public official has an ownership interest of at least 25 percent.
- **Disclosure for spouse.** Increase disclosure on the EIS to include the financial interests of the public official's spouse. Many other states have concluded that the financial interests of the public official's spouse could create a conflict of interest for the public official, and therefore require disclosure of those holdings.
- **Expand EIS disclosure to include beneficial interests that may create a conflict of interest.** This recommendation would require disclosure of assets owned by another if those assets will provide direct financial benefit to the public official because of a contract or relationship between the public official and the owner of the asset. This is a broader group of individuals than spouse, and was offered in part in recognition of public officials who are in a long-term relationship, but not married.

Campaign Finance Program Legislative Recommendations from Previous Years

The Board first proposed the campaign finance recommendation to expand independent expenditures to include material that uses words that do not expressly advocate for the election or defeat of a candidate in 2013. A recommendation on this issue was made in 2014, 2015, 2016, 2019, and 2020. There have been variations on the wording used in the recommendation on independent expenditures, but the basic issue is the same; is the express advocacy standard found in the Supreme Court decision *Buckley v. Valeo* still adequate for Minnesota? The Board's recommendation was authored in 2014, 2015, and 2016, but has not passed the legislature. Similar language to the Board's recommendation has been authored independent of the Board's recommendation on many occasions. I strongly suspect that one or more bills on this issue will be introduced again this year.

The recommendation on cryptocurrency was first offered in 2018. I'm at a loss as to why this recommendation has not been passed. No one seems to ever be opposed to providing a procedure to follow when a cryptocurrency contribution is received, but the recommendation has never really progressed very far.

- **Provide regulation of contributions made with bitcoins and other virtual currency.** Staff has received calls from campaign committees asking for guidance on accepting and reporting contributions made with bitcoins and other virtual currencies. Chapter 10A does not provide any guidance on the subject, other than to view virtual currency as something of value. The Board's proposal will provide a statutory basis for disclosing and regulating the conversion of virtual currency into United States currency.
- **Redefine independent expenditures to include both express advocacy and words that are the functional equivalent.** Under current statute an independent expenditure

must use words of express advocacy (vote for, elect, support, cast your ballot for, Smith for House, vote against, defeat, reject, or very similar words) to state support of, or opposition to, a candidate. A communication that avoids words of express advocacy, but which nonetheless has the clear purpose of influencing voting for a clearly identified Minnesota candidate, does not in many cases need to be reported to the Board. The Board proposal expands the definition of independent expenditure to include communications that do not use so called “magic words” but could have no reasonable purpose other than to influence voting in Minnesota.

Potential New Campaign Finance Program Recommendations

- **Recognize the use of a fair booth as a multicandidate political party expenditure.** Multicandidate political party expenditures are specified in Minn. Stat. § 10A.275, and must benefit three or more candidates (or individuals on the ballot). A multicandidate political party expenditure is reported by the party unit as a general expenditure, and not counted or reported as a contribution to any candidate. Examples of multicandidate political party expenditures include official sample party ballots and phone bank solicitations in support of three or more individuals on the ballot. Currently, a political party that distributes candidate literature at a county or state fair booth, or that allows candidates to use the fair booth as a venue to meet potential voters, is making an in-kind contribution to those candidates. Determining the fair market value of the in-kind contribution is difficult, and in most cases will not exceed the \$200 threshold for disclosure. The proposed change would add the use of a fair booth by three or more individuals on the ballot to the list of multicandidate political party expenditures.
- **Probable Cause determination issued within 60 days of prima facie determination, time frame may be extended by vote of the Board.** Current statute provides that within 45 days of issuing a prima facie determination that a complaint stated a violation of Chapter 10A or 211B, the Board must make a probable cause determination as to whether it is more likely or not that an alleged violation occurred. The probable cause determination is the first opportunity for the subject of the complaint to respond to the allegations, and for complaints that are dismissed, the probable cause determination is the most important step in the complaint process. The subject of the complaint may want to be represented by counsel, and the process of hiring representation and putting together a response often cannot be done in within the 45 days available. Further, that 45 days also includes the time needed by Board staff to analyze the response and draft a probable cause determination and provide it to the Board seven days before the meeting at which the determination will be considered. If the subject of the complaint needs additional time to prepare a response, staff contacts the complainant to determine if they object to extending the deadline for issuing a probable cause determination. If there is no objection, the Board extends the deadline, typically to the next monthly Board meeting. It is unclear what the Board would do if the subject of a complaint could not put together a response within 45 days, and the complainant objected to an extension.

Under current statute, if the Board makes a probable cause determination that an investigation is needed, then the Board is required to either issue findings to conclude the

investigation within 60 days, or if more time is needed to complete a thorough investigation, may vote to extend the time frame for concluding the investigation. The proposed change would extend the 45 days to issue a probable cause determination to the same 60 days available for findings, and clarify that the ability to extend the time frame by Board vote applies to making a probable cause determination.

- **Add costs related to a recount as a new noncampaign disbursement.** There are currently twenty-seven noncampaign disbursements provided in statute for candidate committees. Noncampaign disbursements are an approved use of campaign committee funds under Minn. Stat. § 211B.12, and if the candidate signed the public subsidy agreement, the cost of the disbursement does not count against the candidate's campaign spending limit. The Board is given the authority to recognize other noncampaign disbursements in Minn. Stat. § 10A.01, subd. 26, which classifies as noncampaign disbursements "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". In Advisory Opinion 415 the Board concluded that a recount of ballots was a part of the election process, and that a recount of ballots will ascertain the result of the election, but does not influence voting at the election. Therefore, the use of candidate committee campaign funds to support a recount could be reported as a noncampaign disbursement. Although advisory opinions are referenced for guidance by many committees, an opinion provides safe harbor only to the individual or association that requested the opinion. Adding costs associated with a recount as a noncampaign disbursement in statute will provide all candidate committees with equal access to the conclusion reached in the advisory opinion.
- **Provide specific distance for placement of notice required for sale of goods or services for fund-raising purposes.** Minn. Stat. § 10A.271 requires that a political committee or fund, political party unit, or candidate committee that raises funds through the sale of goods or services provide notice to potential customers that the proceeds from the purchase are a political contribution, and what committee or funds will receive the contribution. The statute currently provides that notice may be provided by a sign placed "in immediate proximity" to the point of sale. Immediate proximity is not a defined term, and could be reasonably interpreted in more than one way. The recommendation is to provide a set distance, within three feet, of the point of sale. Additional language clarifying how the requirement is satisfied when the sale is via a website would also be beneficial.
- **Provide penalty for ballot question committees and funds that make contributions to a candidate's committee.** Minn. Stat. § 10A.121, currently prohibits independent expenditure committees and funds and ballot question committees and funds from making contributions to candidates. However, the penalty provided in that statute for contributing to a candidate committee does not extend to ballot question committees and funds, which is inconsistent because ballot question committees may also receive corporate contributions.
- **Expand requirement to provide registration number with contributions to include Hennepin County candidates.** Minn. Stat. § 10A.15, subd. 5, requires a lobbyist, political committee or fund, or party unit to provide their registration number with their contributions

to state level candidates. Now that contributions to certain Hennepin County candidates are also reported by these registered committees and funds, it would be useful to expand the candidates covered to include those same Hennepin County candidates.

