

Minnesota

# ***Campaign Finance and Public Disclosure Board Meeting***

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Wednesday, June 5, 2024

9:30 A.M.

Blazing Star Room  
Centennial Office Building

## **REGULAR SESSION AGENDA**

**1. Approval of minutes**

A. May 1, 2024

**2. Chair's report**

A. Meeting schedule

**3. Executive director's report**

A. Review of legislative changes

B. Amended Board Budget

C. Estimate of Public Subsidy Payments

**4. Enforcement report**

**5. Advisory opinion requests**

A. Advisory Opinion 463

B. Layover of request for Advisory Opinion 464

**6. Administrative rulemaking update**

**7. Prima Facie Determinations**

A. Complaint of Steven J. Timmer regarding Claigan Environmental

B. Complaint of Jeff Brinkman regarding Richard W. Ginsberg

C. Complaint of Sigurd Scheurle regarding Sarah Kruger for MN House

**8. Legal report**

**9. Other business**

## **EXECUTIVE SESSION**

Immediately following regular session

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

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**May 1, 2024**  
**Blazing Star Room**  
**Centennial Office Building**  
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**MINUTES**

The meeting was called to order by Chair Asp.

Members present: Asp, Flynn (joined by Webex at beginning of Enforcement Report), Leppik, Rashid, Soule, Swanson

Others present: Sigurdson, Engelhardt, Johnson, Olson, staff; Nathan Hartshorn, counsel

**MINUTES** (April 10, 2024)

The following motion was made:

Member Leppik's motion: To approve the April 10, 2024, minutes as drafted.

Vote on motion: Unanimously approved.

**EXECUTIVE DIRECTOR'S REPORT**

Mr. Sigurdson updated the Board that as of the date of his memo, the Governor has not made appointments for the positions currently held by Members Swanson and Leppik. Because the legislative session typically ends in the third week of May, Mr. Sigurdson thinks it is very unlikely that the appointments will be made prior to the end of session. Members Swanson and Leppik may continue to serve until July 1st of this year, pending reappointment or the appointment of a new Board member.

Mr. Sigurdson stated the House Elections Finance and Policy Committee omnibus bill, HF 4772, has passed both the Senate and House. There are differences in the Senate and House versions of the bill, so a conference committee will be needed. The House conferees are Representatives Freiberg, Greenman, and Virnig. The Senate conferees have not yet been appointed.

Mr. Sigurdson updated the Board on SF 4431 (Westlin, Koran) and HF 4728 (Bahner, Torkelson). The bill streamlines the process for submitting a political contribution refund and requires the Dept. of Revenue to develop a website for requesting the refund online. The bill requires an appropriation for the Dept. of Revenue, so it was not included in the respective omnibus bills. Neither bill has been to the floor for a vote.

Mr. Sigurdson provided an update on the CPI increase for House candidate spending limits. Mr. Sigurdson stated that during a state election year, the spending limits for offices on the ballot are adjusted to reflect the consumer price index for the two prior years. The spending limit increase for House candidates was 10.36%,

to \$80,300 for the 2024 election cycle. The special source contribution limit is calculated from the spending limit, so the special source limit for House candidates also increased for the 2024 election cycle to \$16,100.

**ENFORCEMENT REPORT**

**A. Waiver Requests**

Committee/ Entity	Late Fee/ Civil Penalty	Report Due	Factors and Recommended Action	Board Member's Motion	Motion	Vote on Motion
1. Aldridge Electric (8140)	\$25 LFF	2023 LPR	Report due 3/15/24 and filed 3/18/24. Tim Bradley was responsible for filing the report. Mr. Bradley faced the death of a family member during the week the report was due, which made him unavailable due to travel and bereavement leave. Consequently, Aldridge Electric couldn't obtain Mr. Bradley's electronic signature within the required timeframe. To address this, Aldridge contacted Board staff on March 18, 2024, and Board staff assisted with the filing of the report with a different employee's electronic signature. All of the principal's lobbyists terminated their registration effective as of the end of 2023, so Aldridge Electric presently has no ongoing reporting obligations. <i>Recommended action: Waive</i>	Soule	Approve staff recommendation to waive fees for requests 1-2	Unanimously approved.
2. LeNell Enterprises LLC (6528)	\$25 LFF	2023 LPR	Report due 3/15/24 and filed 3/18/24. Jim Rau, the principal's contact, stated he was in and out of the hospital and had not been going through his mail or e-mail. <i>Recommended action: Waive</i>	Soule	Approve staff recommendation to waive fees for requests 1-2	Unanimously approved.
3. Heat & Frost Insulators Local 34 PAC Fund (30691)	\$1,000 LFF	2023 September	Report due 9/26/23 and never filed, but transactions were included in year-end report filed 1/18/24. William Meyer, the current treasurer, acknowledges an oversight in reporting requirements triggered by Hennepin County activity. On July 28, 2023, the fund contributed to a city council candidate in Brooklyn Park, thereby requiring the filing of the September report. Meyer apologizes for any inconvenience caused and emphasizes efforts to stay informed through training videos and seeking guidance when needed. <i>Recommended action: No recommendation.</i>	Soule	Reduce to \$100	Unanimously approved.

<p><b>4. Southeast Metro Business PAC (40746)</b></p>	<p>\$538.23 LFFs</p>	<p>2022 Pre-Primary 2022 September</p>	<p>Report due 7/25/22 filed 8/5/22. Report due 9/27/22 filed 10/7/2022. Both reports were no-change statements. The committee ceased operations in March 2020 but River Heights Chamber of Commerce staff continued filing no-change reports through the end of 2022. Kelton Glewwe volunteered to help terminate the committee and sent CFB a check for \$111.77 (which applied to the LFF for the pre-primary report), representing the entire remaining balance of committee funds. Glewwe requests the remaining portion of the LFFs be waived as the committee no longer possesses assets, funds, or the ability to raise additional funds. Aside from the check to the CFB, the committee does not appear to have had any financial activity since 2019. The committee is now terminated. <i>Recommended action:</i> No recommendation.</p>	<p>Swanson</p>	<p>Waive</p>	<p>Unanimously approved.</p>
<p><b>5. Draft Kendall Qualls for Governor Committee (41271)</b></p>	<p>\$150 LFF</p>	<p>2023 Year-End</p>	<p>Report due 1/31/24 and filed 2/8/2024. Counsel for the committee, Nick Morgan, states that the committee intended to file a termination report with the year-end report. However, the information needed to process the termination was not provided to them in time because the banker working with them passed away suddenly, which caused the delay in filing the termination/year-end report. The committee filed a year-end report 2/8/2024 that was a no-change statement and listed an ending balance of \$9,081. The committee filed an amended year-end/termination report 2/21/2024 stating that all of the committee's funds were donated to a 501(c)(3) charity during the first half of 2023. Morgan states this is their first waiver request, but CFB records show it is their second. The committee was terminated retroactive to 12/31/23. <i>Recommended action:</i> No recommendation.</p>	<p>Leppik.</p>	<p>Waive</p>	<p>Asp, Flynn, and Soule voted to waive. Rashid, Leppik, and Swanson voted not to waive. Motion to waive did not pass.</p>

<p><b>6. Residents for a Better Bloomington</b> n (41290)</p>	<p>\$1,000 LFF</p>	<p>2023 Pre-General</p>	<p>Report due 10/30/23 and never filed, but transactions were included in year-end report filed 1/28/24. Treasurer Nick Morgan states the committee received “inaccurate guidance” before the filing deadline from the City of Bloomington, which said that Independent Expenditure Political Committees file directly with the CFB and told them to contact the CFB with any questions about that. Morgan states that at the time, the committee was only engaged in activity within the City of Bloomington so it did not believe the guidance from the City of Bloomington applied. Morgan states they completed all filings required by the City of Bloomington, which can be accessed on the City’s website. Morgan accurately states they have never previously missed a filing deadline. Board staff interprets the email exchange between an individual named Kathy and the City of Bloomington differently as the email does not mention the committee, it accurately states that independent expenditure committees file with the CFB, and it does not say that ballot question committees do not have to file with the CFB. Mr. Morgan does not contest that the committee is a Chapter 10A political committee (which is sensible given their registration with the Board in April 2022). <i>Recommended action:</i> Reduce fee.</p>	<p>Swanson</p>	<p>Reduce to \$500</p>	<p>Unanimously approved.</p>
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**B. Informational Items**

- 1. Payment of late filing fee for 2023 EIS**  
Gabriel Ulman, \$20
- 2. Payment of late filing fee for 2023 lobbyist principal report**  
Crop Life America, \$25
- 3. Payment of late filing fee for lobbyist disbursement report due 1/16/2024**  
Benjamin Dorr, \$150
- 4. Payment of late filing fee for lobbyist disbursement report due 1/15/2019**  
Benjamin Dorr, \$25

5. **Payment of late filing fee for lobbyist disbursement report due 6/15/2018**  
Benjamin Dorr, \$150
6. **Payment of late filing fee for lobbyist disbursement report due 1/16/2018**  
Benjamin Dorr, \$25
7. **Payment of late filing fee for 2023 year-end report**  
MN State Building & Construction Trades Council Political Fund, \$25  
Committee to Elect Haaris Pasha, \$800  
Jay (Xiong) for House, \$75
8. **Partial payment of late filing fee for 2022 pre-primary report**  
Southeast Metro Business PAC, \$111.77
9. **Payment of late filing fee for 2023 pre-general report**  
60<sup>th</sup> Senate District DFL, \$1,000

#### **ADVISORY OPINION REQUESTS**

##### **A. Advisory Opinion 462 – Registration of a political fund by a business partnership**

Mr. Sigurdson gave an overview of the advisory opinion. The requester is a business partnership that may wish to contribute to candidate committees, political party units, political committees, and political funds. Generally, the request asks for guidance on what steps the partnership must take to comply with Chapter 10A. The requestor does not wish to make the request public. Therefore, the draft opinion that is provided to the public does not identify the requestor. The Board only discussed the public version of the draft opinion during the regular session.

Member Soule pointed out an error in the third paragraph on page 3 of the draft opinion and suggested “no” be added before “more than \$750 in approved in-kind contributions.”

The following motion was made:

Member Soule’s motion: To approve the draft opinion with the suggested correction.

Vote on motion: Unanimously approved.

##### **B. Advisory Opinion 463 – lay over**

The Board received a request for an advisory opinion on April 18, 2024. The request will be discussed at the June Board meeting as staff did not have enough time to prepare a draft opinion for this month’s meeting.

The following motion was made:

Member Rashid's motion: To lay over the request for Advisory Opinion 463.

Vote on motion: Unanimously approved.

### **ADMINISTRATIVE RULEMAKING UPDATE**

Mr. Olson stated that Board staff is making progress in drafting a SONAR for the rule language approved by the Board and is asking the Board to authorize two things; the removal of provisions that may become unnecessary as a result of legislation that is likely to be enacted in 2024, and to publish a dual notice for the proposed rules whereby a hearing will be held only if at least 25 people request a hearing. Board members agreed to defer acting on the two requests until after the legislative session is over.

### **LEGAL REPORT**

Mr. Hartshorn updated the Board on the Mariani matter regarding Mr. Mariani's numerous late filing fees and civil penalties. Mr. Hartshorn suggested he could reach out to Mariani regarding the amount owed.

Ms. Engelhardt stated that the Board has yet to receive a 2023 year-end report from the Mariani committee.

### **EXECUTIVE SESSION**

Chair Asp recessed the regular session of the meeting and called to order the executive session. Upon adjournment of the executive session, the chair had nothing to report into regular session. There being no other business, the meeting was adjourned by the chair.

Respectfully submitted,



Jeff Sigurdson  
Executive Director

Attachments:  
Executive director's report  
Advisory opinion request 462 public memo and attachment  
Rulemaking update memo  
Legal report



# MINNESOTA

## CAMPAIGN FINANCE BOARD

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### **Board Meeting Dates for Calendar Year 2024**

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

#### **2024**

Wednesday, July 10

Wednesday, August 7

Wednesday, September 4

Wednesday, October 2

Wednesday, November 6

Wednesday, December 11





# MINNESOTA CAMPAIGN FINANCE BOARD

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**Date:** May 29, 2024

**To:** Board Members

**From:** Jeff Sigurdson, Executive Director

**Telephone:** 651-539-1189

**Re:** Executive Director's Report – Board Operations

## **Personnel Changes**

Erika Ross has submitted her resignation, effective July 1, 2024. Ms. Ross joined the Board in December of 2020 and did a great job administering the lobbyist registration and reporting program during a very turbulent time for the program. She has also been heavily involved in the Economic Interest Statement program. Ms. Ross will be joining the Hennepin County Office of Elections. Staff will be moving to post and fill this position immediately.

## **Legislative Action**

The omnibus elections and campaign finance policy and finance bill was presented to the Governor as 2024 Minnesota Laws, Chapter 112. The Governor signed the legislation on May 17, 2024. Additionally, a narrow exception to the prohibition on paying a lobbyist a contingent fee was included in 2024 Minnesota Laws, Chapter 127.

Chapter 112 also provides additional funding to the Board in fiscal year 2025 (which starts on July 1, 2024). The Board was appropriated \$20,000 to develop an online application for the registration of political committees and funds, and \$50,000 to develop additional online training for treasurers. These are both one-time appropriations.

Of note, legislation that would have required the Dept. of Revenue to develop an online application for requesting a political contribution refund did not pass. The Board will continue to provide political contribution refund receipt booklets to qualified candidates and party units.

A summary of the changes to the lobbying and campaign finance provisions of Chapter 10A is attached to this memo.

## **Azure Cloud Service Agreement**

The Board has entered into a service agreement with the Department of Minnesota IT Services (MNIT) for cloud hosting and computing services on the Azure platform. Azure is the cloud-based platform offered by Microsoft. Microsoft and MNIT have negotiated a contract for access and reduced rates for state agencies and commissions that use Azure, and the Board will be using that contract.

At the 2023 session, the legislature increased the Board's base appropriation by \$50,000 per fiscal year to cover the cost of using Azure to host the Board's IT resources. The service agreement, which lasts for three calendar years, provides an estimated cost of \$54,300 per

year. Please note that certain costs associated with using Azure are variable and will not be finalized until the migration of the Board's servers and databases is complete. As a result, there may be some minor modifications to the costs outlined in the service agreement. I've deferred the actual migration to Azure until late June or early July so that it occurs after the June report deadline for political committees and funds, and the June report deadline for lobbyists.

Attached to this memo is an updated budget for Board operations that incorporates the Azure charges.

### **May Estimate – Public Subsidy Payments**

In May of state election years, the Dept. of Revenue provides the Board with the initial estimate of the political party check-off funds available for public subsidy payments. The check-off amounts are added to the statutory appropriation of \$1,020,000 provided for the general account portion of the public subsidy payments. In addition, at the 2023 legislative session, a one-time appropriation of \$2,103,000 was added to the general account, a portion of which will be distributed to qualified House candidates this year.

The estimated general account payment is \$6,190 per qualified House candidate. The estimated general account payment is about 300% higher than the actual general account payment in 2022. For the 2024 election only candidates for the Democratic-Farmer-Labor Party and the Republican Party qualify for the general account payment.

The estimate of the number of candidates that will sign the public subsidy agreement and qualify for the payment is of course speculative. The general account payment could be significantly more if the number of qualified candidates is substantially lower than the estimate. A second estimate will be made after the filing for office period ends on June 4, 2024.

A breakdown of the estimated payments by political party and legislative district is attached to this memo.

### **Attachments**

Summary of changes to the lobbying and campaign finance provisions of Chapter 10A  
Amended Fiscal Year 2024 Budget  
May Estimate of Public Subsidy Payments



# MINNESOTA

## CAMPAIGN FINANCE BOARD

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**Date:** May 28, 2024

### **Summary of 2024 changes to Chapter 10A**

The changes to statutory provisions administered by the Campaign Finance and Public Disclosure Board are found in 2024 Minnesota Laws, Chapter 112, signed by the Governor on May 17, 2024, and in Chapter 127, signed by the Governor on May 24, 2024. The provisions of Chapters 112 and 127 are combined by subject area in this review.

### **Lobbying Provisions**

The following is a review of the sections in Chapter 112, article 4, related to the lobbying program.

**Section 3** provides a definition for the term “Employee of a political subdivision” using language from the proposed administrative rules on lobbying developed by the Board. In the definition of lobbyist, an “employee of a political subdivision” is not a lobbyist if the employee attempts to influence the official action of the political subdivision that hired or appointed the employee. This definition will expand “employee of a political subdivision” to include consultants, independent contractors, and individuals employed by a business hired by a political subdivision to provide legal counsel, professional services, or policy recommendations to the political subdivision. This section became effective on May 18, 2024.

**Section 4** amends the definition of “lobbyist”. Previously, an individual compensated more than \$3,000 for urging the public to contact public or local officials on an issue was a lobbyist. This provision included individuals who worked as door-to-door canvassers if the canvasser asked the residents to contact officials on an issue. The section removes “urging others to communicate” from the definition of lobbyist for individuals who are compensated over \$3,000 and for individuals who spend more than \$3,000 of their own money on lobbying. Of note; while this change means that individuals no longer will register for what is commonly known as “grassroots lobbying,” a lobbyist principal will still need to report money spent urging the public to contact officials on an issue, and an association that is not represented by a lobbyist may still become a lobbyist principal if it spends \$50,000 or more on grassroots lobbying within a calendar year. This section became effective on May 18, 2024.

**Section 5** updates the definition of “principal” in two ways. First, the threshold at which an association becomes a lobbyist principal as a result of compensating a lobbyist was raised from \$500 to \$3,000 in a calendar year. This matches the compensation level at which an individual will need to register as a lobbyist. Second, an association that does not pay \$3,000 for lobbyist representation is still a lobbyist principal if the association spends \$50,000 or more to influence official actions, including the official actions of political subdivisions. Previously the statute was limited to attempts to influence state-level action and the official actions of metropolitan governmental units, which did not reflect the scope of lobbying being expanded to include all

political subdivisions in 2023. This section became effective on May 18, 2024.

**Section 6** makes two changes to the annual lobbyist principal report. First, it reduces the allowable rounding of the total amount spent for each of the four types of lobbying from the nearest \$9,000 to the nearest \$5,000. Second, the types of expenditures made by a principal that are included on the annual report was expanded to include “communications and staff costs used for the purpose of urging members of the public to contact public or local officials to influence official actions”. This language was included to clarify that expenditures on grassroots lobbying are still reportable by principals even though individuals are no longer required to register as a lobbyist based on grassroots lobbying. This section is effective August 1, 2024.

**Section 27** has two related but separate provisions. First, the Board is directed to prepare a report that studies the definitions of “lobbyist”, “local official”, “public official”, and “official action of a political subdivision”. The report must consider whether there should be a distinction in Chapter 10A between what constitutes lobbying of public officials, and what constitutes lobbying of local officials. If the Board concludes that there should be separate standards for the lobbying of public officials and the lobbying of local officials, then the Board must recommend options to the legislature on how to achieve that outcome. The report is due no later than January 15, 2025.

This section also applies a stay to the registration and reporting requirements for lobbying a political subdivision that is not a metropolitan governmental unit. The stay is effective until June 1, 2025. In effect, this puts back in place the standard for lobbying local government that existed on December 31, 2023. A lobbyist who has or will be lobbying metropolitan governmental units, as defined in Chapter 10A, will still need to register and report with the Board. An individual who is lobbying only political subdivisions that are not metropolitan governmental units is not required to register and report with the Board while the stay is in place. An individual who has already registered with the Board based solely on lobbying political subdivisions that are not metropolitan governmental units will not need to report lobbying activity until the stay expires. A lobbyist principal will continue to report expenditures to influence metropolitan governmental units, but will not report expenditures to influence political subdivisions that are not metropolitan governmental units until the stay expires. This section became effective May 18, 2024.