- **Clarify report periods for political committees, political funds, and party units that make contributions to impact Hennepin County elections during a non-state election year.** Political committees, political funds, and party units that contribute to or make independent expenditures regarding certain Hennepin County candidates, or make ballot question expenditures in Hennepin County during an odd-numbered year, are required to file additional reports with the Board. However, the current schedule provided in Minn. Stat. § 10A.20, subd. 2a, does not explicitly state whether the pre-primary report is required of an entity that only seeks to influence elections in a municipality with no municipal primary election. Minneapolis and Bloomington used ranked-choice voting and therefore do not hold primary elections for municipal candidates. Similarly, ballot questions are not voted on at primary elections. The statute would be clarified to state that a “pre-primary” report is required even if the candidate or issue is not on a primary ballot.
- **Provide a penalty for a violation of Minn. Stat. §10A.38.** Candidates who sign the public subsidy agreement are generally required to close caption broadcast or cable television advertisements, and must provide the script for radio advertisements on the candidate’s campaign website. However, there is not a penalty provided for violating the statute, which leaves in doubt its effectiveness. The recommendation would provide a civil penalty of up to \$1,000 per violation of the statute.

Lobbyist Program Legislative Recommendation from Previous Years

The recommendation to change the focus of the disclosure provided by the lobbying program began in 2019. I say started, because the recommendations were modified substantially in 2020 and 2021 in response to concerns brought forth by the Minnesota Government Relations Council (MGRC). The recommendations, in what I view as close to final form, were introduced in HF 2173 by Rep. Nelson. The bill was heard in 2021, and had discussion on the floor of the House in 2022. The recommendations have not been heard in the Senate. I have had some discussions with legislators on the recommendations and believe that there is interest in introducing a bill that contains the recommendations.

As review, the lobbying proposal would eliminate the need to report a series of administrative costs related to lobbying. In place of administrative costs, the recommendations would require disclosure of the specific subjects lobbied on during the reporting period. Also, for the first time, the lobbyist would disclose any metropolitan governmental unit lobbied, any specific administrative rule that was subject to lobbying, and any specific project before the Minnesota Public Utilities Commission on which lobbying occurred.

New Lobbyist Program Legislative Recommendation

- **Modify definition of lobbyist.** The definition of lobbyist has been based on an action: communication with a public or local official for the purpose of attempting to influence an official action by that official. At the 2021 special legislative session the definition was

amended to include any individual who earns more than \$3,000 a year “from a business whose primary source of revenue is derived from facilitating government relations or government affairs services between two third parties”. Under this new expanded definition (which takes effect January 3, 2023) an individual may need to register as a lobbyist even though their job does not ever include communication with a public official. Or at least it might; staff is unsure what “services between two third parties” means. The goal of the change in 2021 was to strengthen the ban on legislators working as a lobbyist, and that issue was addressed in the same legislation with a modification to Chapter 3, which specifically prohibits legislators from working as a registered lobbyist, or working for firms that are in the government relations space. The recommendation would be to delete the change to the definition.

Attachments

EIS statutory language

Campaign finance statutory language

Lobbying Program – HF 2173 with authors amendments that were not added in 2022

Economic interest statement program, prior year policy proposals

10A.01 DEFINITIONS

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Subd. 7e. **Beneficial interest.** “Beneficial interest” means the right, or reasonable expectation of the right to the possession of, use of, or direct financial benefit from an asset owned by another due to a contract or relationship with the owner of the asset.

10A.09 STATEMENTS OF ECONOMIC INTEREST

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Subd. 5. Form; general requirements. (a) A statement of economic interest required by this section must be on a form prescribed by the board. Except as provided in subdivision 5a, ~~t~~The individual filing must provide the following information:

(1) name, address, occupation, and principal place of business;

(2) the name of each associated business and the nature of that association including any associated business in which the individual has a beneficial interest;

(3) a listing of all real property within the state, excluding homestead property, in which the individual holds: (i) a fee simple interest, a beneficial interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the interest is valued in excess of \$2,500; or (ii) an option to buy, if the property has a fair market value of more than \$50,000;

(4) a listing of all real property within the state in which a partnership of which the individual is a member holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the individual's share of the partnership interest is valued in excess of \$2,500; or (ii) an option to buy, if the property has a fair market value of more than \$50,000. A listing under this clause or clause (3) must indicate the street address and the municipality or the section, township, range and approximate acreage, whichever applies, and the county in which the property is located;

(5) a listing of any investments, ownership, or interests in property connected with pari-mutuel horse racing in the United States and Canada, including a racehorse, in which the individual directly or indirectly holds a partial or full interest or an immediate family member holds a partial or full interest;

(6) a listing of the principal business or professional activity category of each business from which the individual receives more than \$250 in any month during the reporting period as an employee, if the individual has an ownership interest of 25 percent or more in the business;

(7) a listing of each principal business or professional activity category from which the individual received compensation of more than \$2,500 in the past 12 months as an independent contractor; ~~and~~

(8) a listing of the full name of each security with a value of more than \$10,000 owned in part or in full by the individual, or in which the individual has a beneficial interest, at any time during the reporting period; and

(9) a listing of any contract, professional license, lease, franchise, or professional permit that meets the following criteria:

(i) it is held by the individual or any business in which the individual has an ownership interest of 25 percent or more; and

(ii) it is entered into with or issued by any state department or agency listed in section 15.01 or 15.06 or any political subdivision of the state.

Subd. 5a. Form; exception for certain officials. (a) This subdivision applies to the following individuals:

(1) a supervisor of a soil and water conservation district;

(2) a manager of a watershed district; and

(3) a member of a watershed management organization as defined under section 103B.205, subdivision 13.

(b) Notwithstanding subdivision 5, paragraph (a), an individual listed in subdivision 5a, paragraph (a), must provide only the information listed below on a statement of economic interest:

(1) the individual's name, address, occupation, and principal place of business;

(2) a listing of any association, corporation, partnership, limited liability company, limited liability partnership, or other organized legal entity from which the individual receives compensation in excess of \$250, except for actual and reasonable expenses, in any month during the reporting period as a director, officer, owner, member, partner, employer, or employee;

(3) a listing of all real property within the state, excluding homestead property, in which the individual holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the interest is valued in excess of \$2,500; or (ii) an option to buy, if the property has a fair market value of more than \$50,000; and

(4) a listing of all real property within the state in which a partnership of which the individual is a member holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the individual's share of the partnership interest is valued in excess of \$2,500; or (ii) an option to buy, if the property has a fair market value of more than \$50,000. A listing under this clause or clause (3) must indicate the street address and the municipality or the section, township, range and approximate acreage, whichever applies, and the county in which the property is located.

(c) If an individual listed in subdivision 5a, paragraph (a), also holds a public official position that is not listed in subdivision 5a, paragraph (a), the individual must file a statement of economic interest that includes the information specified in subdivision 5, paragraph (a).

Disclosure of spousal assets

10A.01 DEFINITIONS

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Subd. 5. **Associated business.** "Associated business" means an association, corporation, partnership, limited liability company, limited liability partnership, or other organized legal entity from which the individual, or the individual's spouse, receives compensation in excess of \$250, except for actual and reasonable expenses, in any month during the reporting period as a director, officer, owner, member, partner, employer or employee, or whose securities the individual, or the individual's spouse, holds worth more than \$10,000 at fair market value.

10A.09 STATEMENTS OF ECONOMIC INTEREST

* * * *

Subd. 2. **Notice to board.** The secretary of state or the appropriate county auditor, upon receiving an affidavit of candidacy or petition to appear on the ballot from an individual required by this section to file a statement of economic interest, and any official who nominates or employs a public ~~or local~~ official required by this section to file a statement of economic interest, must notify the board of the name of the individual required to file a statement and the date of the affidavit, petition, or nomination.

Subd. 5. **Form; general requirements.** (a) A statement of economic interest required by this section must be on a form prescribed by the board. Except as provided in subdivision 5a, ~~t~~The individual filing must provide the following information:

- (1) the individual's name, address, occupation, and principal place of business;
- (2) a listing of the name of each associated business and the nature of that association;
- (3) a listing of all real property within the state, excluding homestead property, in which the individual, or the individual's spouse, holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the interest is valued in excess of \$2,500; or (ii) an option to buy, if the property has a fair market value of more than \$50,000;
- (4) a listing of all real property within the state in which a partnership of which the individual, or the individual's spouse, is a member holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the individual's share of the partnership interest is valued in excess of \$2,500; or (ii) an option to buy, if the property has a fair market value of more than \$50,000. A listing under this clause or clause (3) must indicate the street address and the municipality or the section, township, range and approximate acreage, whichever applies, and the county in which the property is located;
- (5) a listing of any investments, ownership, or interests in property connected with pari-mutuel horse racing in the United States and Canada, including a racehorse, in which the

individual directly or indirectly holds a partial or full interest or an immediate family member holds a partial or full interest;

(6) a listing of the principal business or professional activity category of each business from which the individual, or the individual's spouse, receives more than \$250 in any month during the reporting period as an employee, if the individual, or the individual's spouse, has an ownership interest of 25 percent or more in the business;

(7) a listing of each principal business or professional activity category from which the individual, or the individual's spouse, received compensation of more than \$2,500 in the past 12 months as an independent contractor; ~~and~~

(8) a listing of the full name of each security with a value of more than \$10,000 owned in part or in full by the individual, or the individual's spouse, at any time during the reporting period; and

(9) a listing of the name of any state department or agency listed in section 15.01 or 15.06, or any political subdivision, with which the individual, the individual's spouse, the individual's employer, or the employer of the individual's spouse has a contract.

(b) The business or professional categories for purposes of paragraph (a), clauses (6) and (7), must be the general topic headings used by the federal Internal Revenue Service for purposes of reporting self-employment income on Schedule C. This paragraph does not require an individual to report any specific code number from that schedule. Any additional principal business or professional activity category may only be adopted if the category is enacted by law.

(c) The listings required in paragraph (a), clauses (2) through (9), must not identify whether the individual or the individual's spouse is associated with or owns the listed item. For the purpose of an original statement of economic interest, "compensation in any month" includes only compensation received in the calendar month immediately preceding the date of appointment as a public official or filing as a candidate.

Campaign finance program, prior year policy proposals

10A.01 DEFINITIONS

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Subdivision 16a. **Expressly advocating.** “Expressly advocating” means:

(1) that a communication clearly identifies a candidate and uses words or phrases of express advocacy; or

(2) when taken as a whole and with limited reference to external events could only be interpreted by a reasonable person as containing advocacy of the election or defeat of one or more clearly identified candidate(s) because (1) the electoral portion of the communication is unmistakable, unambiguous, and suggestive of only one meaning; and (2) reasonable minds could not differ as to whether it encourages actions to elect or defeat one or more clearly identified candidate(s).

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Subd. 37. **Virtual currency.** (a) “Virtual currency” means an intangible representation of value in units that can only be transmitted electronically and function as a medium of exchange, units of account, or a store of value.

(b) Virtual currency includes cryptocurrencies. Virtual currency does not include currencies issued by a government.

10A.15 CONTRIBUTIONS

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Subd. 8. **Virtual currency contributions.** (a) A principal campaign committee, political committee, political fund, or party unit may accept a donation in kind in the form of virtual currency. The value of donated virtual currency is its fair market value at the time it is donated. The recipient of a virtual currency contribution must sell the virtual currency in exchange for United States currency within five business days after receipt.

(b) Any increase in the value of donated virtual currency after its donation, but before its conversion to United States currency, must be reported as a receipt that is not a contribution pursuant to section 10A.20, subdivision 3. Any decrease in the value of donated virtual currency after its donation, but before its conversion to United States currency, must be reported as an expenditure pursuant to section 10A.20, subdivision 3.

(c) A principal campaign committee, political committee, political fund, or party unit may not purchase goods or services with virtual currency.

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State of Minnesota HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 2173

03/11/2021 Authored by Nelson, M., The bill was read for the first time and referred to the Committee on State Government Finance and Elections

1.1 A bill for an act
1.2 relating to lobbyists; modifying lobbyist registration and reporting; creating
1.3 definitions; amending Minnesota Statutes 2020, sections 10A.01, subdivision 21,
1.4 by adding subdivisions; 10A.025, subdivision 4; 10A.03, subdivision 2, by adding
1.5 a subdivision; 10A.04, subdivisions 3, 4, 6, 9; repealing Minnesota Rules, part
1.6 4511.0600, subpart 5.

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

1.8 Section 1. Minnesota Statutes 2020, section 10A.01, is amended by adding a subdivision
1.9 to read:

1.10 Subd. 12a. Designated lobbyist. "Designated lobbyist" means the lobbyist responsible
1.11 for reporting the lobbying disbursements and activity of the entity the lobbyist represents.

1.12 Sec. 2. Minnesota Statutes 2020, section 10A.01, is amended by adding a subdivision to
1.13 read:

1.14 Subd. 17d. General lobbying category. "General lobbying category" means an area of
1.15 interest for lobbying for an entity that is on a list of categories specified by the board.

1.16 Sec. 3. Minnesota Statutes 2020, section 10A.01, is amended by adding a subdivision to
1.17 read:

1.18 Subd. 19a. Legislative action. "Legislative action" means any of the following:

1.19 (1) the development of prospective legislation, including the development of amendment
1.20 language to prospective legislation;

2.1 (2) the review, modification, adoption, or rejection by a member of the legislature or an
 2.2 employee of the legislature, if applicable, of any (i) bill, (ii) amendment, (iii) resolution,
 2.3 (iv) confirmation considered by the legislature, or (v) report;

2.4 (3) the development of, in conjunction with a constitutional officer, prospective legislation
 2.5 or a request for support or opposition to introduced legislation; and

2.6 (4) the action of the governor in approving or vetoing any act of the legislature or portion
 2.7 of an act of the legislature.

2.8 Sec. 4. Minnesota Statutes 2020, section 10A.01, subdivision 21, is amended to read:

2.9 Subd. 21. **Lobbyist.** (a) "Lobbyist" means an individual:

2.10 (1) engaged for pay or other consideration of more than \$3,000 from all sources in any
 2.11 year for the purpose of attempting to influence legislative or administrative action, or the
 2.12 official action of a metropolitan governmental unit, by communicating or urging others to
 2.13 communicate with public or local officials; or

2.14 (2) who spends more than ~~\$250~~ \$3,000 of the individual's personal funds, not including
 2.15 the individual's own traveling expenses and membership dues, in any year for the purpose
 2.16 of attempting to influence legislative or administrative action, or the official action of a
 2.17 metropolitan governmental unit, by communicating or urging others to communicate with
 2.18 public or local officials.