Chapter 127, article 15, contains one provision related to the lobbying program.

**Section 52** provides a temporary, limited exclusion, from the prohibition on paying a lobbyist a fee contingent on the success of the lobbying effort. The exclusion applies only to attorneys and financial advisors who lobby political subdivisions for an association on conduit financing. This section became effective on May 25, 2024, and expires June 1, 2025.

## **Campaign Finance**

The following is a review of the sections in Chapter 112, article 4, related to the campaign finance provisions of Chapter 10A.

**Section 1** expands the definition of “ballot question”. The definition was limited to constitutional amendments and questions placed on the ballot by Hennepin County, cities within Hennepin County with a population of at least 75,000, and School District 1 (Minneapolis). The definition has been expanded to include a question placed on the ballot by any county, city, school district, township, or special district in the state. This amendment, and the amendment provided

in section 2, shifts committees formed to support or oppose local ballot questions and local office candidates, other than committees formed by local candidates, to the registration and reporting requirements of Chapter 10A. This section is effective January 1, 2025.

**Section 2** expands the definition of “local candidate”. The definition was limited to certain offices in Hennepin County. The definition now includes candidates seeking office in any county, city, school district, township, or special district in the state. Local candidates are still required to file campaign finance reports with local election administrators under the provisions of Chapter 211A. This section is effective January 1, 2025.

**Section 7** clarifies the filing dates for committees, funds, and party units that are required to file reports of receipts and expenditures during an odd-numbered year (non-state election year) because of contributions or expenditures to support or oppose local ballot questions or local candidates. The reference to filing a “pre-primary” report is replaced with the requirement to file a report in July. The change reflects the fact that many political subdivisions do not hold primary elections. This section is effective January 1, 2025.

**Section 8** increases the range of late filing fees and civil penalties available to the Board for a political committee, political fund, candidate committee, or party unit that files a report of receipts and expenditures or a pre-election large contribution notice past the deadline. The modified late filing fees and civil penalties are also available to fine an unregistered association for filing a report of electioneering communications late. The available late filing fees and civil penalties are increased in four ways. First, if a late pre-primary or pre-general report of receipts and expenditures, or a late report of electioneering communications, discloses total expenditures or disbursements that exceed \$25,000, then the Board may impose a late filing fee of up to 2% of the reported expenditures or disbursements for each day that the report is late up to 100% of the total amount. This is in addition to the \$50 per day late fee typically applied to late reports. Second, if the filer has previously been assessed a late filing fee or civil penalty during the prior four years, then the Board may double the late fee, civil penalty, or both, accrued for the second violation. Third, if the filer has previously been assessed a late filing fee more than two times during the last four years, then the Board may triple the late filing fee accrued for the latest violation. Fourth, the maximum civil penalty that may be imposed on a late filer is increased from \$1,000 to \$2,000. This section is effective July 1, 2024.

**Section 9** is the first of five sections that expand the scope of electioneering communications required to be reported to the Board. Previously, a communication could not be an electioneering communication unless it could be received on radio or television by at least 10,000 individuals within the legislative or judicial district of the candidate referenced in the communication, or statewide if the communication referred to a candidate for an office that is voted on statewide. This section provides a new definition for the term “targeted to the relevant electorate” so that an electioneering communication may also be distributed by telephone, in a digital format online, or by other electronic means.

Additionally, the numerical threshold for potential recipients of communication to qualify as electioneering communication will vary based on the distribution method. The standard remains 10,000 individuals within the relevant election district for communications distributed by radio or television. For a message distributed by telephone, online, or by other electronic means, the communication must generate 2,500 or more contacts within a district during an electioneering communication period as defined in Chapter 10A. The 2,500 or more contacts may be from a single communication, or the 2,500 contacts may be cumulative from multiple communications distributed by the same person if the communications refer to the same candidate and is

distributed in the same electioneering communication period. This section is effective January 1, 2025.

**Section 10** expands the definition of “direct costs of producing or airing electioneering communications” to include all visual, as opposed to just video, media creation or recording, and the cost to disseminate messages, to access any platform used to disseminate messages, or to promote messages distributed by telephone, online, or by other electronic means. This section is effective January 1, 2025.

**Section 11** amends the definition of “electioneering communication” in several ways. First, telephone and digital communications are included as a means to distribute electioneering communications. Second, this section clarifies the periods of time when a communication is subject to reporting as an electioneering communication. The definition continues to provide that an electioneering communication may occur in the 60 days before a general election, or the 30 days before a primary election, if the office sought by the candidate referenced in the communication will be on the ballot. In addition, this section clarifies that an electioneering communication may occur in the 30 days before a convention of a party unit that has the authority to endorse a candidate for the office sought by the candidate referred to in the communication.

This section provides that a communication is not an electioneering communication if the communication is a noncommercial opinion poll, survey, or form of data collection for the purpose of opinion research. This exception does not apply if the solicitation is designed to influence the respondents’ views on an issue. Additionally, a communication disseminated by telephone, or online, or by other electronic means is not an electioneering communication if the recipient has voluntarily and affirmatively consented to receive messages from the sender. This section is effective January 1, 2025.

**Section 12** amends the definition of “publicly distributed” to include communications distributed by telephone, online, or by other electronic means. This section is effective January 1, 2025.

**Section 13** clarifies that a political committee, political fund, or political party unit that makes a contribution that meets the definition of an electioneering communication will report the cost of the communication as a campaign expenditure or independent expenditure. Previously the text explicitly referred only to political committees. This section is effective July 1, 2024.

**Section 14** provides that a candidate’s principal campaign committee may not accept a loan from the candidate if the terms of the loan require the committee to pay interest to the candidate. This section is effective January 1, 2025.

**Section 15** provides a new range of penalties for unregistered associations that contribute to independent expenditure committees and funds, or to a ballot question committee or fund, without providing the required statement disclosing the source of funds used for the contribution; and for independent expenditure committees and funds that file a report without including the statement from the unregistered association. An unregistered association that fails to provide a required statement to the committee or fund that received the contribution by the deadline is subject to a late filing fee of \$100 a day not to exceed \$1,000, starting on the day after the statement was due. The Board must send a certified letter to the association that explains that failure to file the statement within seven days of when the certified letter was mailed will result in a civil penalty of up to four times the amount of the contribution, not to exceed \$25,000.

An independent expenditure committee or fund that fails to file the statement with the report of receipts and expenditures disclosing the contribution is subject to a late filing fee of \$100 a day, not to exceed \$1,000, starting on the day after the report was due. The Board must send a certified letter to the independent expenditure committee or fund that explains that failure to file the statement within seven days of when the certified letter was mailed will result in a civil penalty of up to four times the amount of the contribution, not to exceed \$25,000.

An independent expenditure committee or fund that has been previously assessed a late filing fee for failing to timely file the statement once within the prior four years may be fined twice the amount that otherwise would be authorized. An independent expenditure committee or fund that has been previously assessed a late filing fee for failing to timely file the statement more than two times during the prior four years may be fined three times the amount that otherwise would be authorized. This section is effective July 1, 2024.

**Section 28** repeals Minnesota Statutes section 10A.201, subdivision 11. This subdivision contains the definition of “targeted to the relevant electorate” that will be replaced the definition in section 9. This section is effective for communications distributed after January 1, 2025.

	<b>Fiscal Year 2024 Operating Budget Detail</b>			
<b>Acct</b>			<b>Fiscal Year 2024 Expenditure</b>	
<b>41000</b>	<b>Full time salaries - benefits</b>		<b>1,385,880</b>	
<b>41030</b>	<b>Part-time seasonal staff</b>		<b>17,209</b>	
<b>41050</b>	<b>Overtime</b>		<b>10,000</b>	
<b>41070</b>	<b>Other Benefits</b>		<b>5,000</b>	
<b>41100</b>	<b>Space Rental - Office Lease</b>		<b>55,000</b>	
<b>41110</b>	<b>Printing and advertising</b>		<b>6,000</b>	
<b>41130</b>	<b>Prof Technical Services</b>		<b>114,861</b>	
<b>41150</b>	<b>Computer systems and services</b>		<b>50,000</b>	
<b>41155</b>	<b>Communications - Central Mail</b>		<b>15,000</b>	
<b>41160</b>	<b>Travel - in state</b>		<b>4,150</b>	
<b>41170</b>	<b>Travel - Out of State</b>		<b>6,000</b>	
<b>41180</b>	<b>Employee development</b>		<b>23,000</b>	
<b>41190</b>	<b>State agency provided tech svcs</b>		<b>25,000</b>	
<b>41196</b>	<b>Centralized IT (MNIT)</b>		<b>52,000</b>	
<b>41196</b>	<b>Azure Cloud Services</b>		<b>162,900</b>	



<b>41300</b>	<b>Supplies</b>		<b>10,000</b>	
<b>41400</b>	<b>Equip. rental (copier)</b>		<b>9,000</b>	
<b>41500</b>	<b>Maintenance and repairs</b>		<b>2,000</b>	
<b>42020</b>	<b>Attorney General Court Costs</b>		<b>5,000</b>	
<b>43000</b>	<b>Other operating costs</b>		<b>15,000</b>	
<b>47160</b>	<b>Equipment</b>		<b>20,000</b>	
	<b>Operating exp total</b>		<b>1,830,100</b>	
	<b>FY 24 Appropriation</b>		<b>1,993,000</b>	
	<b>Balance</b>		<b>162,900</b>	



# MINNESOTA CAMPAIGN FINANCE BOARD

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## **PUBLIC SUBSIDY ESTIMATES - 2024 ELECTION** available from the State Elections **Campaign Fund for State House of Representatives Candidates**

**TO:** Filing Officers  
May 15, 2024

**FROM:** Minnesota Campaign Finance and Public Disclosure Board

**SUBJECT:** Notice of 2024 Public Subsidy **ESTIMATE** – for State House of Representative candidates who qualify for a public subsidy payment.

**PARTY ACCOUNT ESTIMATE** - The amount listed in the Party Account column of this publication is the estimated amount that a qualified candidate of that party may expect to receive from the Democratic-Farmer-Labor (DFL), Republican Party of Minnesota (RPM), Grassroots-Legalize Cannabis Party (GRP), Libertarian Party of Minnesota (LPM), or the Legal Marijuana Now Party (LMNP) party account if the candidate's name appears on the General Election ballot in 2024 as the nominee of that party. Candidates who are not affiliated with one of the parties listed above are not eligible to receive a public subsidy payment. Funds for the party account payments come from the \$5 political party checkoff on the state income and property tax forms.

**GENERAL ACCOUNT ESTIMATE** – The amount listed in the General Account column of this publication is the estimated amount that qualified candidates affiliated with one of the two major parties (RPM and DFL) may expect to receive if the candidate's name appears on the General Election ballot in 2024 as the nominee of that party. Only candidates who file with the designation of a major political party are eligible for the general account payment. Because the other political parties listed on the estimate are defined as minor political parties under Minnesota Statutes, the candidates who file with a minor party designation are not eligible to receive a general account payment as a part of a public subsidy payment. Funds for the general account payment come primarily from an appropriation from the legislature, although it is possible to select the general account for the political party checkoff on the state income and property tax forms.

**QUALIFYING CONTRIBUTIONS** - In addition to filing a Public Subsidy Agreement by July 23, 2024, a candidate must file an Affidavit of Contributions with the Board stating that during the period January 1, 2023, through July 22, 2024, the candidate's committee has accumulated \$1,500 in cash contributions from individuals eligible to vote in the state counting no more than \$50 per individual contributor. The candidate or the candidate's treasurer must submit the required affidavit to the Board by July 29, 2024. The affidavit of contributions may be filed earlier if the candidate's committee has met the \$1,500 threshold.

**PAYMENT SCHEDULE** - Payment to qualified candidates will be mailed no later than August 27, 2024.



**2024 Public Subsidy Payments - May Estimate**

**State House of Representatives**

District	DFL			RPM			GRP			LPM			LMNP		
	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total
<b>1A</b>	\$679	\$6,190	\$6,869	\$404	\$6,190	\$6,594	\$4	\$0	\$4	\$29	\$0	\$29	\$24	\$0	\$24
<b>1B</b>	\$1,076	\$6,190	\$7,266	\$582	\$6,190	\$6,772	\$10	\$0	\$10	\$33	\$0	\$33	\$69	\$0	\$69
<b>2A</b>	\$2,067	\$6,190	\$8,257	\$671	\$6,190	\$6,861	\$18	\$0	\$18	\$49	\$0	\$49	\$59	\$0	\$59
<b>2B</b>	\$1,928	\$6,190	\$8,118	\$875	\$6,190	\$7,065	\$39	\$0	\$39	\$38	\$0	\$38	\$108	\$0	\$108
<b>3A</b>	\$3,776	\$6,190	\$9,966	\$1,102	\$6,190	\$7,292	\$62	\$0	\$62	\$51	\$0	\$51	\$78	\$0	\$78
<b>3B</b>	\$4,169	\$6,190	\$10,359	\$956	\$6,190	\$7,146	\$74	\$0	\$74	\$70	\$0	\$70	\$92	\$0	\$92
<b>4A</b>	\$2,404	\$6,190	\$8,595	\$476	\$6,190	\$6,666	\$43	\$0	\$43	\$50	\$0	\$50	\$102	\$0	\$102
<b>4B</b>	\$1,924	\$6,190	\$8,114	\$843	\$6,190	\$7,033	\$38	\$0	\$38	\$49	\$0	\$49	\$65	\$0	\$65
<b>5A</b>	\$2,119	\$6,190	\$8,309	\$1,148	\$6,190	\$7,338	\$42	\$0	\$42	\$44	\$0	\$44	\$67	\$0	\$67
<b>5B</b>	\$843	\$6,190	\$7,033	\$863	\$6,190	\$7,053	\$17	\$0	\$17	\$35	\$0	\$35	\$80	\$0	\$80
<b>6A</b>	\$2,461	\$6,190	\$8,651	\$1,299	\$6,190	\$7,489	\$27	\$0	\$27	\$62	\$0	\$62	\$57	\$0	\$57
<b>6B</b>	\$2,438	\$6,190	\$8,629	\$1,233	\$6,190	\$7,423	\$52	\$0	\$52	\$64	\$0	\$64	\$53	\$0	\$53
<b>7A</b>	\$2,509	\$6,190	\$8,699	\$891	\$6,190	\$7,081	\$45	\$0	\$45	\$44	\$0	\$44	\$86	\$0	\$86
<b>7B</b>	\$3,538	\$6,190	\$9,728	\$949	\$6,190	\$7,139	\$102	\$0	\$102	\$61	\$0	\$61	\$117	\$0	\$117
<b>8A</b>	\$4,163	\$6,190	\$10,354	\$463	\$6,190	\$6,653	\$92	\$0	\$92	\$51	\$0	\$51	\$121	\$0	\$121
<b>8B</b>	\$5,392	\$6,190	\$11,582	\$542	\$6,190	\$6,732	\$80	\$0	\$80	\$64	\$0	\$64	\$106	\$0	\$106
<b>9A</b>	\$1,168	\$6,190	\$7,359	\$743	\$6,190	\$6,933	\$35	\$0	\$35	\$33	\$0	\$33	\$47	\$0	\$47

## 2024 Public Subsidy Payments - May Estimate

### State House of Representatives

District	DFL			RPM			GRP			LPM			LMNP		
	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total
<b>9B</b>	\$1,350	\$6,190	\$7,540	\$1,154	\$6,190	\$7,344	\$29	\$0	\$29	\$47	\$0	\$47	\$54	\$0	\$54
<b>10A</b>	\$1,368	\$6,190	\$7,558	\$947	\$6,190	\$7,137	\$30	\$0	\$30	\$34	\$0	\$34	\$72	\$0	\$72
<b>10B</b>	\$1,175	\$6,190	\$7,365	\$1,102	\$6,190	\$7,292	\$31	\$0	\$31	\$67	\$0	\$67	\$73	\$0	\$73
<b>11A</b>	\$2,901	\$6,190	\$9,091	\$681	\$6,190	\$6,871	\$53	\$0	\$53	\$49	\$0	\$49	\$124	\$0	\$124
<b>11B</b>	\$1,736	\$6,190	\$7,926	\$963	\$6,190	\$7,153	\$31	\$0	\$31	\$69	\$0	\$69	\$82	\$0	\$82
<b>12A</b>	\$1,655	\$6,190	\$7,846	\$704	\$6,190	\$6,894	\$32	\$0	\$32	\$41	\$0	\$41	\$70	\$0	\$70
<b>12B</b>	\$1,427	\$6,190	\$7,617	\$1,078	\$6,190	\$7,268	\$33	\$0	\$33	\$30	\$0	\$30	\$57	\$0	\$57
<b>13A</b>	\$1,789	\$6,190	\$7,979	\$1,194	\$6,190	\$7,384	\$41	\$0	\$41	\$73	\$0	\$73	\$71	\$0	\$71
<b>13B</b>	\$1,879	\$6,190	\$8,069	\$924	\$6,190	\$7,114	\$36	\$0	\$36	\$78	\$0	\$78	\$83	\$0	\$83
<b>14A</b>	\$2,216	\$6,190	\$8,406	\$579	\$6,190	\$6,769	\$40	\$0	\$40	\$51	\$0	\$51	\$66	\$0	\$66
<b>14B</b>	\$2,263	\$6,190	\$8,453	\$575	\$6,190	\$6,765	\$45	\$0	\$45	\$57	\$0	\$57	\$75	\$0	\$75
<b>15A</b>	\$1,223	\$6,190	\$7,413	\$552	\$6,190	\$6,742	\$28	\$0	\$28	\$48	\$0	\$48	\$36	\$0	\$36
<b>15B</b>	\$1,298	\$6,190	\$7,488	\$880	\$6,190	\$7,070	\$33	\$0	\$33	\$42	\$0	\$42	\$74	\$0	\$74
<b>16A</b>	\$1,011	\$6,190	\$7,201	\$521	\$6,190	\$6,711	\$42	\$0	\$42	\$28	\$0	\$28	\$52	\$0	\$52
<b>16B</b>	\$1,376	\$6,190	\$7,566	\$775	\$6,190	\$6,966	\$13	\$0	\$13	\$48	\$0	\$48	\$75	\$0	\$75
<b>17A</b>	\$1,246	\$6,190	\$7,437	\$838	\$6,190	\$7,028	\$43	\$0	\$43	\$85	\$0	\$85	\$71	\$0	\$71
<b>17B</b>	\$1,384	\$6,190	\$7,574	\$1,521	\$6,190	\$7,711	\$50	\$0	\$50	\$111	\$0	\$111	\$67	\$0	\$67