2.19 (b) "Lobbyist" does not include:

2.20 (1) a public official;

2.21 (2) an employee of the state, including an employee of any of the public higher education
 2.22 systems;

2.23 (3) an elected local official;

2.24 (4) a nonelected local official or an employee of a political subdivision acting in an
 2.25 official capacity, unless the nonelected official or employee of a political subdivision spends
 2.26 more than 50 hours in any month attempting to influence legislative or administrative action,
 2.27 or the official action of a metropolitan governmental unit other than the political subdivision
 2.28 employing the official or employee, by communicating or urging others to communicate
 2.29 with public or local officials, including time spent monitoring legislative or administrative
 2.30 action, or the official action of a metropolitan governmental unit, and related research,
 2.31 analysis, and compilation and dissemination of information relating to legislative or
 2.32 administrative policy in this state, or to the policies of metropolitan governmental units;

3.1 (5) a party or the party's representative appearing in a proceeding before a state board,
3.2 commission, or agency of the executive branch unless the board, commission, or agency is
3.3 taking administrative action;

3.4 (6) an individual while engaged in selling goods or services to be paid for by public
3.5 funds;

3.6 (7) a news medium or its employees or agents while engaged in the publishing or
3.7 broadcasting of news items, editorial comments, or paid advertisements which directly or
3.8 indirectly urge official action;

3.9 (8) a paid expert witness whose testimony is requested by the body before which the
3.10 witness is appearing, but only to the extent of preparing or delivering testimony; or

3.11 (9) a party or the party's representative appearing to present a claim to the legislature
3.12 and communicating to legislators only by the filing of a claim form and supporting documents
3.13 and by appearing at public hearings on the claim.

3.14 (c) An individual who volunteers personal time to work without pay or other consideration
3.15 on a lobbying campaign, and who does not spend more than the limit in paragraph (a), clause
3.16 (2), need not register as a lobbyist.

3.17 (d) An individual who provides administrative support to a lobbyist and whose salary
3.18 and administrative expenses attributable to lobbying activities are reported as lobbying
3.19 expenses by the lobbyist, but who does not communicate or urge others to communicate
3.20 with public or local officials, need not register as a lobbyist.

3.21 Sec. 5. Minnesota Statutes 2020, section 10A.01, is amended by adding a subdivision to
3.22 read:

3.23 Subd. 26b. Official action of metropolitan governmental units. "Official action of
3.24 metropolitan governmental units" means any action that requires a vote or approval by one
3.25 or more elected local officials while acting in their official capacity; or an action by an
3.26 appointed or employed local official to make, to recommend, or to vote on as a member of
3.27 the governing body, major decisions regarding the expenditure or investment of public
3.28 money.

3.29 Sec. 6. Minnesota Statutes 2020, section 10A.01, is amended by adding a subdivision to
3.30 read:

3.31 Subd. 35c. Specific subject of interest. "Specific subject of interest" means a particular
3.32 topic or area of lobbying interest within a general lobbying category.

4.1 Sec. 7. Minnesota Statutes 2020, section 10A.025, subdivision 4, is amended to read:

4.2 Subd. 4. **Changes and corrections.** Material changes in information previously submitted
4.3 and corrections to a report or statement must be reported in writing to the board within ten
4.4 days following the date of the event prompting the change or the date upon which the person
4.5 filing became aware of the inaccuracy. The change or correction must identify the form and
4.6 the paragraph containing the information to be changed or corrected. A request from the
4.7 board to a lobbyist to provide more detailed information about a specific subject of interest
4.8 disclosed on a lobbyist disbursement report is a change or correction governed by this
4.9 subdivision.

4.10 A person who willfully fails to report a material change or correction is subject to a civil
4.11 penalty imposed by the board of up to \$3,000. A willful violation of this subdivision is a
4.12 gross misdemeanor.

4.13 The board must send a written notice to any individual who fails to file a report required
4.14 by this subdivision. If the individual fails to file the required report within ten business days
4.15 after the notice was sent, the board may impose a late filing fee of \$25 per day up to \$1,000
4.16 starting on the 11th day after the notice was sent. The board may send an additional notice
4.17 by certified mail to an individual who fails to file a report within ten business days after the
4.18 first notice was sent by the board. The certified notice must state that if the individual does
4.19 not file the requested report within ten business days after the certified notice was sent, the
4.20 individual may be subject to a civil penalty for failure to file a report. An individual who
4.21 fails to file a report required by this subdivision within ten business days after the certified
4.22 notice was sent by the board is subject to a civil penalty imposed by the board of up to
4.23 \$1,000.

4.24 Sec. 8. Minnesota Statutes 2020, section 10A.03, subdivision 2, is amended to read:

4.25 Subd. 2. **Form.** The board must prescribe a registration form, which must include:

4.26 (1) the name, address, and e-mail address of the lobbyist;

4.27 (2) the principal place of business of the lobbyist;

4.28 (3) the name and address of each individual, association, political subdivision, or public
4.29 higher education system, if any, by whom the lobbyist is retained or employed or on whose
4.30 behalf the lobbyist appears;

4.31 (4) the website address of each association, political subdivision, or public higher
4.32 education system identified under clause (3), if the entity maintains a website; ~~and~~

5.1 (5) ~~a~~ the general description of the subject or subjects lobbying categories on which the
 5.2 lobbyist expects to lobby; on behalf of a represented entity; and

5.3 (6) if the lobbyist lobbies on behalf of an association, the registration form must include
 5.4 the name and address of the officers and directors of the association.

5.5 Sec. 9. Minnesota Statutes 2020, section 10A.03, is amended by adding a subdivision to
 5.6 read:

5.7 Subd. 6. **General lobbying categories.** A list of general lobbying categories must be
 5.8 specified by the board and updated periodically based on public comment. The board must
 5.9 publish on its website the current list of general lobbying categories. Chapter 14 does not
 5.10 apply to the specification, publication, or periodic updates of the list of general lobbying
 5.11 categories.

5.12 Sec. 10. Minnesota Statutes 2020, section 10A.04, subdivision 3, is amended to read:

5.13 Subd. 3. **Information to lobbyist.** An employer or employee about entity or lobbyist
 5.14 whose activities a are reported to the board by another lobbyist is required to report must
 5.15 provide the information required by subdivision 4 to the lobbyist no later than five days
 5.16 before the prescribed filing date.

5.17 Sec. 11. Minnesota Statutes 2020, section 10A.04, subdivision 4, is amended to read:

5.18 Subd. 4. **Content.** (a) A report under this section must include information the board
 5.19 requires from the registration form and the information required by this subdivision for the
 5.20 reporting period.

5.21 (b) A lobbyist must report the specific subjects of interest for an entity represented by
 5.22 the lobbyist on each report submitted under this section. A lobbyist must describe a specific
 5.23 subject of interest in the report with enough information to show the particular issue of
 5.24 importance to the entity represented.

5.25 (b)(c) A lobbyist must report the lobbyist's total disbursements on lobbying, separately
 5.26 listing lobbying to influence legislative action, lobbying to influence administrative action,
 5.27 and lobbying to influence the official actions of a metropolitan governmental unit, and a
 5.28 breakdown of disbursements for each of those kinds of lobbying into categories specified
 5.29 by the board, including but not limited to the cost of publication and distribution of each
 5.30 publication used in lobbying; other printing; media, including the cost of production; postage;
 5.31 travel; fees, including allowances; entertainment; telephone and telegraph; and other
 5.32 expenses. every state agency that had administrative action that the represented entity sought

6.1 to influence during the reporting period. The lobbyist must report the specific subjects of
 6.2 interest for each administrative action and the revisor rule draft number assigned to the
 6.3 administrative rulemaking.

6.4 (d) A lobbyist must report every metropolitan governmental unit that considered official
 6.5 action that the represented entity sought to influence during the reporting period. The lobbyist
 6.6 must report the specific subjects of interest for each action.

6.7 (e) A lobbyist must report general lobbying categories and up to four specific subjects
 6.8 of interest related to each general lobbying category on which the lobbyist attempted to
 6.9 influence legislative action during the reporting period. If the lobbyist attempted to influence
 6.10 legislative action on more than four specific subjects of interest for a general lobbying
 6.11 category, the lobbyist, in consultation with the represented entity, must determine which
 6.12 four specific subjects of interest were the entity's highest priorities during the reporting
 6.13 period and report only those four subjects. If a reported specific subject of interest was
 6.14 contained in legislation that the lobbyist attempted to influence that passed at least one body
 6.15 of the legislature, the lobbyist must identify that legislation by bill number.

6.16 (f) A lobbyist must report the Public Utilities Commission project name for each rate
 6.17 setting, power plant and powerline siting, or granting of certification of need before the
 6.18 Public Utilities Commission that the represented entity sought to influence during the
 6.19 reporting period.

6.20 ~~(e)~~(g) A lobbyist must report the amount and nature of each gift, item, or benefit,
 6.21 excluding contributions to a candidate, equal in value to \$5 or more, given or paid to any
 6.22 official, as defined in section 10A.071, subdivision 1, by the lobbyist or an employer or
 6.23 employee of the lobbyist. The list must include the name and address of each official to
 6.24 whom the gift, item, or benefit was given or paid and the date it was given or paid.

6.25 ~~(d)~~(h) A lobbyist must report each original source of money in excess of \$500 in any
 6.26 year used for the purpose of lobbying to influence legislative action, administrative action,
 6.27 or the official action of a metropolitan governmental unit. The list must include the name,
 6.28 address, and employer, or, if self-employed, the occupation and principal place of business,
 6.29 of each payer of money in excess of \$500.

6.30 (i) The designated lobbyist must report disbursements made, and obligations incurred,
 6.31 that exceed \$2,000 for paid advertising used for the purpose of urging members of the public
 6.32 to contact public or local officials to influence official actions during the reporting period.
 6.33 Paid advertising includes the cost to increase the distribution of an advertisement on social
 6.34 media. The designated lobbyist must provide in the report the date that the advertising was

7.1 purchased, the name and address of the vendor, a description of the advertising purchased,
 7.2 and any specific subject or subjects of interest addressed by the advertisement.

7.3 ~~(e)-(j) On the report due June 15, the a lobbyist must provide a disclose the general~~
 7.4 ~~description of the subjects lobbying categories that were lobbied on in the previous 12-~~
 7.5 ~~months reporting period.~~

7.6 Sec. 12. Minnesota Statutes 2020, section 10A.04, subdivision 6, is amended to read:

7.7 Subd. 6. **Principal reports.** (a) A principal must report to the board as required in this
 7.8 subdivision by March 15 for the preceding calendar year.

7.9 (b) ~~Except as provided in paragraph (d),~~ The principal must report the total amount,
 7.10 rounded to the nearest ~~\$20,000~~ \$10,000, spent by the principal during the preceding calendar
 7.11 year ~~to influence legislative action, administrative action, and the official action of~~
 7.12 ~~metropolitan governmental units.~~ on each type of lobbying listed below:

7.13 (1) lobbying to influence legislative action;

7.14 (2) lobbying to influence administrative action, other than lobbying described in clause 7.15
 7.15 (3);

7.16 (3) lobbying to influence administrative action in cases of rate setting, power plant and
 7.17 powerline siting, and granting of certificates of need under section 216B.243; and

7.18 (4) lobbying to influence official action of metropolitan governmental units.

7.19 (c) ~~Except as provided in paragraph (d),~~ For each type of lobbying listed in paragraph
 7.20 (b), the principal must report under this subdivision a total amount that includes:

7.21 (1) the portion of all direct payments for compensation and benefits paid by the principal
 7.22 to lobbyists in this state for that type of lobbying;

7.23 (2) the portion of all expenditures for advertising, mailing, research, consulting, surveys,
 7.24 expert testimony, studies, reports, analysis, compilation and dissemination of information,
 7.25 social media and public relations campaigns related to legislative action, administrative
 7.26 action, or the official action of metropolitan governmental units, and legal counsel used to
 7.27 support that type of lobbying in this state; and

7.28 (3) a reasonable good faith estimate of the portion of all salaries and administrative
 7.29 overhead expenses attributable to activities of the principal relating to efforts to influence
 7.30 legislative action, administrative action, or the official action of metropolitan governmental
 7.31 units for that type of lobbying in this state.; and

8.1 (4) the portion of all lobbying disbursements not listed in clause (2) that were made or
8.2 incurred on behalf of the principal by all lobbyists for the principal in this state for that type
8.3 of lobbying.

8.4 ~~(d) A principal that must report spending to influence administrative action in cases of~~
8.5 ~~rate setting, power plant and powerline siting, and granting of certificates of need under~~
8.6 ~~section 216B.243 must report those amounts as provided in this subdivision, except that~~
8.7 ~~they must be reported separately and not included in the totals required under paragraphs~~
8.8 ~~(b) and (c).~~

8.9 Sec. 13. Minnesota Statutes 2020, section 10A.04, subdivision 9, is amended to read:

8.10 Subd. 9. **Reporting by multiple lobbyists representing the same entity.** Clauses (1)
8.11 to (6) apply when a single individual, association, political subdivision, or public higher
8.12 education system is represented by more than one lobbyist.

8.13 (1) The entity must appoint one designated lobbyist to report lobbyist disbursements
8.14 made by the entity. An entity represented by more than one lobbyist may only have one
8.15 designated lobbyist at any given time. The designated lobbyist must indicate that status on
8.16 the periodic reports of lobbyist disbursements.

8.17 (2) A reporting lobbyist may consent to report on behalf of one or more other lobbyists
8.18 for the same entity, in which case, the other lobbyists are persons whose activities the
8.19 reporting lobbyist must disclose and are subject to the disclosure requirements of subdivision
8.20 3. Lobbyist disbursement reports filed by a reporting lobbyist must include the names and
8.21 registration numbers of the other lobbyists whose activities are included in the report.

8.22 (3) Lobbyists whose activities are accounted for by a reporting lobbyist are not required
8.23 to file lobbyist disbursement reports.

8.24 (4) A lobbyist whose lobbying disbursements are provided to the board through a
8.25 reporting lobbyist must supply all relevant information on disbursements to the reporting
8.26 lobbyist no later than five days before the prescribed filing date.

8.27 (5) The reporting periods and due dates for a reporting lobbyist are those provided in
8.28 subdivision 2. The late filing provisions in subdivision 5 apply to reports required by this
8.29 subdivision.

8.30 (6) The reporting lobbyist must indicate the names and registration numbers of any
8.31 lobbyists who did not provide their lobbying disbursements for inclusion in a report. The
8.32 late filing provisions in subdivision 5 apply to lobbyists who fail to report information to
8.33 the reporting lobbyist.

9.1 Sec. 14. **REPEALER.**

9.2 Minnesota Rules, part 4511.0600, subpart 5, is repealed.

4511.0600 REPORTING DISBURSEMENTS.

Subp. 5. **Specific disbursement categories.** Lobbying disbursements must be reported based on the categories in items A to I.

A. "Lobbying materials" includes the cost of production, purchase, or other acquisition of materials that directly support lobbying.

B. "Media costs" includes the cost of media space or time, including website design and maintenance, used for lobbying activities. The cost of preparation of materials for use in the media is reported in the lobbying materials category.

C. "Telephone and communications" includes costs for local and long-distance telephone services, electronic mail, pagers, cellular telephones, facsimile distribution services, telegraph, and other communications services.

D. "Postage and distribution" includes costs of postage from the United States Postal Service as well as other distribution costs associated with lobbying activities.