## 2024 Public Subsidy Payments - May Estimate

### State House of Representatives

District	DFL			RPM			GRP			LPM			LMNP		
	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total
18A	\$2,459	\$6,190	\$8,649	\$952	\$6,190	\$7,142	\$29	\$0	\$29	\$120	\$0	\$120	\$108	\$0	\$108
18B	\$2,381	\$6,190	\$8,572	\$510	\$6,190	\$6,700	\$39	\$0	\$39	\$56	\$0	\$56	\$108	\$0	\$108
19A	\$2,712	\$6,190	\$8,902	\$864	\$6,190	\$7,054	\$56	\$0	\$56	\$71	\$0	\$71	\$160	\$0	\$160
19B	\$1,352	\$6,190	\$7,542	\$924	\$6,190	\$7,114	\$30	\$0	\$30	\$66	\$0	\$66	\$36	\$0	\$36
20A	\$2,637	\$6,190	\$8,827	\$985	\$6,190	\$7,175	\$35	\$0	\$35	\$80	\$0	\$80	\$68	\$0	\$68
20B	\$2,242	\$6,190	\$8,432	\$1,276	\$6,190	\$7,467	\$31	\$0	\$31	\$97	\$0	\$97	\$61	\$0	\$61
21A	\$933	\$6,190	\$7,123	\$714	\$6,190	\$6,904	\$47	\$0	\$47	\$33	\$0	\$33	\$46	\$0	\$46
21B	\$871	\$6,190	\$7,061	\$577	\$6,190	\$6,767	\$47	\$0	\$47	\$39	\$0	\$39	\$81	\$0	\$81
22A	\$1,133	\$6,190	\$7,323	\$880	\$6,190	\$7,070	\$46	\$0	\$46	\$64	\$0	\$64	\$84	\$0	\$84
22B	\$1,440	\$6,190	\$7,630	\$986	\$6,190	\$7,176	\$27	\$0	\$27	\$62	\$0	\$62	\$49	\$0	\$49
23A	\$1,382	\$6,190	\$7,572	\$697	\$6,190	\$6,887	\$47	\$0	\$47	\$69	\$0	\$69	\$71	\$0	\$71
23B	\$2,447	\$6,190	\$8,637	\$756	\$6,190	\$6,946	\$18	\$0	\$18	\$59	\$0	\$59	\$50	\$0	\$50
24A	\$1,963	\$6,190	\$8,153	\$1,194	\$6,190	\$7,384	\$34	\$0	\$34	\$65	\$0	\$65	\$56	\$0	\$56
24B	\$3,454	\$6,190	\$9,644	\$1,040	\$6,190	\$7,230	\$23	\$0	\$23	\$113	\$0	\$113	\$75	\$0	\$75
25A	\$3,470	\$6,190	\$9,660	\$1,053	\$6,190	\$7,243	\$54	\$0	\$54	\$114	\$0	\$114	\$67	\$0	\$67
25B	\$3,553	\$6,190	\$9,743	\$751	\$6,190	\$6,941	\$58	\$0	\$58	\$102	\$0	\$102	\$83	\$0	\$83
26A	\$2,954	\$6,190	\$9,145	\$720	\$6,190	\$6,910	\$47	\$0	\$47	\$77	\$0	\$77	\$46	\$0	\$46

## 2024 Public Subsidy Payments - May Estimate

### State House of Representatives

District	DFL			RPM			GRP			LPM			LMNP		
	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total
<b>26B</b>	\$1,747	\$6,190	\$7,937	\$621	\$6,190	\$6,811	\$68	\$0	\$68	\$49	\$0	\$49	\$79	\$0	\$79
<b>27A</b>	\$1,654	\$6,190	\$7,844	\$1,269	\$6,190	\$7,459	\$61	\$0	\$61	\$63	\$0	\$63	\$56	\$0	\$56
<b>27B</b>	\$1,534	\$6,190	\$7,724	\$1,340	\$6,190	\$7,530	\$61	\$0	\$61	\$68	\$0	\$68	\$73	\$0	\$73
<b>28A</b>	\$1,517	\$6,190	\$7,707	\$1,044	\$6,190	\$7,234	\$63	\$0	\$63	\$92	\$0	\$92	\$111	\$0	\$111
<b>28B</b>	\$2,147	\$6,190	\$8,337	\$1,011	\$6,190	\$7,201	\$77	\$0	\$77	\$73	\$0	\$73	\$80	\$0	\$80
<b>29A</b>	\$1,724	\$6,190	\$7,914	\$1,293	\$6,190	\$7,483	\$56	\$0	\$56	\$80	\$0	\$80	\$162	\$0	\$162
<b>29B</b>	\$1,378	\$6,190	\$7,568	\$1,096	\$6,190	\$7,286	\$55	\$0	\$55	\$70	\$0	\$70	\$160	\$0	\$160
<b>30A</b>	\$1,917	\$6,190	\$8,107	\$1,223	\$6,190	\$7,413	\$55	\$0	\$55	\$80	\$0	\$80	\$162	\$0	\$162
<b>30B</b>	\$2,084	\$6,190	\$8,275	\$1,325	\$6,190	\$7,515	\$54	\$0	\$54	\$78	\$0	\$78	\$83	\$0	\$83
<b>31A</b>	\$2,751	\$6,190	\$8,941	\$1,658	\$6,190	\$7,849	\$62	\$0	\$62	\$115	\$0	\$115	\$77	\$0	\$77
<b>31B</b>	\$2,368	\$6,190	\$8,558	\$1,932	\$6,190	\$8,122	\$78	\$0	\$78	\$122	\$0	\$122	\$90	\$0	\$90
<b>32A</b>	\$3,039	\$6,190	\$9,229	\$1,515	\$6,190	\$7,705	\$54	\$0	\$54	\$114	\$0	\$114	\$78	\$0	\$78
<b>32B</b>	\$3,139	\$6,190	\$9,330	\$1,248	\$6,190	\$7,438	\$59	\$0	\$59	\$105	\$0	\$105	\$70	\$0	\$70
<b>33A</b>	\$3,804	\$6,190	\$9,994	\$1,524	\$6,190	\$7,714	\$49	\$0	\$49	\$102	\$0	\$102	\$51	\$0	\$51
<b>33B</b>	\$4,743	\$6,190	\$10,933	\$1,373	\$6,190	\$7,564	\$49	\$0	\$49	\$108	\$0	\$108	\$53	\$0	\$53
<b>34A</b>	\$4,789	\$6,190	\$10,979	\$2,109	\$6,190	\$8,299	\$84	\$0	\$84	\$109	\$0	\$109	\$76	\$0	\$76
<b>34B</b>	\$4,842	\$6,190	\$11,033	\$1,158	\$6,190	\$7,348	\$71	\$0	\$71	\$87	\$0	\$87	\$75	\$0	\$75

## 2024 Public Subsidy Payments - May Estimate

### State House of Representatives

District	DFL			RPM			GRP			LPM			LMNP		
	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total
<b>35A</b>	\$3,081	\$6,190	\$9,271	\$1,178	\$6,190	\$7,368	\$73	\$0	\$73	\$101	\$0	\$101	\$94	\$0	\$94
<b>35B</b>	\$2,978	\$6,190	\$9,168	\$1,204	\$6,190	\$7,394	\$69	\$0	\$69	\$101	\$0	\$101	\$81	\$0	\$81
<b>36A</b>	\$4,788	\$6,190	\$10,978	\$1,797	\$6,190	\$7,987	\$62	\$0	\$62	\$132	\$0	\$132	\$84	\$0	\$84
<b>36B</b>	\$6,794	\$6,190	\$12,984	\$1,675	\$6,190	\$7,865	\$106	\$0	\$106	\$119	\$0	\$119	\$123	\$0	\$123
<b>37A</b>	\$4,761	\$6,190	\$10,951	\$2,364	\$6,190	\$8,554	\$67	\$0	\$67	\$116	\$0	\$116	\$61	\$0	\$61
<b>37B</b>	\$5,729	\$6,190	\$11,919	\$1,888	\$6,190	\$8,078	\$83	\$0	\$83	\$114	\$0	\$114	\$79	\$0	\$79
<b>38A</b>	\$3,561	\$6,190	\$9,751	\$582	\$6,190	\$6,772	\$55	\$0	\$55	\$58	\$0	\$58	\$130	\$0	\$130
<b>38B</b>	\$3,537	\$6,190	\$9,727	\$559	\$6,190	\$6,749	\$61	\$0	\$61	\$55	\$0	\$55	\$155	\$0	\$155
<b>39A</b>	\$3,162	\$6,190	\$9,352	\$758	\$6,190	\$6,948	\$54	\$0	\$54	\$86	\$0	\$86	\$77	\$0	\$77
<b>39B</b>	\$5,491	\$6,190	\$11,681	\$823	\$6,190	\$7,013	\$67	\$0	\$67	\$93	\$0	\$93	\$88	\$0	\$88
<b>40A</b>	\$7,088	\$6,190	\$13,279	\$1,403	\$6,190	\$7,593	\$81	\$0	\$81	\$112	\$0	\$112	\$97	\$0	\$97
<b>40B</b>	\$8,184	\$6,190	\$14,374	\$1,212	\$6,190	\$7,403	\$95	\$0	\$95	\$117	\$0	\$117	\$100	\$0	\$100
<b>41A</b>	\$4,719	\$6,190	\$10,909	\$1,538	\$6,190	\$7,728	\$40	\$0	\$40	\$113	\$0	\$113	\$49	\$0	\$49
<b>41B</b>	\$3,715	\$6,190	\$9,905	\$1,451	\$6,190	\$7,641	\$55	\$0	\$55	\$101	\$0	\$101	\$64	\$0	\$64
<b>42A</b>	\$5,738	\$6,190	\$11,928	\$1,628	\$6,190	\$7,818	\$55	\$0	\$55	\$106	\$0	\$106	\$48	\$0	\$48
<b>42B</b>	\$5,917	\$6,190	\$12,107	\$1,510	\$6,190	\$7,700	\$65	\$0	\$65	\$105	\$0	\$105	\$56	\$0	\$56
<b>43A</b>	\$5,446	\$6,190	\$11,636	\$676	\$6,190	\$6,866	\$79	\$0	\$79	\$87	\$0	\$87	\$425	\$0	\$425



## 2024 Public Subsidy Payments - May Estimate

### State House of Representatives

District	DFL			RPM			GRP			LPM			LMNP		
	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total
43B	\$7,696	\$6,190	\$13,886	\$673	\$6,190	\$6,863	\$80	\$0	\$80	\$110	\$0	\$110	\$412	\$0	\$412
44A	\$5,680	\$6,190	\$11,870	\$1,089	\$6,190	\$7,279	\$98	\$0	\$98	\$90	\$0	\$90	\$128	\$0	\$128
44B	\$4,202	\$6,190	\$10,392	\$965	\$6,190	\$7,155	\$66	\$0	\$66	\$83	\$0	\$83	\$83	\$0	\$83
45A	\$5,493	\$6,190	\$11,683	\$2,373	\$6,190	\$8,563	\$97	\$0	\$97	\$124	\$0	\$124	\$76	\$0	\$76
45B	\$7,178	\$6,190	\$13,368	\$1,697	\$6,190	\$7,888	\$66	\$0	\$66	\$123	\$0	\$123	\$57	\$0	\$57
46A	\$7,484	\$6,190	\$13,674	\$592	\$6,190	\$6,782	\$77	\$0	\$77	\$105	\$0	\$105	\$74	\$0	\$74
46B	\$6,782	\$6,190	\$12,972	\$770	\$6,190	\$6,960	\$77	\$0	\$77	\$104	\$0	\$104	\$59	\$0	\$59
47A	\$5,152	\$6,190	\$11,342	\$1,043	\$6,190	\$7,233	\$52	\$0	\$52	\$95	\$0	\$95	\$67	\$0	\$67
47B	\$4,445	\$6,190	\$10,635	\$1,171	\$6,190	\$7,362	\$29	\$0	\$29	\$96	\$0	\$96	\$36	\$0	\$36
48A	\$2,888	\$6,190	\$9,079	\$1,715	\$6,190	\$7,905	\$30	\$0	\$30	\$119	\$0	\$119	\$40	\$0	\$40
48B	\$3,353	\$6,190	\$9,544	\$1,383	\$6,190	\$7,573	\$26	\$0	\$26	\$113	\$0	\$113	\$33	\$0	\$33
49A	\$6,771	\$6,190	\$12,961	\$1,570	\$6,190	\$7,760	\$80	\$0	\$80	\$116	\$0	\$116	\$63	\$0	\$63
49B	\$5,616	\$6,190	\$11,806	\$1,512	\$6,190	\$7,702	\$58	\$0	\$58	\$102	\$0	\$102	\$49	\$0	\$49
50A	\$7,009	\$6,190	\$13,199	\$1,397	\$6,190	\$7,588	\$57	\$0	\$57	\$114	\$0	\$114	\$48	\$0	\$48
50B	\$6,831	\$6,190	\$13,021	\$1,598	\$6,190	\$7,788	\$88	\$0	\$88	\$117	\$0	\$117	\$66	\$0	\$66
51A	\$5,954	\$6,190	\$12,144	\$816	\$6,190	\$7,006	\$84	\$0	\$84	\$87	\$0	\$87	\$76	\$0	\$76
51B	\$4,896	\$6,190	\$11,086	\$1,124	\$6,190	\$7,314	\$79	\$0	\$79	\$84	\$0	\$84	\$83	\$0	\$83

## 2024 Public Subsidy Payments - May Estimate

### State House of Representatives

District	DFL			RPM			GRP			LPM			LMNP		
	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total
52A	\$4,471	\$6,190	\$10,661	\$1,132	\$6,190	\$7,322	\$48	\$0	\$48	\$103	\$0	\$103	\$56	\$0	\$56
52B	\$5,553	\$6,190	\$11,743	\$1,395	\$6,190	\$7,585	\$42	\$0	\$42	\$127	\$0	\$127	\$52	\$0	\$52
53A	\$4,447	\$6,190	\$10,637	\$1,357	\$6,190	\$7,547	\$44	\$0	\$44	\$112	\$0	\$112	\$108	\$0	\$108
53B	\$3,793	\$6,190	\$9,983	\$1,069	\$6,190	\$7,259	\$62	\$0	\$62	\$91	\$0	\$91	\$147	\$0	\$147
54A	\$2,363	\$6,190	\$8,553	\$873	\$6,190	\$7,063	\$33	\$0	\$33	\$110	\$0	\$110	\$118	\$0	\$118
54B	\$2,428	\$6,190	\$8,618	\$1,408	\$6,190	\$7,598	\$35	\$0	\$35	\$142	\$0	\$142	\$71	\$0	\$71
55A	\$3,013	\$6,190	\$9,204	\$1,066	\$6,190	\$7,256	\$37	\$0	\$37	\$122	\$0	\$122	\$62	\$0	\$62
55B	\$3,646	\$6,190	\$9,836	\$1,075	\$6,190	\$7,265	\$49	\$0	\$49	\$89	\$0	\$89	\$51	\$0	\$51
56A	\$4,197	\$6,190	\$10,387	\$1,182	\$6,190	\$7,372	\$42	\$0	\$42	\$101	\$0	\$101	\$49	\$0	\$49
56B	\$4,617	\$6,190	\$10,807	\$1,559	\$6,190	\$7,749	\$46	\$0	\$46	\$120	\$0	\$120	\$53	\$0	\$53
57A	\$2,957	\$6,190	\$9,147	\$1,854	\$6,190	\$8,044	\$39	\$0	\$39	\$127	\$0	\$127	\$50	\$0	\$50
57B	\$3,820	\$6,190	\$10,010	\$1,715	\$6,190	\$7,905	\$42	\$0	\$42	\$114	\$0	\$114	\$56	\$0	\$56
58A	\$5,447	\$6,190	\$11,637	\$948	\$6,190	\$7,138	\$52	\$0	\$52	\$109	\$0	\$109	\$172	\$0	\$172
58B	\$2,968	\$6,190	\$9,158	\$1,814	\$6,190	\$8,004	\$52	\$0	\$52	\$105	\$0	\$105	\$66	\$0	\$66
59A	\$4,245	\$6,190	\$10,435	\$211	\$6,190	\$6,401	\$85	\$0	\$85	\$56	\$0	\$56	\$101	\$0	\$101
59B	\$6,417	\$6,190	\$12,607	\$301	\$6,190	\$6,491	\$77	\$0	\$77	\$83	\$0	\$83	\$75	\$0	\$75
60A	\$8,294	\$6,190	\$14,484	\$412	\$6,190	\$6,602	\$107	\$0	\$107	\$104	\$0	\$104	\$91	\$0	\$91

**2024 Public Subsidy Payments - May Estimate**

**State House of Representatives**

District	DFL			RPM			GRP			LPM			LMNP		
	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total	Party Acct.	General Acct.	Total
<b>60B</b>	\$4,251	\$6,190	\$10,441	\$138	\$6,190	\$6,328	\$65	\$0	\$65	\$54	\$0	\$54	\$61	\$0	\$61
<b>61A</b>	\$7,606	\$6,190	\$13,796	\$279	\$6,190	\$6,469	\$78	\$0	\$78	\$95	\$0	\$95	\$73	\$0	\$73
<b>61B</b>	\$10,132	\$6,190	\$16,322	\$347	\$6,190	\$6,537	\$77	\$0	\$77	\$124	\$0	\$124	\$65	\$0	\$65
<b>62A</b>	\$5,271	\$6,190	\$11,461	\$145	\$6,190	\$6,335	\$80	\$0	\$80	\$64	\$0	\$64	\$62	\$0	\$62
<b>62B</b>	\$6,294	\$6,190	\$12,484	\$247	\$6,190	\$6,437	\$69	\$0	\$69	\$76	\$0	\$76	\$61	\$0	\$61
<b>63A</b>	\$9,282	\$6,190	\$15,472	\$402	\$6,190	\$6,592	\$80	\$0	\$80	\$112	\$0	\$112	\$69	\$0	\$69
<b>63B</b>	\$9,807	\$6,190	\$15,997	\$541	\$6,190	\$6,731	\$86	\$0	\$86	\$124	\$0	\$124	\$71	\$0	\$71
<b>64A</b>	\$10,602	\$6,190	\$16,792	\$552	\$6,190	\$6,743	\$91	\$0	\$91	\$121	\$0	\$121	\$104	\$0	\$104
<b>64B</b>	\$10,435	\$6,190	\$16,625	\$725	\$6,190	\$6,916	\$98	\$0	\$98	\$125	\$0	\$125	\$114	\$0	\$114
<b>65A</b>	\$4,575	\$6,190	\$10,765	\$294	\$6,190	\$6,484	\$81	\$0	\$81	\$57	\$0	\$57	\$272	\$0	\$272
<b>65B</b>	\$6,286	\$6,190	\$12,476	\$573	\$6,190	\$6,763	\$100	\$0	\$100	\$87	\$0	\$87	\$117	\$0	\$117
<b>66A</b>	\$9,263	\$6,190	\$15,453	\$602	\$6,190	\$6,792	\$93	\$0	\$93	\$110	\$0	\$110	\$97	\$0	\$97
<b>66B</b>	\$4,990	\$6,190	\$11,180	\$425	\$6,190	\$6,615	\$98	\$0	\$98	\$64	\$0	\$64	\$101	\$0	\$101
<b>67A</b>	\$3,519	\$6,190	\$9,709	\$349	\$6,190	\$6,539	\$90	\$0	\$90	\$50	\$0	\$50	\$113	\$0	\$113
<b>67B</b>	\$4,390	\$6,190	\$10,580	\$400	\$6,190	\$6,590	\$101	\$0	\$101	\$60	\$0	\$60	\$121	\$0	\$121



# MINNESOTA CAMPAIGN FINANCE BOARD

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**Date:** May 29, 2024

**To:** Board members  
Counsel Hartshorn

**From:** Greta Johnson, Legal/Management Analyst      **Telephone:** 651-539-1183

**Subject:** Enforcement report for consideration at the June 5, 2024, Board meeting

## **A. Consent Items**

### **1. Request to refer matter to the Attorney General's Office – Unidos We Win PAC (41257)**

Unidos We Win PAC is an independent expenditure political committee registered with the Board since 2020. The committee has not filed year-end reports for 2022 or 2023, or the April 2024 report. Board staff have contacted and spoken to Emilia Gonzalez Avalos, the treasurer and chair, multiple times via email, U.S. mail, and phone. Avalos informed Board staff via telephone in September 2023 that they would file, but they have yet to do so. As a result, the committee currently faces \$5,000 in combined late filing fees and civil penalties for their 2022 and 2023 year-end and April 2024 reports. The committee reported a cash balance of \$64,732 as of October 24, 2022. Board staff is requesting that the matter be referred to the Attorney General's Office to seek an order compelling filing of the outstanding reports and payment of the balance owed.

## **B. Discussion Items**

### **1. Candidate request for second residence waiver – Paul Wikstrom (19119)**

Wikstrom is requesting a waiver of the requirement to disclose the address of a family cabin property in northern Minnesota that his wife owns with her siblings within his statement of economic interest. Wikstrom is concerned about potential security risks for his wife, her siblings, and himself. Previously, Wikstrom received some "very directed and anonymous messaging in social media" when campaigning for a school board position. Wikstrom is comfortable with reporting the section, range, etc. of the property but wishes to keep the specific address undisclosed to protect their safety. Minnesota Statutes section 10A.09, subdivision 9, provides that "for good cause shown, the board may waive the requirement that an official disclose the address of real property that constitutes a secondary residence of the official."

**C. Waiver Requests**

#	Committee/ Entity	Late Fee/ Civil Penalty	Report Due	Factors	Prior Waivers	Recommended Action
1	Clay County RPM (20761)	\$50 LFF	2023 Year-End	Report due 1/31/24 and filed 2/4/24. In September 2023, Ed Dorsett took on the role of treasurer for Clay County RPM. Upon assuming the position, Dorsett discovered that the organization's financial accounts were in disarray. As a result, Dorsett had to revise the reports from 2021 and 2022, which were submitted to the Board in January 2024. Due to this situation, Dorsett was unable to begin work on the 2023 report until January 2024, and he required significant assistance from Board staff to complete it. He communicated with Board staff on February 1st, 2024 and submitted the report as soon as possible.	Yes. \$500 LFF reduced to \$100 in 2007.	Waive.

2	<b>MFC Action Fund</b> (30658)	\$175 LFF	2023 Year-End	<p>Report due 1/31/24 and filed 2/9/24. The bookkeeper, Cheryl Peterson, faced challenges with CFRO and contacted Board staff for assistance. Staff were not able to respond to her request until February 8, 2024. With the help of Board staff, Peterson managed to set up a new account and filed the report on February 9, 2024. Peterson asserts that she made a sincere effort to complete the task correctly and would have met the deadline if she had been able to access the application promptly .</p>	<p>Yes. \$1,000 LFF for 24-hour notice reduced to \$250 in 2017 as treasurer thought underlying source disclosure satisfied 24-hour notice requirement.</p>	Waive.
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3	<p><b>AFSCME Council 5 PEOPLE Fund (30686)</b></p>	<p>\$1,000 LFF</p>	<p>2023 June</p>	<p>Report due 6/14/23 and never filed, but transaction was disclosed on September report filed 10/3/2023. The Deputy Treasurer, B Kent Eken stated they were unaware of the requirement to submit a report because of a donation made to a local candidate in Brooklyn Park, which falls under the Board's jurisdiction. They only became aware of this error when they received a notice from the CFB stating that maximum fines had accrued. Eken mentioned that another reason the error wasn't caught was because AFSCME Council 5 was in the process of transferring the responsibilities of issuing checks and submitting reports at the time this report was due. Unfortunately, during the transition, the error was not detected.</p>	<p>No.</p>	<p>Reduce to \$100.</p>
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4	<p><b>Environmental Caucus of the Minnesota DFL (41146)</b></p>	\$100 LFF	2024 April	<p>Report due 4/14/24 and filed 4/18 /24. The treasurer, Lawrence Sandoval, contacted Board staff with questions about accessing CFRO. After leaving a message for Board staff, they promptly returned his call and guided him through accessing CFRO. Once Board staff assisted Sandoval with the program, Sandoval stated that Board staff called him again and informed him that he didn't have to file the report because DFL-EC was a political fund, not a political committee. Board staff remembers talking to Mr. Sandoval, but do not recall stating that the committee did not need to file. This was contrary to what Sandoval understood from the Board's email on April 12, 2024, which stated that he needed to file. Following the Board's instruction, Sandoval stopped entering information into CFRO, assuming that he didn't have to file as DFL-EC was the committee Board staff thought he was referring to. However, the next day, on April 16, 2024, Sandoval received an email from Board staff indicating that DFL-EC's April report had not been filed. Sandoval promptly filed the report.</p>	<p>Yes. \$725 LFF waived in 2021 as treasurer believed the report was electronically filed on due date.</p>	
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5	<p><b>Minneapolis United for Rent Control (60071)</b>  *laid over at April meeting</p>	\$800 LFF	2023 Year-End	<p>Report due on 1/31/24 and filed on 3/18/24. Nicole Buehler assumed the role of treasurer for Minneapolis United for Rent Control in February 2023. However, all mail from CFB was sent to a PO box and then forwarded to Buehler's previous home address, which resulted in her not receiving any communication from CFB. The organization is no longer active, and neither the previous nor current treasurer had access to the old email account. In 2023, the committee had limited expenditures, and no money was spent on ballot measures or Hennepin County elections that would have required additional reporting. Minneapolis United for Rent Control promptly filed its 2023 annual report as soon as the CFB brought the oversight to their attention by making a phone call on 3/18/24. *As of 3/31/24, their cash balance was \$2,783.80. They plan to terminate following the waiver request decision.</p>	No.	
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6	<p style="text-align: center;"><b>MN Hemp Association</b> (7553)</p>	<p style="text-align: center;">\$1,000 LFF \$1,000 CP</p>	<p style="text-align: center;">2019 LPR</p>	<p>Report due 3/6/2020 and filed 3/27/2024. Susan Burns, counsel for the MN Hemp Association, stated that MHA believed that the 2019 Lobbyist Principal Report had been filed on time, as it was being managed by individuals who were responsible for filing relevant reports. It was only discovered on March 18, 2024, by individuals who subsequently took over the organization, that the report had not been filed. Once the MHA was made aware of the oversight, they took immediate action to gather the required information and filed the report on March 27, 2024. Burns stated that this was an anomaly and that all other reports had been filed on time. Lastly, Burns states that due to the enactment of adult-use cannabis legislation in 2023, the MHA is no longer active and has no members. They have no cash on hand and no resources for payment. Burns states the late filing fee and civil penalty would impose an undue burden on the organization for an oversight by an otherwise compliant entity.</p>	<p style="text-align: center;">No.</p>	
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7	Merrick, Inc. (5173)	\$50 LFF	2023 LPR	Report due 3/15/24 and filed 3/19/2024. The executive director of the association, John Barker stated that they are usually good at keeping track of due dates and can't explain his oversight other than it was a busy legislative session along with managing daily operations of a nonprofit serving 400 adults with disabilities.	No.	
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**D. Informational Items**

**1. Payment of late filing fee for original EIS**

Latasha Lee, \$100  
 Karen Huiett, \$80  
 Steve Modrow, \$10

**2. Payment of late filing fee for 2023 EIS**

Sharon Christensen, \$100

**3. Payment of late filing fee for 2023 lobbyist principal report**

Building System Holding, Inc., \$25  
 Committee to Protect Medicare and the ACA Inc, \$25  
 Vinland National Center, \$50  
 Freeway Transfer Inc., \$300  
 Dairyland Power Cooperative, \$25

**4. Payment of late filing fee for 2021 lobbyist principal report**

Dairyland Power Cooperative, \$25

**5. Payment of late filing fee for lobbyist disbursement report due January 15, 2024**

Stacey Mickelson, \$75

**6. Payment of late filing fee for 2023 year-end report**

Coalition for Fantasy Sports PAC, \$950  
Volunteers for Brittany Edwards, \$50  
Fryberger Buchanan Smith & Frederick PAC, \$175  
Johnson (Trace) for Rep, \$400  
Draft Kendall Qualls for Governor Committee, \$150  
IAFF Local 5031 PAC, \$375  
Ken Navitsky for MN State Senate, \$25  
Triple Aim Committee, \$25

**7. Payment of late filing fee for 2024 April report**

North Central States Carpenters PAC, \$500  
Minneapolis United for Rent Control, \$200  
Climate Cabinet PAC-MN, \$450  
Elevator Constructors Local 9 PAC, \$100

**8. Payment of civil penalty for excess special source contributions**

Kupec (Rob) 4 MN Senate, \$425  
Vote Duckworth (Zach), \$100

**9. Payment of late filing fee for September 2023 report**

Heat & Frost Insulators Local 34 PAC Fund, \$100

**10. Payment of late filing fee for 2023 pre-general report**

Residents For A Better Bloomington, \$500  
Ashton for MN Committee, \$200

**11. Payment of civil penalty for circumvention**

Barbara Crow, \$200

**12. Payment of civil penalty for disclaimer violation**

Voegeli (Dwayne) 4 House, \$100

**13. Forwarded anonymous contributions**

Campaign Fund of Harley Droba, \$100

**From:** [friendsforpaulwikstrom@gmail.com](mailto:friendsforpaulwikstrom@gmail.com)  
**To:** [Ross, Erika \(CFB\)](#)  
**Cc:** [friendsforpaulwikstrom@gmail.com](mailto:friendsforpaulwikstrom@gmail.com)  
**Subject:** Request regarding Economic Interest Statement  
**Date:** Monday, May 27, 2024 9:06:29 PM

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Hi Erika, I am a candidate for a house seat this year and I have a request regarding the Economic Interest Statement.

Situation: my wife has an interest in a family cabin property in northern Minnesota, which she owns with her siblings. I do not have an interest in the property.

Request: I'd like to request a waiver to not report the cabin address. Justification: to keep my wife and me, and her siblings from enduring any potential security risk.

Additional background: when I filed my candidacy with the Secretary of State's (SOS) office last week, I signed their form asking the SOS Office to not report my personal details for the same concern. I campaigned for a school board position in 2023 in which I did receive some very directed and anonymous messaging in social media etc. Therefore I would like to keep the cabin address detail from the submitted report. I am comfortable with reporting Section, Range, etc.

Thanks for your consideration,

Paul Wikstrom  
Candidate House District 40B

**From:** [Ed Dorsett](#)  
**To:** [Engelhardt, Megan \(CFB\)](#)  
**Cc:** [Rod Johnson](#)  
**Subject:** Receipts & Expenditures Report Clay County Republicans \$50.00 late Penalty.  
**Date:** Friday, April 05, 2024 3:49:16 PM

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Minnesota Campaign Finance Board  
Megan Engelhardt  
Assistant Executive Director

MS Engelhardt;

I received a notice that the 2023 Clay County Republicans reporting was received by you on Feb 4th 2024 and we owed a \$50.00 penalty.

I became the Treasure for the Clay County Republicans during September of 2023.

When I became Treasure I found the accounts were badly out of order following the problem that our former chair, Edwin Hahn, had created and left us with. We removed him from office during March of 2022.

We had to go back and reconstruct financial records for 2021 and 2022. As we did this we discovered that we would have to send your office corrected annual reports for 2021 and 2022. These were completed and sent to your office during January 2023.

This meant it was the end of January before I could start working on the 2023 reporting. I found I needed a LOT of help from your office which they cheerfully provided. The last few days of January your office was extremely busy and it ended up with Feb 1st before I was able to get the help I needed.

Because of this I was struggling with the reporting and I was unable to complete it until late in the day on Sunday February 3rd.

I would appreciate forgiveness of this penalty because of these issues. Unfortunately I cannot tell you I won't need help on the 2024 reporting but I am confident you will not experience late reporting from us in the future.

Sincerely,  
Ed Dorsett  
Treasure Clay County Republicans  
10054 60th Ave S  
Glyndon MN 56547  
701-793-7960 / [endorsett@gmail.com](mailto:endorsett@gmail.com)



May 8, 2024

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

RE: 24 hour reporting for MFC Action Fund  
Reg. No.: 30658

Dear Megan Engelhardt,

I am following up on your letter dated March 20, 2024 in regards to the Report of receipts and Expenditures due on January 31, 2024 and the late filing fee. I am writing to request to waive the fees. I am the one who files the reports with the CFB for MFC Action Fund, etc.

On February 9, 2024, I filed the Report of Receipts & Expenditures. I tried numerous times to reach out to Campaign Finance Board staff with questions regarding the new software. I started reaching out on 1/26/24 with questions on how to install. Was referred to website. Then I had problems with our IT & it wouldn't let me install. Then I called again to ask more questions & left a message for Gary Bauer. When I didn't get a call back, I sent an e-mail. The e-mail was first sent to Gary Bauer on Saturday 1/27/24. I explained that I needed to get this filed ASAP as I was leaving on vacation & needed to file before I left as I would not be back until 2/5/24. I never heard back.

The day I returned from vacation I immediately reached out again to Gary Bauer & Jon Peterson. I also called both Gary & Jon that day (2/5) & left a voicemail that I was still having issues. On 2/8 I sent another e-mail saying I had emailed & left voicemails with both of them. Gary & Andrew did return my call on 2/8 and then around noon on 2/8 I received an e-mail from Andrew Olson giving me directions to help with the install & also letting me know that CFB had been receiving many calls & e-mails before & after the 1/31 deadline. Later on 2/8 Andrew sent me an e-mail & helped me get the new account set up with John Helmberger, Chairman of MFC Action Fund. On 2/9 I was finally given access to be a delegate & file the report, which I immediately did.

Please accept our request to waive the fee. As you can see from conversations & e-mails I was doing my best to keep on top of this. We truly made a good faith effort to do this correctly. We would have filed according to the timeline if I had been able to get the software installed in a timely manner. As always I like to keep our filings on time and we will continue to make every effort to do so in the future.

Thank you for your consideration. I look forward to hearing from you with a favorable response.

Sincerely,

A handwritten signature in black ink that reads "Cheryl Peterson". The signature is fluid and cursive.

Cheryl Peterson  
Minnesota Family Council  
Bookkeeper  
612-789-8811 ext 202  
[Cheryl@mfc.org](mailto:Cheryl@mfc.org)

**American Federation of State, County and Municipal Employees**  
*One strong united voice for Minnesota workers*

300 Hardman Avenue South  
South St. Paul, MN 55075  
Council5@afscmemn.org



Phone (651) 450-4990  
Fax (651) 455-1311  
Toll Free (800) 652-9791

AFSCME PEOPLE Fund - 30686

May 14, 2024

VIA E-MAIL

To: David Asp, Chair of the Minnesota Campaign Finance Board

Honorable Members of the Campaign Finance Board,

I am writing to you about a \$1,000 fine that was levied on AFSCME Council 5 for not submitting the June 14 Campaign Finance Report last year (2023). This report was only required if contributions were made to races located in Hennepin County. We were notified on March 25 by the Campaign Finance Board about a local race in Brooklyn Park that AFSCME Council 5 contributed to back on April 11 of 2023. Although Brooklyn Park is in Hennepin County, this contribution was mistakenly included with other contributions outside Hennepin County. As a result, we did not realize a report was required. We were unaware of this mistake until we were notified this year, after the maximum fines had accrued.

Had we caught this earlier and been aware of the accruing fines, we would have addressed it immediately to rectify the error and stop the accruing fines. One factor contributing to the confusion was the fact that AFSCME Council 5 was in the process of transferring the responsibilities of issuing checks and submitting reports at the time this report was due. Unfortunately, in the transition, no one caught the error.

We take very seriously the need to submit reports in a timely manner, and we appreciate the critical role the Campaign Finance Board plays in maintaining fair and clean elections. Again, if we had been aware of this earlier, we certainly would have submitted a report, and we would never knowingly allow fines to continue accruing.

Given the fact that the mis-categorization of the Brooklyn Park contribution was unintentional, and the fact that we were not aware of the accruing fines at the time, we respectfully request that the fine be waived.

Sincerely,

*Kent Eken*

Kent Eken,  
Deputy Treasurer of AFSCME PEOPLE Fund  
Political Action Director  
AFSCME Council 5-AFL-CIO  
Cell Phone: (763) 354-4582





**P.O. Box 113 Savage, MN 55378**

**VIA EMAIL TO [megan.engelhardt@state.mn.us](mailto:megan.engelhardt@state.mn.us)**

**April 22, 1014**

Megan Engelhardt (CFB)  
Assistant Executive Director

**RE: Environmental Caucus of the Minnesota DFL # 41146  
First Quarter (April) report of receipts and expenditures**

Dear Ms. Engelhardt:

This letter serves to provide a response to your letter regarding the late transmittal of the above referenced 1st Quarter Online report (“report”).

On Monday, April 15, 2024, morning I was completing preparations for filing the Online report but ran into some questions regarding maintaining electronic copies of the report. I called and left a voice message for Jon Peterson. He called shortly after I left my voice message. I told him about the problems I was having completing the reports. He walked me through the process of completing the Campaign Finance Reporter Online (CFRO). He also offered that if I need more help to contact him. I then said that I would go back to the Online reporter and would use the information he shared with me to complete the report.

**Please note:** I am treasurer for two organization: the Environmental Caucus (#41146) as well as Scott County DFL (#20145). I mentioned to Jon that I was completing both reports and should have them done by the deadline. I should mention that the Scott County Report had no change in activity so it would be quick and easy to process that report, since I would be sending it in as “No change since last report”.

As I was working on the Environmental Caucus report I received a call from the Board asking if I had spoken with Jon Peterson, I said I did and that he helped me work through my problems with the program. I was then told that I am not a political committee and that I didn’t have to file the report because I was a political fund. I then said I must have misunderstood the Board’s April 12, 2024 email titled: *2024 1st Quarter (April) Report DUE 4/15/2024*. I was told that I would not have to file that report until July 29, 2024. It was my understanding that we were talking about the Environmental Caucus report.

Following that instruction, I stopped entering information into the Online reporter.

Megan Engelhardt (CFB)  
Assistant Executive Director  
Page two

April 22, 2024

The next day I received an email from your office (Tuesday, April 16, 2024 at 3:23 PM) indicating that our first quarter report had not been file. Almost immediately, I opened up the Online reporter and worked to complete the report which I sent to your offices the morning of April 17, 2024.

I understand that the Board has been consistent in requesting that filers get their Reports filed in a timely manner. It has always been our intent to comply with the Board's reporting requirements. The unique circumstances in this immediate instance warrant a reconsideration of the late filing fee which the board contemplates would be assessed.

Therefore, it is my belief that although I may have had difficulty in using the CFRO in this first filing, at no time was it my intention to file the report after the due date. The Environmental Caucus report was filed and all balances match our bank statements; we respectfully request the Board to forgive the late filling.

Respectfully,

|s|

Lawrence G. Sandoval  
Treasurer Minnesota DFL Environmental Caucus  
952-496-9915  
lsandovalprogressive@gmail.com

**Johnson, Greta (CFB)**

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**From:** Luke Mielke <lmielke7@gmail.com>  
**Sent:** Monday, March 18, 2024 6:27 PM  
**To:** Engelhardt, Megan (CFB)  
**Cc:** Nichole Buehler  
**Subject:** Re: Minneapolis United for Rent Control (60071)

Hi Megan,

Thanks! On behalf of Nichole Buehler and Minneapolis United for Rent Control, I would like to request a waiver of the late filing fees. I served as treasurer for Minneapolis United for Rent Control through February 23, 2023, at which time Nichole Buehler took over as treasurer.

Minneapolis United for Rent Control is in the process of terminating the committee. The organization is no longer active and declined to renew the PO Box listed on the committee filing. Mailing forward to was set to treasurer Nichole Buehler's home address. Nichole Buehler has since moved and did not receive mail notices to remind her to file an annual report for 2023. Nichole Buehler nor myself have access to the email account listed on the committee filing to receive an email reminder to file the annual report for 2023. With the organization no longer active, the email account went unchecked and we were not forwarded an email reminder.

As soon as Nichole Buehler was notified of the oversight by the MNCFB, Minneapolis United for Rent Control promptly filed its 2023 annual report. Prior to the 2023 Annual report, Minneapolis United for Rent Control filed all reports on time, including successfully transitioning from reporting to Hennepin County in 2021 and subsequent reporting to the MNCFB beginning in 2022. Minneapolis United for Rent Control had very limited expenditures in 2023. Expenditures consisted of administrative overhead including an email CRM, Zoom account, bank service fees and similar costs. No expenditures were made in support of any ballot measures nor was any money spent on Hennepin County elections that would have required additional reporting.

Thank you for your consideration of Minneapolis United for Rent Control's request to waive the late filing fees.