E. "Fees and allowances" includes fees for consulting, surveys, polls, legal counsel, or other services as well as expenses associated with those services.

F. "Entertainment" includes costs of all entertainment associated with any situation where lobbying activities take place.

G. "Food and beverages" includes costs of all food and beverages associated with any situation where lobbying activities take place.

H. "Travel and lodging" includes costs of all travel and lodging associated with any lobbying activity, excluding the costs of the lobbyist's own travel to accomplish the lobbying activity.

I. "Other disbursements" includes general administration and overhead and any other lobbyist disbursements not reported in other categories.



MINNESOTA CAMPAIGN FINANCE BOARD

Date: December 8, 2022

To: Board members
Counsel Hartshorn

From: William Hager, Legal/Management Analyst

Subject: Enforcement report for consideration at the December 15, 2022 Board meeting

A. Discussion Items

1. Administrative termination of lobbyist Elizabeth Van Holt (4865)

The American Petroleum Institute (API) requested that the lobbyist registration of Ms. Van Holt be terminated as she ceased to be employed by that principal as of October 31, 2022. The principal attempted to contact Ms. Van Holt asking her to file a termination statement, but she has not done so. API is the only principal represented by Ms. Van Holt. There are no outstanding reports and Ms. Van Holt's disbursements are reported by the principal's designated lobbyist.

B. Waiver Requests

#	Committee/ Entity	Late Fee/ Civil Penalty	Report Due	Factors	Prior Waivers	Recommended Action
1	62nd Senate District DFL (20483)	\$1000 LFF	2021 Year End	This matter was initially heard by the Board on October 5, 2022 and the Board waived a \$1,000 CP related to this matter. Report was due January 31, 2022 and filed July 16, 2022. The report was a no change statement and subsequent reports have been filed timely. The cash balance on October 24, 2022 was \$777.28.	\$1,000 CP for the 2021 YE Report. \$1,000 LFF 2018 Pre- Primary. \$50 2020 5th Report.	Waive.
2	Maribella McDermid (Aff Only)	\$30 LFF	Original EIS	EIS due June 15, 2022 and received July 8, 2022. This is an affidavit only candidate who was running for the first time and overlooked the deadline.	None.	Waive.

3	Planned Parenthood MN PAC (41162)	\$2000 LFF	2x Pre-Primary Notice of Large Contribution	Notices were due on July 22, 2022 and July 23, 2022 and have not been filed. This matter was brought to the attention of the PAC by staff. One contribution was reported incorrectly and no actual violation occurred as the contribution was only for \$104.35. The PAC did not amend its reports within 10 days to reflect the correction had occurred. The second contribution was for \$1,000 but the individual also paid the processing fees which went directly to the processor making the total contribution over \$1,000. The PAC has implemented controls to prevent this from occurring in the future. The cash balance as of October 24, 2022 was \$376,697.33.	None.	Reduce to \$250 total owed.
4	Michelle Frisbie (Public Official)	\$100 LFF and \$1,000 CP	2021 Annual EIS	EIS due January 31, 2022 and filed November 18, 2022. The individual thought she had filed the EIS and did not read notices from the Board.	None.	Waive CP.

C. Informational Items

1. Payment of late filing fee for 2022 pre-general report of receipts and expenditures

60th Senate District RPM, \$50
 Minnesota AFL-CIO, \$25
 Working America Minn Political Committee, \$150

2. Payment of late filing fee for September 2022 report of receipts and expenditures

Minnesota AFL-CIO, \$25

3. Payment of late filing fee for 2022 pre-primary report of receipts and expenditures

1st Congressional District IAP, \$50
 MNisReady PAC, \$50
 MEDPAC Minn Medical Political Action Comm, \$200

4. Payment of late filing fee for 2022 pre-primary 24-hour notice of large contribution

DAGA Victory Fund MN, \$2,000
 Leigh Finke for MN, \$250

5. Payment of late filing fee for lobbyist disbursement report due 6/15/2022

G Byron Laher, \$50

6. Payment of late filing fee for lobbyist disbursement report due 6/15/2021

G Byron Laher, \$50

7. Payment of late filing fee for lobbyist disbursement report due 1/15/2020

G Byron Laher, \$25

8. Payment of late filing fee for 2021 Annual EIS

Kelly Kirkpatrick, \$30

9. Payment of late filing fee for original EIS

Laura Pride, \$100

Katie Malchow, \$50

Hugh McTavish, \$15

Martera Nelson, \$60

10. Payment of civil penalty for disclaimer violation

DougKernHouse6B, \$300

Eichorn (Justin) for MN Senate Campaign Committee, \$200

11. Payment of civil penalty for exceeding individual contribution limit

Hornstein (Frank) Volunteer Committee, \$100

12. Payment of civil penalty for prohibited contribution during legislative session

Carpenters Local Union 361 Pol Fund, \$125

13. Forwarded anonymous contributions

Kim Crockett for Secretary of State Committee, \$50

Ned Carroll for MN House, \$60

From: [Rolf Hanson](#)
To: [Ross, Erika \(CFB\)](#)
Subject: Termination Request
Date: Tuesday, November 22, 2022 11:57:05 AM
Attachments: [image001.png](#)

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Erika,

As the Principal for the American Petroleum Institute, I am sending this email to request termination of Elizabeth Van Holt as a lobbyist on behalf of the American Petroleum Institute. Ms. Van Holt's registration number is 4865 and her last day representing API was October 31, 2022.

If you require additional information, please feel free to contact me.

Regards,

Rolf Hanson

Vice President, State Government Relations

American Petroleum Institute

o: 202.682.8219

m: 571.512.8468

www.api.org

signature_1982813188



From: [Larry Etkin](#)
To: [Hager, William \(CFB\)](#)
Subject: Re: CFB Waiver Request
Date: Friday, November 04, 2022 1:00:27 PM

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William;

I'm looking again at the October 5 letter from you on behalf of the Board and note that the Nov 5 deadline for dealing with the current state of our account is tomorrow. As I wrote on October 18 -- see below -- my district does not have the resources available to cover the \$1,000 late filing fee, and we have no current prospects for acquiring such funds. I note that I've not had a more recent communication from you or any of your CFB colleagues regarding this matter.

I'm hoping that my previous communication asking for that late fee to be waived on the basis noted above constitutes that this matter remains in question and that the civil penalty therefore continues in its waived status while we continue discussions and a further appeal to the Board.

I'll also note that I've had some conversations with my DFL SD62 treasurer predecessor, who says they actually did file that "missing" end year report, and has no idea why it was never received. That individual was, unfortunately, not the best at record keeping, and I have to acknowledge that I have no hard-copy evidence confirming or denying the accuracy of their statement to me.

I'd also note that on a pragmatic basis, as the DFL SD62 committee was largely inactive, with NO monetary transactions over that entire year due to Covid restrictions across society, one COULD reasonably maintain that the need for the report was perhaps moot, and that extra consideration in favor of the ALL VOLUNTEER STAFFED committee could indicate the appropriateness of waiving the late filing fee as well.

I'll finally note how, since I've assumed the DFL SD62 Treasure role, I've conscientiously filed all required reports in a timely manner. I would be very appreciative of being given every benefit of suspended doubt over this late fee issue. So long as I remain in my Treasurer role, which I expect to do for at least the next couple of years through the next presidential election, I do not expect any reporting problems to reoccur.

Looking forward to hearing back from you.