-Luke Mielke

On Mon, Mar 18, 2024 at 5:38 PM Engelhardt, Megan (CFB) <[megan.engelhardt@state.mn.us](mailto:megan.engelhardt@state.mn.us)> wrote:

Hello Luke,

I see that we have the report filed. The late filing fee is \$800. Attached is the late filing fee letter. You can request a waiver by sending me a letter or an email explaining why the report was late and good cause as to why you should not have to pay the late filing fee. The waiver request (and email address if you email me the request) will be public. The waiver request will be heard at the next Board meeting after you submit the waiver.

I see you filed the report using CFR. You will not be able to file the 2024 report on CFR. You can migrate to CFRO or use a paper report if you are going to terminated the committee.

I would not suggest spending down all of the committee funds until you have either paid the late filing fee or determined if they will waive any or all of the late filing fee. Please let me know if you have questions. Thanks!

Megan

Megan Engelhardt

Assistant Executive Director

Minnesota State Campaign Finance and Public Disclosure Board

190 Centennial Building

658 Cedar Street

St. Paul, MN 55155-1603

651-539-1182

<https://cfb.mn.gov>



---

**From:** Luke Mielke <[lmielke7@gmail.com](mailto:lmielke7@gmail.com)>  
**Sent:** Monday, March 18, 2024 2:06 PM  
**To:** Engelhardt, Megan (CFB) <[megan.engelhardt@state.mn.us](mailto:megan.engelhardt@state.mn.us)>  
**Cc:** Nichole Buehler <[nichole.buehler@gmail.com](mailto:nichole.buehler@gmail.com)>  
**Subject:** Minneapolis United for Rent Control (60071)

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Hi Megan,

I helped Minneapolis United for Rent Control (60071) treasurer Nichole Buehler file their 2023 annual reports. The committee is preparing to dissolve and I'll help Nichole file that final report once that happens. The organization is no longer active and missed the email alerts to file the 2023 annual report.

All expenditures made in 2023 were administrative overhead for Zoom account, bank service charges and an email provider. No expenditures were made in support of a ballot measure nor were any made related to any elections.

Can Minneapolis United for Rent Control request a Conciliation Agreement to waive any fines related to filing the 2023 report and then dissolve the committee?

Thanks,

Luke Mielke

--

[lmielke7@gmail.com](mailto:lmielke7@gmail.com)

651-231-6612

--

[lmielke7@gmail.com](mailto:lmielke7@gmail.com)

651-231-6612



# S BURNS LEGAL P L L C

May 24, 2024

Megan Engelhardt  
Minnesota Campaign Finance Board  
658 Cedar Street, Suite 190  
St. Paul, Minnesota 55155  
[Megan.engelhardt@state.mn.us](mailto:Megan.engelhardt@state.mn.us)

**SENT VIA EMAIL**

Re: Request for Waiver of Late Filing Fee and Civil Penalty – Registration No. 7553

Dear Megan,

We are writing on behalf of Minnesota Hemp Association, (“MHA”) in response to your letter dated May 10, 2024 regarding assessment of a late filing fee and the civil penalty in the total amount of \$2,000. The fine and penalty are related to the 2019 Lobbyist Principal Report, due on March 16, 2020 and filed on March 27, 2024. Because the report was not filed on time, the MHA has been assessed a late filing fee and a civil penalty. We respectfully request that the Minnesota Campaign Finance Board (“Board”) waive the fine and civil penalty for the following three reasons:

1. There was a miscommunication in managing the reporting; it was understood, in good faith, that the report had been filed.

During the period in question the MHA was being managed by individuals who stated that they would file any reports relevant to lobbying. It was thus assumed that the 2019 Lobbyist Principal Report had been timely filed. It was not known by individuals subsequently managing the organization that MHA had not filed the report until March 18, 2024.

2. The 2019 Lobbyist Principal Report was filed as soon as it was brought to our attention.

Our office filed the 2023 Lobbyist Principal Report for MHA. During the course of communication related to that filing, on March 18, 2024, we were advised by Ms. Erika Ross, Program Analyst for the Board, that the MHA 2019 report had not been filed. MHA took immediate action to gather required information and file the report; and it was submitted on March 27, 2024. To the best of our knowledge, all reports—save and except for this instance for 2019—have been timely filed. The oversight due to miscommunication was an anomaly.

3. The Minnesota Hemp Association has no members. Because of Minnesota adult use cannabis legalization, the entity is no longer active.

As you are likely aware, the state enacted adult-use cannabis legislation in 2023. Due to the changes in the law, MHA is no longer active and currently has no members. The organization has no cash on hand and no resources for payment. Thus, the fees would impose an undue burden on MHA for an oversight by an otherwise compliant organization.

Megan Engelhardt  
May 24, 2024  
Page Two

For the reasons stated above, we respectfully request waiver of the late filing fee and the civil penalty in the accrued amount of \$2,000.

We sincerely appreciate the Board's consideration of this request.

Thank you.

Sincerely,

*Susan Burns*

Susan Burns

cc: Steven Brown

**From:** [John Wayne Barker](#)  
**To:** [Engelhardt, Megan \(CFB\)](#)  
**Subject:** 5173  
**Date:** Tuesday, May 28, 2024 9:00:41 AM  
**Attachments:** [image001.png](#)  
[image002.png](#)

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Megan,

I am requesting the \$50 late fee be waived for Merrick, Inc. Usually, I am good at keeping track of due dates and can't really explain my oversight other than it was a busy legislative session along with managing daily operations of a nonprofit serving 400 adults with disabilities.

*"From error to error one discovers the entire truth" - Sigmund Freud*



John Wayne Barker  
Executive Director  
651.789.6209  
[www.merrickinc.org](http://www.merrickinc.org)



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# MINNESOTA

## CAMPAIGN FINANCE BOARD

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**Date:** May 29, 2024

**To:** Interested Members of the Public

**From:** Jeff Sigurdson, Executive Director

**Telephone:** 651-539-1189

**Re:** Advisory Opinion 463

The requester represents trade associations that have questions on lobbyist registration and reporting requirements for individuals who are employed by, or an agent for, news medium organizations. The associations also question if certain activity related to distributing news content would require reporting as a lobbyist principal. The requestor does not wish to make the request public. Therefore, the draft opinion that is provided to the public does not identify the requestor. The Board will only discuss the public version of the draft opinion during regular session.

Attachments:

Public version of draft advisory opinion 463

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

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

**ADVISORY OPINION 463**

**SUMMARY**

News media organizations and their employees and agents are not lobbyists as a result of publishing or broadcasting news items, editorial comments, or paid advertisements which directly or indirectly urge official action by public or local officials.

**Facts**

As representative for trade associations whose membership wish guidance on the lobbyist registration and reporting requirements of Chapter 10A, you ask the Campaign Finance and Public Disclosure Board for an advisory opinion. The request is based on the following facts:

1. The associations are aware that the definition of “lobbyist” provided in Chapter 10A makes it clear that a lobbyist does not include “a news medium or its employees or agents while engaged in the publishing or broadcasting of news items, editorial comments, or paid advertisements which directly or indirectly urge official action.”<sup>1</sup>
2. The requester points out that in 1990 the legislature amended the wording of this exclusion to change “news media” to “news medium”.
3. The associations are also aware that the definition of “principal” provided in Chapter 10A does not contain a similar exception for the publication or broadcasting of news items or editorial comments.<sup>2</sup> Principals are associations that either spend more than \$3,000 in a year to engage or compensate a lobbyist; or spend at least \$50,000 in a year to influence legislative action, administrative action, or the official action of one or more political subdivisions.
4. The associations acknowledge the evolving way that news is delivered, and are aware of the addition of a statutory definition of “legislative action” that became effective in 2024.

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<sup>1</sup> [Minn. Stat. § 10A.01, subd. 21\(b\)\(7\)](#).

<sup>2</sup> [Minn. Stat. § 10A.01, subd. 33](#); See also [2024 Minn. Laws ch. 112, art. 4, sec. 5](#), which increased the threshold amount at which compensation paid to a lobbyist results in the payor being defined as a principal, from \$500 to \$3,000, and changed “the official action of metropolitan governmental units” to “the official action of political subdivisions”. This section became effective the day following final enactment.

Given these facts, the associations request the Board's opinion with respect to activities that broadcasters and publishers have historically considered to be part of news media.

### Issue One

The description of those who are engaged in the delivery or distribution of news-related material has changed since 1990 when the phrase "news medium" was used to define those who are excluded from the definition of lobbyist. Given that change, does the exclusion for "*news medium or its employees or agents*" found in the definition of lobbyist include any media organization engaged in the publication or broadcasting of news information via radio, television, podcast, print, online and/or digital platforms?

### Opinion One

Yes. Before 1990, the statute used the term "news media" which is commonly defined as any means of distributing news by mass communication. The current statute applies the exclusion to the "news medium", which is commonly defined as any system or method through which a speaker or writer provides news to their audience. At no time has the exclusion been limited to print, broadcast, or any other method of distributing the news. Undoubtedly new online and digital methods to deliver news content have been developed since 1990. However, the definition is written so that the exclusion is not limited to any particular method of distribution of information by news organizations.

### Issue Two

The content delivered by news mediums has changed since 1990. Given that change, does the exclusion in the definition of a lobbyist for a news medium or its employee or agents "*while engaged in the publishing or broadcasting of news items, editorial comments, or paid advertisements which directly or indirectly urge official action*" apply to the following activities:

**Board Note:** For all scenarios in issue two the Board assumes that the activity is by a news medium.

- A. Editorial commentary provided by either a guest or host of a talk, television, radio or podcast show.

**Opinion:** Yes. The exclusion specifically references "editorial comments" as content that does not require an individual to register as a lobbyist. The Board considers the word "publishing" to be inclusive of making content known to the general public by any means, including web based and digital communication.

B. Podcast content and/or commentary.

**Opinion:** Yes. The exclusion does not apply to individuals who are not employees or agents of a news medium. For example, a podcast created by an association that is not a news medium, for the purpose of urging the public to contact officials on an issue, may require the association to report as a principal if the cost of producing the podcast is \$50,000 or more during a calendar year.

C. Questions, answers, and comments made as part of guest interviews that are included in public affairs programming.

**Opinion:** Yes. Guest interviews are a method of providing information on news topics or events to an audience. Public affairs programming includes publishing or broadcasting news items, and is therefore within the exclusion for registration as a lobbyist.

D. Letters to the editor and/or publication of positions taken by the editorial board of members of the requestor associations.

**Opinion:** Yes. The positions developed by the editorial board of news organizations result in editorial commentary, which is specifically listed in the exclusion. Letters to the editor provide a means of communication and feedback between a news organization and its audience, which is a part of providing news content and editorial commentary.

E. Comments posted by third parties in response to online digital content.

**Opinion:** Yes, the online comment section is the digital equivalent of letters to the editor for print media.

F. Advocacy/solutions journalism that presents a clear conclusion about remedies for a social ill, including a call to action for reform or a legislative fix.

**Opinion:** Yes. The exclusion includes individuals who disseminate news items that “directly or indirectly urge official action”.

G. A reporter or host expressing sympathy or support, or calling for listeners or readers to take action, for a position expressed by a person being interviewed, understanding that the position may be the subject of a current legislative proposal or future legislation.

**Opinion:** Yes, for the same reason as provided in response to question number six.

### Issue Three

Is a news medium, including television and radio broadcasters, media organizations, newspapers, and those engaged in broadcasting, publishing and/or journalism able to engage in activities that an individual is able to engage in without being defined as a lobbyist under Minnesota Statutes section 10A.01, subdivision 21, paragraph (b), clause (7), without triggering the need to report as a lobbyist principal? Assume for this issue that the news medium spends \$50,000 or more in a calendar year to publish or broadcast content that directly or indirectly urges official action.

### Opinion Three

Yes. The legislature not only excluded the employees and agents of a news medium from the definition of lobbyist, it also specifically excluded the news medium from the requirement to register as a lobbyist. Including news mediums in the exclusion was unnecessary because only individuals are defined as, and register as, lobbyists, while a news organization cannot register as a lobbyist. The Board believes that by including "news medium" in the exclusion, the legislature intended to exempt news organizations from lobbying regulation and reporting while engaged in the publishing or broadcasting of news items, editorial comments, or paid advertisements. Therefore, they are not considered principals required to report lobbying-related expenditures.

Further, lobbyist principals report the amount spent by the principal lobbying within the state.<sup>3</sup> Requiring a news medium to report the costs of publishing or broadcasting news or editorial content or advertising it is paid to disseminate as a cost of lobbying, when its employees and agents are excluded from the definition of lobbyist, is an absurd result that the legislature would not have intended.<sup>4</sup>

Although not related to lobbying, the Board notes that the legislature has included specific exclusions for news organizations throughout Chapters 10A and 211B. In Minnesota Statutes section 10A.01, subdivision 9, the "publishing or broadcasting of news items or editorial comments by the news media" is excluded from the definition of campaign expenditure. In Minnesota Statutes section 10A.01, subdivision 11, the definition of contribution excludes "the publishing or broadcasting of news items or editorial comments by the news media". In Minnesota Statutes section 10A.201, subdivision 6, a communication is generally not an electioneering communication if it "appears in a news story, commentary, or editorial distributed through the facilities of any broadcast, cable, or satellite television or radio station...". In Minnesota Statutes section 211B.01, news items and editorial comments by the news media are

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<sup>3</sup> The Board notes that a news medium that spends more than \$3,000 to be represented by a lobbyist, or that spends more than \$50,000 on lobbying activity not discussed in this opinion or otherwise excluded from what is defined as lobbying, is a principal, and will need to file the annual lobbyist principal report.

<sup>4</sup> See [Minn. Stat. § 645.17](#).

excluded from the definitions of “campaign material” and acts done for “political purposes.” And finally, in Minnesota Statutes section 211B.15, subdivision 5, the prohibition on corporate political contributions “does not prohibit publication or broadcasting of news items or editorial comments by the news media.” The legislature clearly recognizes the unique role of news organizations, and has moved to ensure that news organizations can freely publish and broadcast news items and editorial comment without regulation or reporting to the Board. The Board believes that this opinion is consistent with that legislative direction.

Issued June 5, 2024

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David Asp, Chair  
Campaign Finance and Public Disclosure Board

DRAFT



# MINNESOTA CAMPAIGN FINANCE BOARD

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**Date:** May 29, 2024

**To:** Board members  
Nathan Hartshorn, counsel

**From:** Andrew Olson, Legal/Management Analyst

**Telephone:** 651-539-1190

**Re:** Request for advisory opinion 464

On May 2, 2024, the Board received an advisory opinion request regarding the recently amended statutory definition of the term “expressly advocating,” which impacts the scope of which communications are independent expenditures. The request is a revised version of the request that prompted Advisory Opinion 459.<sup>1</sup> Because the requestor has not consented to its identity being revealed, the request is not being made available to the public. During any Board discussion, it is important not to reveal details about the requestor that could lead to identification.

The legal research and analysis required to answer the questions posed is complex. Due to that complexity and other matters that required Board staff’s attention in May, staff has not yet prepared a draft advisory opinion. Board staff believes that the revised request contains sufficient facts and asks that the matter be laid over so that staff may prepare a draft advisory opinion to be considered at the July Board meeting.

Attachments:

Request for advisory opinion 464 (nonpublic)

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<sup>1</sup> The public version of Advisory Opinion 459 is available at [cfb.mn.gov/pdf/advisory\\_opinions/AO459.pdf](https://cfb.mn.gov/pdf/advisory_opinions/AO459.pdf).



# MINNESOTA CAMPAIGN FINANCE BOARD

---

**Date:** May 29, 2024

**To:** Board members  
Nathan Hartshorn, counsel

**From:** Andrew Olson, Legal/Management Analyst      **Telephone:** 651-539-1190

**Subject:** Rulemaking update

Legislative changes were recently enacted that impact two provisions within the Board's proposed rule language.<sup>1</sup> First, effective January 1, 2025, the distinction between campaign finance filers raising and spending money related to local elections in portions of Hennepin County, as opposed to the rest of the state, will be eliminated. Beginning next year, committees other than candidate committees will need to register with the Board if they are seeking to influence local elections and they reach the registration threshold stated in Minnesota Statutes section 10A.14. As a result, Board staff has prepared a modified version of proposed rule part 4503.0100, subpart 4, which would define the term "county office" rather than "county office in Hennepin County," to exclude those seeking the office of Three Rivers Park District commissioner.

Second, the term "employee of a political subdivision" now has a statutory definition. That eliminates the need for proposed rule part 4511.0100, subpart 4. As a result, Board staff recommends deleting that subpart and renumbering subsequent subparts within part 4511.0100 accordingly. The recommended text for part 4503.0100, subpart 4, and part 4511.0100, subparts 4-11, is attached.<sup>2</sup> Board staff is requesting that the Board authorize the recommended changes to the proposed rule language.

Board staff has drafted a Statement of Need and Reasonableness (SONAR) for the administrative rule language approved by the Board in March. The SONAR is drafted to accommodate the recent legislative changes. Board staff will consult with the Governor's Office and Minnesota Management and Budget, and seek approval from the Office of the Revisor of Statutes as to the form of the proposed rules. After that is complete, a notice will be published in the State Register conveying the Board's intent to adopt rules. One option is to publish a notice of hearing, in which case a public hearing regarding the proposed rules will be conducted by an administrative law judge. Another option is to publish what is known as a dual notice,

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<sup>1</sup> [Laws 2024, ch. 112 \(H.F. 4772\), art. 4, sec. 1-3.](#)

<sup>2</sup> All of the draft rule language is available at [cfb.mn.gov/pdf/legal/rulemaking/2023/All\\_draft\\_rule\\_language\\_5.29.24.pdf](https://cfb.mn.gov/pdf/legal/rulemaking/2023/All_draft_rule_language_5.29.24.pdf).



whereby a public hearing will be held only if at least 25 people request a hearing. Board staff recommends the second option as it possible that less than 25 people will request a hearing, the Board and its rulemaking committee have already received a substantial amount of public input prior to and while the rule language was being drafted, and proceeding without a hearing conducted by an administrative law judge would conserve both time and money.

The Board may authorize the executive director to publish a dual notice or to publish a notice of hearing. A draft resolution authorizing a dual notice is attached.

Attachments:

Revised draft rule language for part 4503.0100, subpart 4, and part 4511.0100, subparts 4-11

Statement of Need and Reasonableness

Draft resolution authorizing dual notice of proposed rules

1 **CHAPTER 4503, CAMPAIGN FINANCE ACTIVITIES**

2  
3 **4503.0100 DEFINITIONS.**

4  
5 . . .

6  
7 ~~Subp. 4. **County office in Hennepin County.** "County office in Hennepin County" means~~  
8 ~~the offices specified in Minnesota Statutes, chapter 382 of county commissioner, county~~  
9 ~~attorney, and sheriff, in Hennepin County, and does not include the office of Three Rivers Park~~  
10 ~~District commissioner.~~

11  
12 . . .

13  
14 **CHAPTER 4511, LOBBYIST REGISTRATION AND REPORTING**

15  
16 **4511.0100 DEFINITIONS.**

17  
18 . . .

19  
20 ~~Subp. 4. **Employee of a political subdivision.** "Employee of a political subdivision"~~  
21 ~~includes an individual hired or appointed by the political subdivision. An individual is also an~~  
22 ~~employee of a political subdivision if the individual is:~~

23  
24 ~~A. hired to provide the political subdivision services as a consultant or independent~~  
25 ~~contractor; or~~

26  
27 ~~B. the individual is employed by a business that has contracted with the political~~  
28 ~~subdivision to provide legal counsel, professional services, or policy recommendations to the~~  
29 ~~political subdivision.~~

30  
31 Subp. ~~452~~. **Gift.** "Gift" has the meaning given in chapter 4512 and Minnesota Statutes,  
32 section 10A.071.