Larry Etkin / DFL SD62 Treasurer

~~~~~  
Larry A. Etkin [Etkin & Associates / L.A.Etkin Designs...]  
3400 Pleasant Ave South, Minneapolis MN 55408-4334  
larryetkin@yahoo.com      <http://larryetkin.efoliomn.com/>  
Cell: 612-834-8545      Office/Home: 612-827-4038

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"My interest is in the future because I'm going to spend  
the rest of my life there." -- Charles F. Kettering (1949)  
~~~~~

On Tuesday, October 18, 2022 at 04:25:15 PM CDT, Larry Etkin <larryetkin@yahoo.com> wrote:

Letter received, and the result it communicates creates a major problem for my unit. We only have about \$775 in our treasury and we are a not super wealthy district. We have a high proportion of families of first generation immigrants within our inner city community.

Furthermore, our prospects for adding to our treasury do not appear very good in the short to medium term. In the short term it seems most all political donations are going to candidate and issue campaigns rather than to support of the organizational infrastructure. In the medium term -- or so I'm told -- most donors will feel "tapped out" after November 8.

We also continue to experience leadership turmoil in DFLSD62. Our recently elected new chair found himself forced to resigned this week due to "long covid" related medical issues, and he was the only one of our officers with any significant fund raising experience.

My bottom line question: Is there any mechanism for asking the CFB to readdress our late submission fine waiver request? I'd be happy to attend or electronically address the Board to answer questions about this ongoing request.

Larry Etkin / DFL SD62 Treasurer

~~~~~  
Larry A. Etkin [Etkin & Associates / L.A.Etkin Designs...]  
3400 Pleasant Ave South, Minneapolis MN 55408-4334  
larryetkin@yahoo.com      <http://larryetkin.efoliomn.com/>  
Cell: 612-834-8545      Office/Home: 612-827-4038

.  
"My interest is in the future because I'm going to spend  
the rest of my life there." -- Charles F. Kettering (1949)  
~~~~~

On Wednesday, October 5, 2022 at 03:54:00 PM CDT, Hager, William (CFB)
<william.hager@state.mn.us> wrote:

Good afternoon,

Attached please find a letter going out in today's mail regarding the waiver request for the 62nd Senate District DFL which was considered by the Board at its meeting today. Please let me know if you have any questions.

Thank you,

William Hager

Legal/Management Analyst

Campaign Finance and Public Disclosure Board

(651) 539-1183



From: [Maribella McDermid](#)
To: [Engelhardt, Megan \(CFB\)](#)
Subject: Minnesota State Senate District 31 Candidate Fee
Date: Monday, November 21, 2022 10:43:23 AM

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I, Maribella McDermid, respectfully request that the fee be waived. I realize it's not an excuse but this was my first time running and due to doing all the work myself, I overlooked the deadline. Again I would like to apologize to the board and ask that the fee be waived.

Sincerely,

Maribella McDermid
7634424163



November 4, 2022

Minnesota Campaign Finance Board
Attn: Megan Engelhardt, Assistant Executive
Director
658 Cedar Street, Suite 190
St. Paul, MN 55115-1603

By email: megan.engelhardt@state.mn.us

**Re: *Planned Parenthood of Minnesota PAC (Reg. No: 41162)
Late fee waiver request***

Dear Ms. Engelhardt:

Please consider this response to your letter dated October 19, 2022. We agree that Planned Parenthood of Minnesota PAC (the "Committee") should have reported its receipt of \$2,000 on August 8, 2022 within 24-hours of receipt or in person on the next business day. The Committee will mail a check for the \$1,000 late fee to your attention.

The Committee respectfully requests that the Campaign Finance Board waive the late fees arising from the other contributions referenced in your letter.

Due to a data entry error, the Committee reported the amount of the contribution from Melissa Anderson on July 21, 2022 incorrectly. The amount of the contribution was \$104.35 rather than \$1,004.35. The Committee will amend its reports to reflect the correct amount. Because the contribution was under \$1,000, the Committee requests waiver or cancelation of the late fee relating to this contribution.

The contribution from Deborah Roesler on July 22, 2022 was reported in the amount of \$1,032.70. This contribution was made online through an online payment processor (EveryAction). Ms. Roesler initiated a contribution to the Committee of \$1,000.00 and she also elected to cover the processing fees. The \$32.70 processing fee was paid directly to EveryAction.

The option for donors to elect to pay these processing fees is a relatively new feature made available through EveryAction's webform. Because of the recent development of this feature, the Committee's reporting team did not become aware during the relevant 24-hour reporting window that Ms. Roesler had elected to pay the processing fee and that her contribution therefore exceeded \$1,000. The Committee has now implemented a procedure that will enable the Committee to immediately learn of contributions that exceed the \$1,000 threshold due to the donor's election to pay the processing fees. In the future, the Committee will file 24-hour reports accordingly.

Because the late reporting resulted from EveryAction's option to allow donors to pay the processing fees, and because the Committee has adopted procedures to avoid a similar violation in the future, we respectfully request that the Campaign Finance Board waive the late fee relating to Ms. Roesler's donation.

Please contact me if you would like to discuss this or need additional information.

Sincerely,

Allie Carlson-Stehlin, Treasurer

Machelle Frisbie
110 Washington Street
Rollingstone, MN 55969

November 23, 2022

Minnesota Campaign Finance Board
Suite 190
Centennial Office Building
658 Cedar Street
St Paul, MN 55155-1603

RE: Economic Interest Statement due on 01/31/2022
Reg. No: 13592

Dear Board Members,

I am writing this letter to ask you to please consider waiving the late fees and civil penalty totaling \$1,100.00. The reason I am requesting this be waived is because to pay this fee would cause me severe financial hardship. I am a single mother of three, one child who is seven years old and I have two teenagers who are attending college.

I do understand the importance of this statement and your reasons for requiring them to be filed by your set deadline and I wish to offer my sincere apology for not abiding to your deadline. I honestly thought I had done this and when the reminder letters came I was negligent and put them aside.

I greatly enjoy my role as an appointed official and I take my responsibility in this role very seriously and I am very active in the start-up and management of several projects that have been of great benefit to the Watershed District for which I serve. I also serve on several planning committees as part of my role and I can assure you that I will not be late on filing this statement in the future and I do not take lightly the importance in doing so.

If you have any questions regarding my service you can contact Shelia Harmes, she is the Winona County water planner and she plays a very active role with our watershed as well as facilitates the joint powers One Watershed One Plan Policy Committee that I serve on.

Thank you for your consideration on this matter and if you need any more information from me, please feel free to contact me at the above address, phone number or email address.

Sincerely,

Machelle Frisbie
Chairman, Stockton Rollingstone MN City Watershed District



MINNESOTA

CAMPAIGN FINANCE BOARD

Date: December 8, 2022

To: Board members

From: Jeff Sigurdson, Executive Director

Telephone: 651-539-1189

Re: Prima facie determination finding no violation

Complaints filed with the Board are subject to a prima facie determination which is made by the Board chair or the Board chair's designee in consultation with staff. If the determination finds that the complaint states a violation of Chapter 10A or the provisions of Chapter 211B under the Board's jurisdiction, the complaint moves forward to a probable cause determination by the full Board.

If the determination finds that the complaint does not state a prima facie violation, the prima facie determination must dismiss the complaint without prejudice. When a complaint is dismissed, the complaint and the prima facie determination become public data. The following complaint was dismissed by Chair Rashid the prima facie determination is provided here as an informational item to the other Board members. No further action of the Board is required.

Complaint regarding the People Over Prosecution Political Fund

On November 4, 2022, the Board received a complaint submitted by Matthew Sullivan regarding the People Over Prosecution Political Fund.¹ The complaint alleged that the fund failed to provide a disclosure statement to the Board for a contribution totaling \$70,000 from "Solidaire Network" in violation of Minnesota Statutes section 10A.27, subdivision 13.