33  
34 Subp. ~~563~~. **Lobbying.** "Lobbying" means attempting to influence legislative action,  
35 administrative action, or the official action of a ~~metropolitan governmental unit~~ political  
36 subdivision by communicating with or urging others to communicate with public officials or local  
37 officials ~~in metropolitan governmental units~~. Any activity that directly supports this  
38 communication is considered a part of lobbying. Payment of an application fee, or processing  
39 charge, for a government service, permit, or license is not lobbying or an activity that directly  
40 supports lobbying.

41  
42 Subp. ~~674~~. **Lobbyist's disbursements.** "Lobbyist's disbursements" include all  
43 disbursements for ~~lobbying each gift given~~ made by the lobbyist, the lobbyist's employer or

1 ~~employee, or any person or association represented by the lobbyist, but do not include~~  
2 ~~compensation paid to the lobbyist.~~

3  
4 Subp. ~~78~~**5. Original source of funds.** "Original source of funds" means a source of funds,  
5 provided by an individual or association other than the entity for which a lobbyist is registered,  
6 paid to the lobbyist, the lobbyist's employer, the entity represented by the lobbyist, or the  
7 lobbyist's principal, for lobbying purposes.

8  
9 Subp. ~~89~~**9. Pay or consideration for lobbying.** "Pay or consideration for lobbying" means  
10 the gross compensation paid to an individual for lobbying. An individual whose job  
11 responsibilities do not include lobbying, and who has not been directed or requested to lobby on  
12 an issue by their employer, does not receive pay or consideration for lobbying they undertake  
13 on their own initiative.

14  
15 Subp. ~~91~~**6. Public higher education system.** "Public higher education system" includes  
16 the University of Minnesota and the Minnesota State Colleges and Universities governed by  
17 Minnesota Statutes, chapter 136F. The board may issue advisory opinions at the request of  
18 other entities with respect to whether or not they are also included within this definition.

19  
20 Subp. ~~101~~**7. Reporting lobbyist.** "Reporting lobbyist" means a lobbyist responsible for  
21 reporting ~~lobbying disbursements activity~~ of two or more lobbyists representing the same entity.  
22 Lobbying ~~disbursements activity~~ made on behalf of an entity may be reported by each individual  
23 lobbyist that represents an entity, or by one or more reporting lobbyists, or a combination of  
24 individual reports and reports from a reporting lobbyist.

25  
26 Subp. ~~112~~**12. State agency.** "State agency" means any office, officer, department, division,  
27 bureau, board, commission, authority, district, or agency of the State of Minnesota.



# MINNESOTA

## CAMPAIGN FINANCE BOARD

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### **STATEMENT OF NEED AND REASONABLENESS**

In the Matter of Proposed Revisions of Minnesota  
Rules, Chapters 4501, 4503, 4511, 4512, and 4525;  
Revisor's ID No. 04809

Campaign Finance and Public Disclosure Board

May 2024

## General information

1. The State Register notice, this Statement of Need and Reasonableness (SONAR), and the proposed rules will be available during the public comment period on the Board's rulemaking docket webpage at [cfb.mn.gov/citizen-resources/the-board/statutes-and-rules/rulemaking-docket/](http://cfb.mn.gov/citizen-resources/the-board/statutes-and-rules/rulemaking-docket/).
2. Records of the Board's past rulemaking projects are available at [cfb.mn.gov/citizen-resources/the-board/statutes-and-rules/rulemaking-docket/completed-rulemaking-projects/](http://cfb.mn.gov/citizen-resources/the-board/statutes-and-rules/rulemaking-docket/completed-rulemaking-projects/).
3. Upon request, this SONAR may be made available in an alternative format. To make a request, contact Andrew Olson by email at [andrew.d.olson@state.mn.us](mailto:andrew.d.olson@state.mn.us), by phone at 651-539-1190, 800-657-3889 (toll free), or 800-627-3529 (Minnesota Relay), or by mail at Campaign Finance and Public Disclosure Board, Suite 190, Centennial Office Building, 658 Cedar Street, St. Paul, MN 55155-1603.

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DRAFT

## Glossary of abbreviations, initialisms, and acronyms

APA	Administrative Procedure Act, Minnesota Statutes, chapter 14
ALJ	Administrative Law Judge
Board	Campaign Finance and Public Disclosure Board
CFR	Code of Federal Regulations
FEC	Federal Election Commission
LDA	Lobbying Disclosure Act of 1995, 2 U.S.C. § 1601 et seq.
MGRC	Minnesota Governmental Relations Council
MMB	Minnesota Management and Budget
Revisor	Office of the Revisor of Statutes
OAH	Office of Administrative Hearings
SONAR	Statement of Need and Reasonableness



# Introduction and overview

## Introduction

The Board is charged with the administration of Minnesota Statutes, chapter 10A, as well as three sections within chapter 211B insofar as they apply to those under the jurisdiction of the Board. The Board's three major program areas are campaign finance registration and disclosure, lobbyist registration and disclosure, and economic interest disclosure by public officials and certain local officials.

## General need

There are several general reasons why the proposed rules are necessary. First, six statute sections within Minnesota Statutes, chapter 10A, that directly impact the regulation of lobbying were amended, and two rule subparts related to lobbying were repealed, effective January 1, 2024. The amendments altered the type of information lobbyists must report to the Board and the scope of who is defined as a lobbyist. A particularly consequential change to the scope of who is defined as a lobbyist involved classifying individuals as lobbyists if they lobby any Minnesota county, township, city, or school district, among other political subdivisions. Previously the scope of what was defined as lobbying of local government bodies was largely limited to lobbying of seven metropolitan area counties, and cities with a population in excess of 50,000 within those seven counties. That change increased the number of individuals required to register as lobbyists and file lobbyist reports, the number of lobbyist principals on whose behalf some existing lobbyists must be registered, thereby requiring the filing of additional lobbyist reports, and the number of principals required to file annual reports. The legislative changes effective January 1, 2024, introduced undefined terms to Minnesota Statutes, chapter 10A, generally replaced the term "metropolitan governmental unit" with the term "political subdivision" insofar as it applies to lobbying, and caused multiple organizations to seek an advisory opinion from the Board or otherwise raise questions as to whether they are engaged in lobbying of political subdivisions within the meaning of Minnesota Statutes, chapter 10A, and if so, how their lobbyists need to report that activity. The proposed changes to Minnesota Rules, chapter 4511, would address those issues, enable the Board to better administer Minnesota Statutes, chapter 10A, and provide increased clarity to the regulated community and members of the public.

Legislation enacted in 2024 stays enforcement of the lobbyist registration requirement, for an individual who lobbies a political subdivision that is not a metropolitan governmental unit, through June 1, 2025. See Laws 2024, chapter 112, article 4, section 27. That legislation does not eliminate the need to adopt rules regarding lobbying for two reasons. First, the need is broader than addressing issues raised by generally replacing the term metropolitan governmental unit with the term political subdivision within Minnesota Statutes, chapter 10A. Second, the stay expires on June 1, 2025, at which point the proposed rules will be needed to address those issues.

Second, Minnesota Statutes, section 10A.02, subdivision 12a, provides that if the Board

“intends to apply principles of law or policy announced in an advisory opinion . . . more broadly than to the individual or association to whom the opinion was issued,” rules must be adopted under the APA to implement those principles or policies. The Board has articulated legal principles and policies in multiple advisory opinions that are generally applicable and have not yet been adopted as administrative rules.

Third, six statute sections within Minnesota Statutes, chapter 10A, that directly impact the regulation of campaign finance were amended effective January 1, 2022. Broadly speaking those changes involved repealing much of Minnesota Statutes, chapter 383B, and requiring associations other than candidate committees, seeking to influence certain local elections within Hennepin County, to register and file reports with the Board rather than Hennepin County. The amendments introduced the term “local candidate” to Minnesota Statutes, chapter 10A, and made multiple changes in order to be inclusive of contributions to and expenditures regarding local candidates, as well as expenditures regarding certain local ballot questions. Definitions of the terms “local candidate” and “ballot question” have been amended, effective January 1, 2025, to eliminate distinctions regarding Hennepin County and be inclusive of local elections in any Minnesota county, city, school district, township, or special district. Corresponding amendments are needed to Minnesota Rules, chapter 4503, to fully implement the changes.

Fourth, some existing rules are partially obsolete or duplicative and need to be amended in accordance with Minnesota Statutes, section 14.05, subdivision 5. Fifth, the Board’s procedures regarding audits, investigations, and the handling of complaints need to be clarified and the proposed changes to Minnesota Rules, chapter 4525, would provide that clarity. Sixth, several terms used within Minnesota Statutes, chapter 10A, need to be more clearly defined.

## **Scope**

Minnesota Rules, chapters 4501, 4503, 4511, 4512, and 4525 will be affected.

## **Public participation and stakeholder involvement**

During its June 7, 2023, meeting, the Board discussed and decided to proceed with adopting new and amended administrative rules in order to improve the Board’s administration of Minnesota Statutes, chapter 10A, and those sections within chapter 211B under the Board’s jurisdiction. On June 8, 2023, the Board published a list of potential administrative rule topics on its website and sought public feedback regarding those topics and any additional topics that should be addressed by the Board. On June 9, 2023, emails containing a hyperlink to a memorandum expressing the Board’s intent to adopt administrative rules and soliciting public feedback were sent to all candidates and treasurers of principal campaign committees registered with the Board, all treasurers and chairs of political party units, political committees, and political funds registered with the Board, and all lobbyists registered with the Board. In response, the Board received feedback from five individuals and the MGRC. As a result of that feedback, the Board decided to pursue one additional rulemaking topic regarding disclaimer requirements for campaign material, and feedback from the MGRC was later used to help

shape proposed rule language regarding lobbying.

A draft version of the Board's request for comments was published on the Board's website on June 29, 2023. During its July 6, 2023, meeting, the Board discussed the rulemaking topics to be pursued and approved the final version of its request for comments. The Board's request for comments was published in the State Register on July 24, 2023, and was also published on the Board's website and the eComments website maintained by the OAH. That same day, a copy of the request for comments was mailed to all legislators serving on the Senate Elections Committee and the House Elections Finance and Policy Committee, and one former legislator who previously asked to receive rulemaking notices by mail, and a hyperlink to the request for comments was sent to the following by email:

- 143 email addresses on the Board's email list for those who requested notices regarding rulemaking;
- 438 email addresses on the Board's email list for those who requested notice of Board meetings, decisions, and policies;
- All candidates and treasurers of principal campaign committees registered with the Board;
- All treasurers and chairs of political party units, political committees, and political funds registered with the Board;
- The MGRC;
- 35 separate organizations that may be interested in the rulemaking topics pursued; and
- 32 attorneys who have been in contact with the Board regarding topics that may be impacted by rulemaking.

In total, a hyperlink to the request for comments was sent to over 2,700 unique email addresses. In response to its request for comments, the Board received comments from four individuals and five organizations during the period from July 24 through September 22, 2023. The comments were considered by the Board at its meeting on October 6, 2023.

Three of the Board's members formed a rulemaking committee to consider and draft proposed rule language. The committee met three times, on January 29, February 9, and February 23, 2024. Each rulemaking committee meeting was open to the public and individuals were able to participate remotely. The rulemaking committee's meetings were well attended and several individuals provided testimony in person before the committee. Over the course of three meetings the rulemaking committee received and considered 10 written comments submitted by six separate organizations and one individual. All of the written comments and nearly all of the oral testimony received by the rulemaking committee focused exclusively on lobbying. The comments and testimony assisted the rulemaking committee in drafting proposed rule language that seeks to address concerns raised during the rulemaking process regarding lobbyist registration and reporting.

The rulemaking committee recommended draft proposed rule language to the full Board at its meeting on March 8, 2024. During that meeting the Board heard and discussed testimony from a representative of the American Council of Engineering Companies of Minnesota regarding

three similar versions of a potential new rule that would narrow the circumstances under which an individual seeking to influence the actions of local officials would be defined to be engaged in lobbying. The Board declined to proceed with that potential rule and voted to proceed in proposing new and amended rule language impacting a total of 29 rule parts within Minnesota Rules, chapters 4501, 4503, 4511, 4512, and 4525.

## Statutory authority

The Board's general statutory authority to adopt, amend, and repeal rules is codified at Minnesota Statutes, section 10A.02, subdivision 13, paragraph (a), which provides that "Chapter 14 applies to the board. The board may adopt rules to carry out the purposes of this chapter." While the precise text of subdivision 13 has changed since January 1, 1996, including the addition of paragraph (b) requiring that notice be provided to certain legislators when the Board engages in rulemaking, the substance of the text within paragraph (a) has remained the same. As of January 1, 1996, Minnesota Statutes, section 10A.02, subdivision 13, provided that "[t]he provisions of chapter 14 apply to the board. The board may adopt rules to carry out the purposes of this chapter." Because the Board's general statutory authority to adopt, amend, and repeal rules has remained the same since January 1, 1996, that authority is not constrained by the 18-month limit imposed by Minnesota Statutes, section 14.125. See Laws 1995, article 2, section 58, stating that "Section 12 applies to laws authorizing or requiring rulemaking that are finally enacted after January 1, 1996."

Minnesota Statutes, section 10A.02, subdivision 12a, provides that "[i]f the board intends to apply principles of law or policy announced in an advisory opinion issued under subdivision 12 more broadly than to the individual or association to whom the opinion was issued, the board must adopt these principles or policies as rules under chapter 14." The text of subdivision 12a has not changed since it was enacted, effective July 1, 1995. The Board has issued multiple advisory opinions announcing principles of law or policy that apply more broadly than to just the requester and have yet to be adopted as administrative rules.

Minnesota Statutes, section 10A.01, subdivision 26, paragraph (a), clause (22), provides that the term "noncampaign disbursement" includes "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," which demonstrates that the Board is authorized to adopt rules specifying types of disbursements that qualify as noncampaign disbursements. While that provision has been renumbered, its text has not changed since it was enacted in 1993.

In 2014 the legislature directed the Board to use the expedited rulemaking process to adopt rules related to audits and investigations. See Minnesota Statutes section 10A.022, subdivision 2, paragraph (b), codifying Laws 2014, chapter 309, section 6, originally codified at Minnesota Statutes section 10A.02, subdivision 10. The legislature also directed the Board to notify certain legislators when it engages in rulemaking. Those provisions were not grants of new rulemaking authority and did not eliminate any then-existing authority of the Board to adopt

rules. Instead, one provision required the Board to use the expedited rulemaking process to adopt rules it already had the authority to adopt, and one provision added notice procedures in addition to those set forth in Minnesota Statutes, section 14.116, requiring the Board to notify certain legislators when it publishes proposed rules, issues a SONAR, and adopts final rules. The Board followed the directive to engage in expedited rulemaking, which was completed with the publication of the expedited rules in the State Register on December 1, 2014. The rule parts that were added or amended included Minnesota Rules, chapter 4525, parts 0100, 0200, 0210, 0220, 0500, and 0550, among others. Therefore, the Board is authorized to amend those rule parts pursuant to Minnesota Statutes, section 14.125.

In 2005 the legislature directed the Board to adopt rules regarding electronic filing of reports and statements required by Minnesota Statutes, chapter 10A. See Minnesota Statutes section 10A.025, subdivision 1a, paragraph (a), codifying Laws 2005, chapter 156, article 6, section 3. That provision was not a grant of new rulemaking authority and did not eliminate any then-existing authority of the Board to adopt rules. Instead, it required the Board to adopt rules it already had the authority to adopt. The Board followed the directive to adopt rules regarding electronic filing, which were published in the State Register on February 21, 2006. The rule parts that were added or amended included Minnesota Rules, chapters 4501, parts 0100 and 0500, 4503, parts 0100, 0500, 0900, and 1800, 4511, parts 0500 and 0600, 4512, part 0200, and 4525, part 0200, among others. Therefore, even if the Board was granted new rulemaking authority in 2005, it would be authorized to amend those rule parts pursuant to Minnesota Statutes, section 14.125.

The Board has statutory authority to adopt the proposed rules.

## **General reasonableness**

The proposed rules are the culmination of a process that lasted approximately nine months and involved several opportunities for the consideration of input from the regulated community and the general public. The proposed rules, particularly those concerning lobbying, were drafted to address multiple concerns raised during and prior to the rulemaking process by members of the regulated community. The Board received comments and testimony raising concerns regarding legislative changes to lobbyist registration and reporting requirements that became effective on January 1, 2024. The Board sought to address those concerns to the extent possible while also fulfilling its responsibility to effectuate the intent of the legislature. For those reasons and for the specific reasons stated below, the proposed rules are reasonable.

## **Rule-by-rule analysis**

The rules described below are numbered according to their proposed numbering. The proposed renumbering of existing rule subparts is explained when applicable. The rule part titles listed below are the proposed titles, which in some cases are different than the existing titles.

## **PART 4501.0100 DEFINITIONS.**

### Proposed amendment of Minnesota Rules, chapter 4501, part 0100, subpart 4

The words compensate and compensation are used within Minnesota Statutes, chapter 10A, to describe remuneration for services performed by a lobbyist, an official required to file a statement of economic interest or their spouse, or the business of an official required to file a statement of economic interest or their spouse. Under Minnesota Rules, chapter 4511, part 0100, subpart 4, which the proposed rules would renumber as subpart 6, and Minnesota Rules, chapter 4511, part 0700, compensation paid to a lobbyist is not required to be included within a lobbyist report filed pursuant to Minnesota Statutes, section 10A.04, subdivision 4, but must be included within a principal report filed pursuant to Minnesota Statutes, section 10A.04, subdivision 6. The amendment is necessary because the existing definition of the word compensation excludes pension and Social Security benefits, but does not address other types of retirement benefits, and excludes unemployment compensation and workers' compensation benefits, but does not exclude health insurance. The definition of the word compensation has not been amended since it was first adopted in 1996.

The amendment would add healthcare and retirement benefits to the list of benefits that are excluded from the definition of compensation. That change would provide clarity to the regulated community and ensure that benefits similar to those already excluded from the definition of compensation will also be excluded. Subpart 4 would be renumbered as subpart 5. It is reasonable to update a definition that has not changed in 28 years and thereby improve the administration of Minnesota Statutes, chapter 10A. It is also reasonable to provide greater clarity and certainty to the regulated community.

### Proposed addition of Minnesota Rules, chapter 4501, part 0100, subpart 12

Within Minnesota Statutes, section 10A.025, subdivision 1b, the term "original signature" is used to describe the signature required to appear on documents required to be filed with the Board under Minnesota Statutes, chapter 10A. Minnesota Rules, chapter 4501, part 0300, subpart 1a, provides that "[a] document filed by facsimile transmission" satisfies the original signature requirement "if the original document being transmitted bears the required signature," and provides that "[a]n electronic filing meets the requirement of this part if it is submitted with a personal identification code." Subpart 12 is necessary because the term "original signature" is not defined.

The proposed addition would define the term and provide that an original signature includes a signature applied by another person in the presence of the signer if the signer is unable to write, an electronic signature consisting of the signer's name, or the signer's name on an electronic file submitted using a user name and password provided by the Board. That change would provide clarity to the regulated community, alleviate a potential accessibility barrier, reduce reliance on facsimile transmissions, and better align the Board's rules with the Uniform Electronic Transactions Act, Minnesota Statutes, chapter 325L. It is reasonable to define undefined terms when needed to provide clarity and improve the administration of Minnesota

Statutes, chapter 10A.

## **PART 4501.0500 FILINGS, SUBMISSIONS, AND DISCLOSURES.**

### Proposed amendment of Minnesota Rules, chapter 4501, part 0500, subpart 1

This subpart, which has not been changed since 2006, provides that reports “must be submitted on the forms provided by the board for that purpose or by an electronic filing system.” However, Minnesota Statutes, section 10A.20, subdivision 1, paragraph (c), generally requires that campaign finance reports be filed electronically. The proposed amendment is needed to state that campaign finance reports must be filed electronically to the extent required by Minnesota Statutes, section 10A.20. That change would provide clarity to the regulated community and lessen the likelihood that the rule language may be misinterpreted to generally permit the use of a paper form to file a campaign finance report. It is reasonable to provide greater clarity by amending language that could be misinterpreted to mean something different than what is required by statute.

## **PART 4503.0100 DEFINITIONS.**

### Proposed amendment of Minnesota Rules, chapter 4503, part 0100, subpart 1

The proposed amendment would establish an exception regarding the scope of the definitions in this part and is needed to accommodate the addition of a definition of the word headquarters in subpart 7, which pertains to Minnesota Statutes, section 211B.15. That statute is administered by the Board pursuant to Minnesota Statutes, section 10A.022, subdivision 3, paragraph (a). It is reasonable to accurately state the scope of the definitions in this part.

### Proposed addition of Minnesota Rules, chapter 4503, part 0100, subpart 4

Minnesota Statutes, chapter 10A, was amended effective January 1, 2022, to regulate the actions of associations seeking to influence the nomination or election of certain candidates for local offices within Hennepin County. Provisions within Minnesota Statutes, section 10A.01, have been amended again, effective January 1, 2025, to eliminate distinctions regarding Hennepin County and be inclusive of local elections in any Minnesota county, city, school district, township, or special district. Specifically, Minnesota Statutes, section 10A.01, subdivision 10d, will define the term “local candidate” to include an individual who seeks to be elected to any county office. Minnesota Statutes, section 383B.041, provides that “[c]andidates for county commissioner, county attorney, and sheriff of Hennepin County must file campaign disclosure forms with the filing officer for Hennepin County. These candidates are subject to the provisions of chapter 211A.” Omitted from that list are individuals seeking to be appointed or elected to the Three Rivers Park District Board of Commissioners. Subpart 4 is necessary because there is ambiguity as to whether the position of Three Rivers Park District commissioner is a county office within the meaning of Minnesota Statutes, section 10A.01, subdivision 10d.

Minnesota Statutes, section 383B.703, and other provisions within chapter 383B, make it clear

that the Three Rivers Park District is a park district “existing under” Minnesota Statutes, chapter 398. Minnesota Statutes, section 398.01, provides that park districts “shall be deemed to be political subdivisions of the state of Minnesota and public corporations.” Although two of the Park District’s seven commissioners are appointed by the Hennepin County Board of Commissioners, the Park District is otherwise largely autonomous. Minnesota Statutes, chapters 10A and 383B, were amended at the same time to shift campaign finance reporting by associations seeking to influence the election of certain candidates within Hennepin County, other than the candidates themselves, from Hennepin County to the Board. To the Board’s knowledge, no association that attempted to influence the nomination or election of a Three Rivers Park commissioner ever reported such activity to Hennepin County. Therefore, the proposed addition would define the phrase “county office” to include the offices specified in Minnesota Statutes, chapter 382, and to exclude the office of Three Rivers Park District commissioner. It is reasonable to resolve ambiguity caused by a newly defined term in a manner that is consistent both with past practice and the current text of Minnesota Statutes, chapters 382 and 383B.

#### Proposed addition of Minnesota Rules, chapter 4503, part 0100, subpart 7

Minnesota Statutes, section 211B.15, is administered by the Board pursuant to Minnesota Statutes, section 10A.022, subdivision 3, paragraph (a). Minnesota Statutes, section 211B.15, subdivision 8, establishes an exception to the general prohibition on corporate contributions with respect to a nonprofit corporation formed by a political party “for the sole purpose of holding real property to be used exclusively as the party’s headquarters.” Subpart 7 is necessary because questions have arisen regarding the meaning of the word headquarters, which is not defined within Minnesota Statutes, chapters 10A, 200, or 211B. Following publication of the Board’s request for comments, the Minnesota Democratic-Farmer-Labor Party requested that the Board adopt a rule providing guidance similar to that provided in this definition.

The proposed addition would define the word to mean a building or structure used as the primary location where a party’s business is conducted. That definition would provide clarity to the regulated community and allow the Board to better administer the statutory exception. It is reasonable to define undefined terms when needed to provide clarity and improve the administration of Minnesota Statutes, chapter 10A, and those provisions under the Board’s jurisdiction within chapter 211B.

#### Proposed addition of Minnesota Rules, chapter 4503, part 0100, subparts 8-10

Minnesota Statutes, section 10A.01, subdivision 26, paragraph (a), clause (9), classifies a principal campaign committee’s “payment of expenses incurred by elected or appointed leaders of a legislative caucus in carrying out their leadership responsibilities” as a noncampaign disbursement. In 2019 the Board issued Advisory Opinion 450, which confirms that a principal campaign committee may use campaign funds to pay for such expenses. Within that opinion, the Board used the term “legislative party unit” to differentiate “a political party unit organized in a legislative body” from other types of caucuses. The terms “legislative caucus,” “legislative caucus leader,” and “legislative party unit” are not defined within Minnesota Statutes,



chapter 10A.

The proposed additions would define those terms. Specifically, the term “legislative caucus” would be defined to be an organization comprised of members of the same house of the legislature and the same political party, and would not be limited to the majority and minority caucuses in each chamber. The term legislative caucus leader would be defined broadly and would not be limited to the maximum of five leadership positions per chamber referenced in Minnesota Statutes, section 3.099, subdivision 3. The term “legislative party unit” would be defined to be a “party unit established by the party organization within a house of the legislature.” While a principal campaign committee’s payment of expenses for the operation of a legislative party unit would not fall within the noncampaign disbursement category for expenses incurred by leaders of a legislative caucus, such payments would nonetheless qualify as noncampaign disbursements under a separate category for contributions to a party unit, under Minnesota Statutes, section 10A.01, subdivision 26, paragraph (a), clause (18).

The Board intends to apply principles announced in Advisory Opinion 450 more broadly than to the requester of that opinion. Therefore, the Board is required to adopt those principles as rules under Minnesota Statutes, section 10A.02, subdivision 12a. The definitions would also provide clarity to the regulated community. It is reasonable to comply with a statutory requirement, and it is also reasonable to define undefined terms when needed to provide clarity to the regulated community.

#### Proposed addition of Minnesota Rules, chapter 4503, part 0100, subpart 11

The word nomination is used in multiple provisions applicable to campaign finance regulation within Minnesota Statutes, chapter 10A. The word plays a role in defining terms that are foundational to what activity must be reported to the Board, such as the terms “campaign expenditure,” “candidate,” “local candidate,” “political committee,” and “political fund.” The term “campaign expenditure” is defined in relevant part to mean a purchase or payment “for the purpose of influencing the nomination or election of a candidate or a local candidate.” Subpart 11 is necessary because the word nomination is not defined within Minnesota Statutes, chapter 10A.

Within Minnesota Statutes, chapters 204B, 204C, 204D, 205, 205A, 206, 209, 211A, and 211B, which pertain to elections, the words nominate and nomination are generally used to refer to an individual’s name being selected to appear on a general election ballot for a particular office. With very few exceptions, under those chapters a nomination is the result of a candidate succeeding in a partisan or nonpartisan primary election, the failure of a threshold number of candidates to file to appear on the ballot making a primary election unnecessary, or in the case of certain political subdivisions, the decision to not hold a primary election regardless of how many individuals file for the same office. One instance in which the term nomination has a somewhat different meaning is with respect to a presidential nomination primary because in that case voters are effectively selecting a slate of delegates, who in turn vote for candidates to receive their party’s nomination and thereby gain the right to appear on the general election ballot.

Despite how the term nomination is used outside of Minnesota Statutes, chapter 10A, questions have arisen as to whether the term nomination, in Minnesota Statutes, chapter 10A, includes a political party unit endorsing a candidate prior to any primary election. The proposed addition would answer that question in the negative. That interpretation appears to be consistent with the definition of the word candidate under Minnesota Statutes, section 10A.01, subdivision 10, which provides that an individual is a candidate “if the individual has taken the action necessary under the law of this state to qualify for nomination or election.” While there are processes set forth in statutes and rules concerning how a candidate’s name may qualify for placement on the ballot, there are no such procedures established under state law to qualify for a political party’s endorsement.

The definition of the term nomination would include two exceptions. First, the new definition would not apply to Minnesota Statutes, section 10A.09, in which the words nominates and nomination are used to describe an official appointing another official to a position that is not an elective office. Second, the new definition would not apply to Minnesota Statutes, section 10A.201. That section was enacted effective January 1, 2024, and the Board’s understanding is that in that instance, legislators intended that the words nominate and nomination be inclusive of a political party unit’s endorsement of a candidate. Minnesota Statutes, section 10A.201, has been amended, effective January 1, 2025, to delete the word nomination and replace the word nominate with endorse, so as of that date there will no longer be a potential conflict with that section as to the meaning of the word nomination.

The definition would provide clarity to the regulated community and members of the public and better align the Board’s rules with other statutes and rules applicable to elections. It is reasonable to define undefined terms when needed to provide clarity and improve the administration of Minnesota Statutes, chapter 10A.

## **PART 4503.0200 ORGANIZATION OF POLITICAL COMMITTEES AND POLITICAL FUNDS.**

### Proposed amendment of Minnesota Rules, chapter 4503, part 0200, subpart 5

The proposed amendment would delete a cross-reference to Minnesota Rules, chapter 4503, part 0200, subpart 4, which was repealed by the legislature in 2005. It is reasonable, and under Minnesota Statutes, section 14.05, subdivision 5, the Board is required to attempt, to delete an obsolete cross-reference to a subpart that no longer exists. Subpart 5 would be renumbered as subpart 4.

## **PART 4503.0400 JOINT PURCHASES.**

### Proposed addition of Minnesota Rules, chapter 4503, part 0400, subparts 1-3

Principal campaign committees are generally prohibited from making contributions to each other under Minnesota Statutes, section 10A.27, subdivision 9, paragraph (a). As a result, when principal campaign committees jointly purchase goods or services, such as when holding a joint

fundraising event, it is important that each committee ensures that it does not inadvertently pay more than its share of any expenses, thereby resulting in a donation in kind to the other committee. A donation in kind is more commonly known as an in-kind contribution.

In 2013 the Board issued Advisory Opinion 436, generally stating that committees may jointly purchase research and polling services without creating an in-kind contribution if each committee pays an equal or proportionate share of the cost. In 2020 the Board issued Advisory Opinion 452, generally stating that committees need not use a third-party intermediary to prevent the creation of an in-kind contribution when jointly purchasing goods or services. The Board intends to apply principles announced in those advisory opinions more broadly than to the requesters of the opinions. Therefore, the Board is required to adopt those principles as rules under Minnesota Statutes, section 10A.02, subdivision 12a. It is a common concern to avoid creating an in-kind contribution inadvertently when purchasing goods or services jointly. Adopting rules that elaborate on past advisory opinions would offer clarity and greater certainty to the regulated community.

Subpart 1 would state the general rule that associations may jointly purchase goods or services without creating an in-kind contribution, and if one association reimburses another, each must report the reimbursement using the same of two permitted reporting methods under Minnesota Statutes, section 10A.20, subdivision 13. Subpart 2 would state that each joint purchaser must pay their share of the value of the joint purchase to prevent the creation of an in-kind contribution. Subpart 3 would state that part 0400 does not alter what constitutes a coordinated expenditure under Minnesota Statutes, sections 10A.175 through 10A.177, nor does it alter what is prohibited by Minnesota Statutes, section 10A.121.

It is reasonable to comply with a statutory requirement, and it is also reasonable to add provisions providing greater clarity and certainty to the regulated community.

## **PART 4503.0500 CONTRIBUTIONS.**

### Proposed amendment of Minnesota Rules, chapter 4503, part 0500, subpart 1

This subpart states that a donation received by a principal campaign committee is considered a contribution at the time it is received. Its text has remained the same since 1997. It is unclear why the rule was drafted in a manner that includes contributions received by principal campaign committees, but not by other types of associations required to register with the Board. The amendment is needed to include a contribution received by a political party unit, political committee, or political fund, which is consistent with how the word contribution is defined within Minnesota Statutes, section 10A.01, subdivision 11. That would provide clarity to the regulated community and decrease the likelihood that someone may misinterpret the rule to mean that the date that a contribution was received may differ depending on whether the recipient is a principal campaign committee or another type of association required to register with the Board. It is reasonable to correct an omission within an existing rule, and to thereby provide greater clarity to the regulated community.

### Proposed addition of Minnesota Rules, chapter 4503, part 0500, subpart 2

The Board issued Advisory Opinion 319 in 1999, generally stating that a business may provide internet-based contribution processing services for a fee to principal campaign committees without thereby making contributions to the committees that receive the contributions, minus the fees. The Board issued Advisory Opinion 369 in 2005, generally stating that a political committee may provide contribution processing services for a fee, and must charge the fair market value of those services in order to avoid making a contribution to a principal campaign committee that benefits from those services. The Board issued Advisory Opinion 434 in 2013, generally stating that a business that provides internet-based contribution processing services for a fee is not thereby required to register with the Board, regardless of whether the fee is paid by the contributor or the recipient. The Board intends to apply principles announced in those advisory opinions more broadly than to the requesters of the opinions. Therefore, the Board is required to adopt those principles as rules under Minnesota Statutes, section 10A.02, subdivision 12a. Avoiding the inadvertent creation of a secondary contribution when processing and disbursing the proceeds from monetary contributions processed electronically remains a topic of concern. Adopting rules elaborating on the principles announced in past advisory opinions would provide clarity and greater certainty to the regulated community.

This subpart would state that a vendor may solicit, process, collect, or otherwise facilitate the accumulation of contributions without thereby making a contribution to the intended recipient, if fair market value is paid for the services provided, and the vendor does not play a role in deciding which association will ultimately receive a contribution. It is reasonable to comply with a statutory requirement, and it is also reasonable to add language providing greater clarity and certainty to the regulated community.

### Proposed amendment of Minnesota Rules, chapter 4503, part 0500, subpart 3

This subpart states that an individual who serves as an intermediary by receiving a contribution on behalf of the intended recipient must promptly transmit the contribution to the recipient's treasurer. Consistent with the proposed text of subpart 2, the amendment is needed to expand the scope of the language to include an intermediary that is an association or vendor, rather than an individual. It is reasonable to amend a subpart to accommodate changes made to another subpart, and to thereby provide greater clarity and certainty to the regulated community and members of the public.

### Proposed amendment of Minnesota Rules, chapter 4503, part 0500, subpart 4

This subpart describes who is the contributor of a contribution to a political committee or political fund. It has not been amended since 1997. At that time, Minnesota Statutes, section 10A.01, defined the term "political committee" in a way that explicitly included principal campaign committees and political parties. However, the definition of the term "political committee" was amended by the legislature in 1999 to explicitly exclude principal campaign committees and political party units. This subpart was not updated to accommodate that change, resulting in language with a different meaning than what was originally intended. The amendment is needed to again include principal campaign committees and political party units within the list of

contribution recipients. It is reasonable to amend a subpart to accommodate statutory changes made by the legislature, and to thereby provide greater clarity to the regulated community and members of the public.

#### Proposed addition of Minnesota Rules, chapter 4503, part 0500, subpart 7

The Board issued Advisory Opinion 447 in 2018, generally stating that a principal campaign committee must consider the sources of funding of an association that is not registered with the Board when considering whether the committee may accept a contribution from that association without violating the prohibition on corporate contributions under Minnesota Statutes, section 211B.15. The Board intends to apply principles announced in the opinion more broadly than to the requester. Therefore, the Board is required to adopt those principles as rules under Minnesota Statutes, section 10A.02, subdivision 12a. Elaborating on the principles announced in Advisory Opinion 447 would provide clarity and greater certainty to the regulated community and members of the public.

Subpart 7 would state that associations registered with the Board that are subject to the prohibition on corporate contributions must consider an unregistered association's sources of funding, and that a "contribution from an unregistered association is prohibited if any of that association's sources of funding would be prohibited from making the contribution directly under Minnesota Statutes, section 211B.15, subdivision 2." Stated simply, the rule would clarify that corporations are prohibited from indirectly doing what they are prohibited from doing directly. It is reasonable to comply with a statutory requirement, and it is also reasonable to add language providing greater clarity and certainty to the regulated community and members of the public.

### **PART 4503.0700 CONTRIBUTION LIMITS.**

#### Proposed addition of Minnesota Rules, chapter 4503, part 0700, subpart 2

The Board issued Advisory Opinion 319 in 1999, generally stating that a business may provide internet-based contribution processing services for a fee to principal campaign committees without thereby making contributions to the committees that receive the contributions, minus the fees. Within the opinion the Board noted that the contribution limits imposed by Minnesota Statutes, section 10A.27, subdivision 1, include not only contributions made, but also contributions delivered, by an individual or association. The practice of collecting contributions made by others and delivering them to the recipient is commonly known as bundling. Within Advisory Opinion 319 the Board concluded that a vendor that processes contributions and then delivers the contributions, minus a fee, to the intended recipient is not engaged in bundling, but rather is providing services for a fee. The Board intends to apply principles announced in the opinion more broadly than to the requester. Therefore, the Board is required to adopt those principles as rules under Minnesota Statutes, section 10A.02, subdivision 12a. Adopting rules elaborating on the principles announced in the opinion would provide clarity to the regulated community and members of the public. This subpart would state that a vendor that accumulates contributions and is paid the fair market value of the services provided is not subject to the bundling limitation. It is reasonable to comply with a statutory requirement, and it is also

reasonable to add a provision providing greater clarity to the regulated community and members of the public.

## **PART 4503.0800 DONATIONS IN KIND AND APPROVED EXPENDITURES.**

### Proposed addition of Minnesota Rules, chapter 4503, part 0800, subpart 1

The Board issued Advisory Opinion 434 in 2013, generally stating that a business that provides internet-based contribution processing services for a fee is not thereby required to register with the Board, regardless of whether the fee is paid by the contributor or the recipient. The Board intends to apply principles announced in the opinion more broadly than to the requester of the opinion, and intends to elaborate on those principles. Therefore, the Board is required to adopt those principles as rules under Minnesota Statutes, section 10A.02, subdivision 12a.

Contribution processing fees are increasingly being paid by contributors, rather than recipients, and whether recipients are required to record processing fees paid by contributors is a common topic of concern.

Subpart 1 would state that if a contributor pays a processing fee that “would otherwise have been billed to the recipient of the contribution or withheld from the amount transmitted to the recipient, the amount of the fee is a donation in kind to the recipient of the contribution.” That language would generally only impact reports filed with the Board if the processing fee for a specific contribution exceeds \$20 because associations registered with the Board are not required to record in-kind contributions of lesser value under Minnesota Statutes, section 10A.13, subdivision 1, paragraph (1). It is reasonable to comply with a statutory requirement, and it is also reasonable to add language providing greater clarity and certainty to the regulated community and members of the public.

### Proposed amendment of Minnesota Rules, chapter 4503, part 0800, subparts 2-4

Minnesota Statutes, chapter 10A, was amended effective January 1, 2022, to regulate the actions of associations seeking to influence the nomination or election of certain candidates for local offices within Hennepin County. Definitions within Minnesota Statutes, section 10A.01, have been amended again, effective January 1, 2025, to eliminate distinctions regarding Hennepin County and be inclusive of local elections in any Minnesota county, city, school district, township, or special district. Specifically, Minnesota Statutes, section 10A.01, subdivision 10d, defines the term “local candidate” and the definitions of the terms “approved expenditure” within Minnesota Statutes, section 10A.01, subdivision 4, and “contribution” within Minnesota Statutes, section 10A.01, subdivision 11, were amended to include donations in kind to local candidates, including approved expenditures. The amendments are necessary to be inclusive of donations in kind to local candidates, including approved expenditures. It is reasonable to amend subparts to accommodate statutory changes made by the legislature and to thereby provide greater clarity to the regulated community and members of the public.