On November 23, 2022, Chair Rashid concluded that the complaint did not state a prima facie violation of any statute under the Board's jurisdiction. The determination concluded that the fund filed amended reports within 10 days of becoming aware of its error, and corrected the name of the contributor to "Tides Advocacy" and filed a disclosure statement for that entity. Therefore, the complaint was dismissed. The prima facie determination is attached to this memo.

Attachments:

People Over Prosecution prima facie determination

¹ https://cfb.mn.gov/pdf/bdactions/1610_Complaint.pdf?t=1670530609

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

**PRIMA FACIE
DETERMINATION**

IN THE MATTER OF THE COMPLAINT OF MATTHEW SULLIVAN REGARDING THE PEOPLE OVER PROSECUTION POLITICAL FUND

On November 4, 2022, the Campaign Finance and Public Disclosure Board received a complaint submitted by Matthew Sullivan regarding the People Over Prosecution Political Fund. The People Over Prosecution Political Fund is an independent expenditure political fund assigned Board registration number 30729.

The complaint alleges that the People Over Prosecution Political Fund violated Minnesota Statutes section 10A.27, subdivision 13, when it disclosed a contribution of \$70,000 from “Solidaire Network” within its 2022 pre-general report of receipts and expenditures, without filing the disclosure statement required when accepting a contribution from an association that is not registered with the Board. The complaint alleges, and Board records confirm, that Solidaire Network is not a registered committee and the contribution should not have been itemized within schedule A1 - IR, which is limited to contributions made by individuals and registered committees.

On November 4, 2022, Board staff was contacted by Corenia Smith, on behalf of the People Over Prosecution Political Fund. Ms. Smith stated that the fund was aware of the complaint and wanted to address the issues if possible. Board staff explained the statutory timeframe for filing an amended report with the Board, and reviewed the requirement to file a disclosure statement for contributions over \$200 from unregistered associations. On November 5, 2022, the fund filed an amended pre-general report of receipts and expenditures and a disclosure statement for the \$70,000 contribution noted in the complaint. The amended report listed the source of the \$70,000 contribution as Tides Advocacy, and the accompanying disclosure statement was from Tides Advocacy, rather than Solidaire Network.

Determination

Minnesota Statutes section 10A.27, subdivision 13, paragraph (a) provides that:

The treasurer of a . . . political fund . . . must not accept a contribution of more than \$200 from an association not registered under this chapter unless the contribution is accompanied by a statement that meets the disclosure and reporting period requirements imposed by section 10A.20. The statement may be a written statement or a government website where the disclosure report for the unregistered association may be viewed. 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 written statement or website with the report that discloses the contribution to the board.

Minnesota Statutes section 10A.27, subdivision 15, provides that when an association uses general treasury money to make a contribution to an independent expenditure political fund, rather than a general purpose political fund, it may choose not to comply with subdivision 13, and instead provide a disclosure statement that complies with the requirements set forth in subdivision 15. That provision requires that an independent expenditure political fund obtain a disclosure statement from an unregistered association that has contributed more than \$5,000 in aggregate within the calendar year to independent expenditure or ballot question political committees or funds. The statement must include:

the name, address, and amount attributable to each person that paid the association dues or fees, or made donations to the association that, in total, aggregate more than \$5,000 of the contribution from the association to the independent expenditure or ballot question political committee or fund. The statement must also include the total amount of the contribution attributable to persons not subject to itemization under this section. The statement must be certified as true by an officer of the donor association.

The recipient committee or fund must obtain the disclosure statement from the contributor and then file it with the Board no later than the due date of the report that discloses the contribution in question.

Minnesota Statutes section 10A.20, subdivision 3, provides that the Board shall develop forms for reporting receipts received and expenditures made by registered committees and funds. The forms developed by the Board for independent expenditure political committees and funds provide separate schedules for reporting contributions from unregistered associations. Reporting a contribution from an unregistered association on the schedule for contributions from individuals and other registered committees and funds is a reporting error.

Minnesota Statutes section 10A.025, subdivision 4, provides the time frame in which a political committee or fund registered with the Board must amend a report of receipts and expenditures after the committee or fund becomes aware of an error:

Material changes in information previously submitted and corrections to a report or statement must be reported in writing to the board within ten days following the date of the event prompting the change or the date upon which the person filing became aware of the inaccuracy...

The People Over Prosecution Political Fund filed two amended pre-general reports on November 5, 2022, and filed a third amended pre-general report on November 10, 2022. The reports were filed within 10 days of the fund becoming aware of the allegations of reporting errors in the complaint. The amended reports state that the \$70,000 contribution in question was made by Tides Advocacy rather than Solidaire Network, and the contribution is correctly itemized within schedule A1 - UA, the schedule used for contributions from unregistered

associations that were derived from fees, dues, or donations. The fund also provided the Board with a disclosure statement for Tides Advocacy on November 5, 2022, the date the first two amended reports were filed. The disclosure statement was certified as true by Jennifer Jorczak an officer of Tides Advocacy, on November 4, 2022.

The complaint correctly identified that the \$70,000 contribution was not disclosed on the correct reporting schedule, and that a disclosure statement for the contribution had not been filed. Unknown to the complainant, the donor's name was also incorrectly stated in the original pre-general report filed by the People Over Prosecution Political Fund. However, the fund filed amended reports to correct the reporting errors within 10 days of becoming aware of the inaccurate information, and filed the disclosure statement required for the contribution from Tides Advocacy with the amended report. The chair therefore concludes that the complaint no longer states a prima facie violation of Minnesota Statutes section 10A.20, or Minnesota Statutes section 10A.27, subdivision 13.

Pursuant to Minnesota Statutes section 10A.022, subdivision 3, paragraph (c), this prima facie determination is made by a single Board member and not by any vote of the entire Board. Based on the above analysis, the chair concludes that the complaint does not state a prima facie violation of Chapter 10A or of those sections of Chapter 211B under the Board's jurisdiction. The complaint is dismissed without prejudice.



Faris Rashid, Chair
Campaign Finance and Public Disclosure Board

Date: November 23, 2022

CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD December 2022

ACTIVE FILES

Candidate/Treasurer/ Lobbyist	Committee/Agency	Report Missing/ Violation	Late Fee/ Civil Penalty	Referred to AGO	Date S&C Personally Served	Default Hearing Date	Date Judgment Entered	Case Status
Burg, Ashley, Candidate		Candidate Statement of Economic Interest, due 6/14/22	\$100 LFF \$1,000 CP	12/6/22				
	Environment America dba Environment Minnesota Contacts: Timothy Schaefer, Chuck Caldart	2021 Annual Report of Lobbyist Principal, due 3/15/22	\$1,000 LFF \$1,000 CP	12/6/22				
Martinez-Perez, Ashley, Candidate	Ashley Martinez-Perez for MN House	2020 pre-general report of receipts and expenditures due 10/26/20, filed 10/28/20 2020 year end report of receipts and expenditures due 1/31/22, not filed	\$100 LFF \$1,000 LFF	6/13/22	8/12/22			
Ohlmann, Stephanie, Lobbyist	Protect Minnesota Contact: Rashmi Seneviratne	Lobbyist Disbursement Report: period 1/1-5/31/22, due 6/15/22	\$1,000 LFF	12/6/22				
	Trace, LLC Contacts: Ashley Moore, Patrick Hynes	2021 Annual Report of Lobbyist Principal, due 3/15/22	\$1,000 LFF \$1,000 CP	12/6/22				