## **PART 4503.0900 NONCAMPAIGN DISBURSEMENTS.**

### Proposed amendment of Minnesota Rules, chapter 4503, part 0900, subpart 1

Minnesota Statutes, section 10A.01, subdivision 26, paragraph (a), clause (22), provides that noncampaign disbursements include types of payments not enumerated within that paragraph if they are recognized as noncampaign disbursements within rules or advisory opinions issued by the Board. In 2006 the Board issued Advisory Opinion 387, which stated that bank service fees, check processing fees, and other costs required to maintain the bank account of a principal campaign committee may be classified as noncampaign disbursements. Although the opinion was revoked by the Board in July 2023 for an unrelated reason, the Board intends to apply the principle that bank fees may be classified as noncampaign disbursements more broadly than to the requester of that opinion. The amendment is necessary to clearly state that costs to maintain a principal campaign committee's bank account as required by law are noncampaign disbursements. It is reasonable to exercise the authority provided by Minnesota Statutes, section 10A.01, subdivision 26, paragraph (a), clause (22), by stating that costs incurred by a principal campaign committee to maintain the depository account required by Minnesota Statutes, section 10A.15, subdivision 3, are noncampaign disbursements.

### Proposed addition of Minnesota Rules, chapter 4503, part 0900, subparts 2-3

In 2019 the Board issued Advisory Opinion 450, which confirms that a principal campaign committee may use campaign funds to pay for "expenses incurred by elected or appointed leaders of a legislative caucus in carrying out their leadership responsibilities" and that those expenses are noncampaign disbursements pursuant to Minnesota Statutes, section 10A.01, subdivision 26, paragraph (a), clause (9). Within the opinion the Board stated that campaign funds used to pay for signage, stationary, and basic office supplies for individual office holders should be classified as noncampaign disbursements pursuant to Minnesota Statutes, section 10A.01, subdivision 26, paragraph (a), clause (10), which includes payment "of the candidate's expenses for serving in public office, other than for personal uses." The Board intends to apply principles announced in Advisory Opinion 450 more broadly than to the requester of that opinion. Therefore, the Board is required to adopt those principles as rules under Minnesota Statutes, section 10A.02, subdivision 12a.

Subpart 2 would provide a non-exhaustive list of types of expenses incurred by legislative caucus leaders in carrying out their leadership responsibilities. Subpart 3 would provide a non-exhaustive list of types of expenses incurred by individual office holders for signage and basic office supplies. It is reasonable to comply with a statutory requirement, and it is also reasonable to elaborate upon the language provided in Minnesota Statutes, section 10A.01, subdivision 26, paragraph (a), and in Minnesota Statutes, section 10A.173, subdivision 4, in order to provide clarity to the regulated community and members of the public.

### Proposed addition of Minnesota Rules, chapter 4503, part 0900, subpart 4

The Board has issued multiple advisory opinions stating that a principal campaign committee's purchase of durable equipment, such as computer equipment or a fax machine, generally must

be classified as a campaign expenditure, rather than as a noncampaign disbursement. Those opinions include Advisory Opinions 89 (1984), 127 (1992), 209 (1995), 211 (1995), and 228 (1996). Durable equipment typically is used to attempt to influence the nomination or election of a candidate, and Minnesota Statutes, chapter 10A, does not provide for prorating expenses for equipment between campaign purposes and noncampaign purposes. The Board intends to apply principles announced in those opinions more broadly than to the requesters of the opinions. Therefore, the Board is required to adopt those principles as rules under Minnesota Statutes, section 10A.02, subdivision 12a.

This subpart would provide that a durable equipment purchase must be classified as a campaign expenditure, unless the purchase replaces equipment that was lost, damaged, or stolen as provided in Minnesota Statutes, section 10A.01, subdivision 26, paragraph (a), clause (30), or the equipment will be used solely A) to provide constituent services as provided in Minnesota Statutes, section 10A.01, subdivision 26, paragraph (a), clause (6), and in Minnesota Statutes, section 10A.173, subdivision 1; B) to provide services to residents of a district immediately after the general election as provided in Minnesota Rules, chapter 4503, part 0900, subpart 1, item C; C) for campaigning by a person with a disability as provided in Minnesota Rules, chapter 4503, part 0900, subpart 1, item B; D) for running a transition office as provided in Minnesota Rules, chapter 4503, part 0900, subpart 1, item F; or E) as home security hardware as provided in Minnesota Statutes, section 10A.01, subdivision 26, paragraph (a), clause (29). It is reasonable to comply with a statutory requirement, and it is also reasonable to elaborate upon the language provided in Minnesota Statutes, section 10A.01, subdivision 26, paragraph (a), Minnesota Statutes, section 10A.173, and Minnesota Rules, chapter 4503, part 0900, subpart 1, in order to provide clarity to the regulated community and members of the public.

## **PART 4503.1000 CAMPAIGN MATERIALS INCLUDING OTHER CANDIDATES.**

### Proposed amendment of Minnesota Rules, chapter 4503, part 1000, subparts 1-2

Minnesota Statutes, chapter 10A, was amended effective January 1, 2022, to regulate the actions of associations seeking to influence the nomination or election of certain candidates for local offices within Hennepin County. Definitions within Minnesota Statutes, section 10A.01, have been amended again, effective January 1, 2025, to eliminate distinctions regarding Hennepin County and be inclusive of local elections in any Minnesota county, city, school district, township, or special district. Specifically, Minnesota Statutes, section 10A.01, subdivision 10d, now defines the term “local candidate” and the definitions of the terms “approved expenditure” within Minnesota Statutes, section 10A.01, subdivision 4, and “contribution” within Minnesota Statutes, section 10A.01, subdivision 11, were amended to include donations in kind to local candidates, including approved expenditures. The amendments are necessary to be inclusive of campaign material that references local candidates. It is reasonable to amend subparts to accommodate statutory changes made by the legislature, and to thereby provide greater clarity to the regulated community and members of the public.



## **PART 4503.1600 AGGREGATED EXPENDITURES.**

### Proposed addition of Minnesota Rules, chapter 4503, part 1600

Entities required to file campaign finance reports may incur multiple expenses payable to the same vendor for the same types of goods or services over a period of days or weeks. Examples include fees to process individual contributions and certain transportation expenses, such as for parking, taxi service, bus and train fare, gasoline, and mileage reimbursement. Minnesota Statutes, section 10A.20, subdivision 3, often requires that such expenses be itemized within reports filed with the Board. Specifically, campaign finance reports must include “the amount, date, and purpose of each” expenditure and noncampaign disbursement if the vendor is owed or paid more than \$200 within the calendar year. Minnesota Statutes, section 10A.01, subdivisions 9 and 26 define the terms “campaign expenditure” and “noncampaign disbursement” in a manner that is inclusive of each purchase or advance of credit, and do not address whether separate, small amounts for the same goods or services, provided by the same vendor, to the same purchaser, are each separate expenditures or noncampaign disbursements for purposes of the itemization requirements within Minnesota Statutes, section 10A.20.

Recording and reporting multiple small expenses that occurred over a short period of time, for the same goods or services, provided by the same vendor, may be labor-intensive, lead to reporting errors, and provide little valuable disclosure to members of the public. For those reasons, the Board has permitted campaign finance filers to group certain expenses together on a monthly basis. This subpart is needed to clearly state that a treasurer may group expenses together within campaign finance reports on a monthly basis if the expenses are for the same goods or services, from the same vendor, and all expenses incurred within a reporting period are disclosed through the end of that period. It is reasonable to adopt rules clarifying statutory requirements. It is also reasonable to permit reporting practices that are likely to reduce errors and decrease the amount of effort required by treasurers, while not significantly decreasing the value of disclosure provided to the public.

## **PART 4503.1800 DISCLAIMERS.**

### Proposed addition of Minnesota Rules, chapter 4503, part 1800, subparts 1-2

Minnesota Statutes, section 211B.04, generally requires those preparing or disseminating campaign material to include a disclaimer stating who was responsible for that material. The Board is responsible for enforcing the disclaimer requirement pursuant to Minnesota Statutes, section 10A.022, subdivision 3, paragraph (a). Minnesota Statutes, section 211B.04, specifies disclaimer formats applicable to campaign material disseminated by “broadcast media,” and that term is not defined within Minnesota Statutes, chapters 10A, 200, or 211B. Minnesota Statutes, section 211B.04, subdivision 3, paragraph (c), clause (3), provides an exclusion to the disclaimer requirement for “online banner ads and similar electronic communications that link directly to an online page that includes the disclaimer,” and the phrase “online banner ads and similar electronic communications” is not defined within Minnesota Statutes, chapters 10A, 200,

or 211B. Minnesota Statutes, section 211B.04, subdivision 4, provides that the disclaimer requirement is “satisfied for an entire website or social media page when the disclaimer . . . appears once on the home page of the site” and the term “social media” is not defined within Minnesota Statutes, chapters 10A, 200, or 211B. Minnesota Statutes, section 211B.04 does not explicitly refer to campaign material disseminated by text or multimedia message, by mobile phone applications, or within the electronic version of a newspaper, periodical, or magazine.

Subpart 1 is needed to define the terms “broadcast media” and “social media platform” for purposes of the disclaimer requirement, to the extent that the requirement is enforced by the Board rather than another agency. Subpart 2 is needed to elaborate upon the exclusion stated in Minnesota Statutes, section 211B.04, subdivision 3, paragraph (c), clause (3), for “online banner ads and similar electronic communications” by providing that the exclusion applies to campaign material disseminated by a social media platform, by text or multimedia message, by mobile phone applications, or within the electronic version of a newspaper, periodical, or magazine, if the campaign material links directly to an online page that includes the required disclaimer, to the extent that the disclaimer requirement is enforced by the Board rather than another agency. It is reasonable to define undefined terms when needed to clarify and improve the administration of Minnesota Statutes, chapter 10A, and those provisions within chapter 211B that are under the jurisdiction of the Board. It is reasonable to adopt rules clarifying statutory requirements by explaining what types of communications are included within the scope of “online banner ads and similar electronic communications.”

## **PART 4511.0100 DEFINITIONS.**

### Proposed addition of Minnesota Rules, chapter 4511, part 0100, subparts 2-3, 8

In 2023 the legislature enacted legislation that, effective beginning in 2024, amended several statutes that govern lobbying. Previously lobbying was defined to only involve seeking to influence the legislature, certain actions by state agencies, and the official actions of certain local and regional government bodies within the seven-county metro area. Lobbying now includes seeking to influence the official actions of any political subdivision, including any entity defined as a municipality under Minnesota Statutes, section 471.345, subdivision 1. Other changes included modifications to what information must be included within lobbyist reports and generally replacing the term “metropolitan governmental unit” with “political subdivision” insofar as that term relates to lobbying.

Minnesota Statutes, section 10A.04, subdivision 6, requires principals to file an annual report disclosing the total amount spent on lobbying. Previously that total was required to include “administrative expenses attributable to” lobbying. Now that total is required to include “administrative overhead expenses attributable to” lobbying. Subpart 2 is needed to define the phrase “administrative overhead expenses” to include costs incurred for office space, transportation, and a website.

Minnesota Statutes, section 10A.01, subdivision 19a, now defines the term “legislative action” to include “the development of prospective legislation,” and the phrase “development of

prospective legislation' is not defined. Subpart 3 is needed to define that phrase and also list actions that do not constitute development of prospective legislation.

Minnesota Statutes, section 10A.01, subdivision 21, defines the term lobbyist, in part, as an individual "engaged for pay or other consideration of more than \$3,000 from all sources in any year" for lobbying. Minnesota Statutes, section 10A.03, subdivision 1, requires an individual to register with the Board within five days after becoming a lobbyist. Subpart 8 is needed to define the phrase "pay or consideration for lobbying." The phrase "pay or consideration for lobbying" is used in the proposed text of Minnesota Rules, chapter 4511, part 0200, subparts 1-2, to help describe when an individual must register as a lobbyist.

It is reasonable to define undefined terms when needed to provide clarity and improve the administration of Minnesota Statutes, chapter 10A, and Minnesota Rules, chapter 4511. It is reasonable to add subparts to accommodate statutory changes made by the legislature, and to thereby provide greater clarity to the regulated community and members of the public.

#### Proposed amendment of Minnesota Rules, chapter 4511, part 0100, subparts 4-7, 10

Minnesota Rules, chapter 4511, part 0100, subparts 2-5, would be renumbered as subparts 4-7, and subpart 7 would be renumbered as subpart 10.

Subpart 5, which defines the term lobbying, needs to be amended to accommodate the general replacement of the term "metropolitan governmental unit" with the term "political subdivision" throughout Minnesota Statutes, chapter 10A. During the rulemaking process concerns were raised regarding the payment of a standard fee to a government body being defined as lobbying, such as the fee to review a proposed subdivision plat or a request for a zoning variance. Subpart 5 would be amended to also clarify that payment of an application or processing fee to a government body is not lobbying.

Minnesota Statutes, section 10A.04, subdivision 4, previously required lobbyist reports to disclose disbursements related to lobbying. That is generally no longer the case, except that each principal's designated lobbyist must report the principal's disbursements, and all lobbyists must report gifts valued at \$5 or more that are given to officials by the lobbyist, an employer, or an employee. Subpart 6 needs to be amended to limit the definition of the term "lobbyist's disbursements" to disbursements made for such gifts. Subpart 10 needs to be amended to define the term "reporting lobbyist" to reflect that lobbyists are now generally required to report lobbying activity, as opposed to lobbying disbursements.

Minnesota Statutes, section 10A.04, subdivision 4, paragraph (h), requires a lobbyist to disclose "each original source of money in excess of \$500 . . . used for the purpose of lobbying. . . ." That requirement provides for disclosure of the sources of funding used by principals to pay for lobbying in Minnesota. Subpart 7, which defines the term "original source of funds," needs to be amended to eliminate ambiguity regarding whether an original source of funds may be an individual or an association.

It is reasonable to amend subparts to accommodate statutory changes made by the legislature, and to thereby provide greater clarity to the regulated community and members of the public. It is reasonable to amend definitions to more clearly define terms that impact how lobbying activity is disclosed to the public within lobbyist reports.

#### Proposed addition of Minnesota Rules, chapter 4511, part 0100, subpart 11

The Board issued Advisory Opinion 224 in 1996, stating that the University of Minnesota is not an association within the meaning of Minnesota Statutes, chapter 10A, and therefore is not a lobbyist principal. The Board issued Advisory Opinion 297 in 1998, stating that a Minnesota county is not an association within the meaning of Minnesota Statutes, chapter 10A, and therefore is not a lobbyist principal. The Board issued Advisory Opinion 441 in 2016, stating that a state agency, the Minnesota Zoo, is not an association within the meaning of Minnesota Statutes, chapter 10A, and therefore is not a lobbyist principal. The Board intends to apply principles announced in those advisory opinions more broadly than to the requesters of the opinions. Therefore, the Board is required to adopt those principles as rules under Minnesota Statutes, section 10A.02, subdivision 12a. Questions have continued to arise regarding whether certain types of political subdivisions are associations and may therefore be defined as lobbyist principals. The Board is aware of instances in which political subdivisions, which are not lobbyist principals, have filed annual principal reports pursuant to Minnesota Statutes, section 10A.04, subdivision 6, despite not being required to do so.

Additionally, the legislature amended Minnesota Statutes, section 10A.04, subdivision 4, paragraph (c), effective beginning in 2024, to require that lobbyist reports disclose “every state agency that had administrative action that the represented entity sought to influence during the reporting period.” The term “state agency” is not defined within Minnesota Statutes, chapter 10A.

Subpart 11 would define the term “state agency” consistently with how that term is defined within the Minnesota Government Data Practices Act, specifically Minnesota Statutes, section 13.02, subdivision 17. The proposed amendment of chapter 4511, part 0300, would explicitly exclude state agencies, among other entities, from the definition of the term association, and thereby from the definition of the term principal.

It is reasonable to comply with a statutory requirement. It is reasonable to add a subpart to accommodate statutory changes. It is also reasonable to define undefined terms when needed to provide clarity to the regulated community and members of the public.

### **PART 4511.0200 REGISTRATION.**

#### Proposed addition of Minnesota Rules, chapter 4511, part 0200, subparts 1-2

In 2021 the legislature enacted legislation that, effective beginning in 2023, amended Minnesota Statutes, section 10A.01, subdivision 21, defining the term lobbyist, to include certain individuals paid by a business that is primarily engaged in providing government relations or government

affairs services. In 2023 the definition was amended again, effective beginning in 2024, to limit that portion of the definition to individuals whose job duties involve the provision of government relations or government affairs services. Also, the threshold at which an individual must register as a lobbyist based on spending personal funds on lobbying was increased from \$250 to \$3,000 within a calendar year.

Questions have arisen regarding another portion of the definition of the term lobbyist, stating that an individual is a lobbyist if they are compensated more than \$3,000 in a year for the purpose of lobbying. Specifically, individuals have asked when an individual is required to register as a lobbyist under Minnesota Statutes, section 10A.03, subdivision 1, if the individual is compensated primarily to perform job duties that do not constitute lobbying, but is compensated more than \$3,000 within a calendar year to perform job duties that are lobbying.

During the rulemaking process questions arose regarding whether an individual, who is already registered as a lobbyist based on compensation they receive, is required to separately register as a lobbyist on their own behalf if they spend less than \$3,000 of their personal funds on lobbying that is completely separate from their employment, pursuant to Minnesota Statutes sections 10A.01, subdivision 21, and 10A.03, subdivision 1, and Minnesota Rules, chapter 4511, part 0200. For example, if a lobbyist for an insurance company spends \$500 of their personal funds circulating a petition to encourage their local school board to change the attendance boundaries for elementary schools, and that effort is unrelated to the individual's employment as a lobbyist for the insurance company, does that individual need to register as a lobbyist, on behalf of that individual, because they are already defined as a lobbyist by virtue of lobbying on behalf of the insurance company?

Subpart 1 is needed to state that if an individual is compensated both for lobbying and functions unrelated to lobbying, whether the individual has reached the registration threshold is calculated by multiplying their gross compensation by the percentage of time spent on lobbying. It would also specify that travel expenses and membership dues are excluded from the monetary threshold for individuals who spend personal funds on lobbying, pursuant to Minnesota Statutes, section 10A.01, subdivision 21, paragraph (a), clause (2).

Subpart 2 is needed to provide that a lobbyist is not required to register as a lobbyist on their own behalf unless they spend more than \$3,000 of their personal funds within a calendar year on lobbying. Subpart 2 would also clarify that an individual who serves on the board of a lobbyist principal is not required to register as a lobbyist as a result of that service unless they are compensated for lobbying on behalf of that principal. The proposed rule is consistent with Advisory Opinion 308, issued in 1996, in which the Board concluded that an uncompensated Board member of an association was not required to register as a lobbyist.

The subparts currently numbered as subparts 1-4 would be renumbered as subparts 3-6. Subparts 4 and 6 would be amended to make minor changes in wording that would accommodate the changes to Minnesota Statutes, section 10A.04, subdivision 4, regarding the reporting of lobbying activity, as opposed to lobbying disbursements.

It is reasonable to add and amend subparts to accommodate statutory changes. It is reasonable to elaborate upon the language provided in Minnesota Statutes, sections 10A.01, subdivision 21, and 10A.03, subdivision 1, and in Minnesota Rules, chapter 4511, part 0200, pertaining to lobbyist registration, in order to provide clarity to the regulated community and members of the public.

## **PART 4511.0300 PRINCIPALS.**

### Proposed amendment of Minnesota Rules, chapter 4511, part 0300

The Board issued Advisory Opinion 224 in 1996, stating that the University of Minnesota is not an association within the meaning of Minnesota Statutes, chapter 10A, and therefore is not a lobbyist principal. The Board issued Advisory Opinion 297 in 1998, stating that a Minnesota county is not an association within the meaning of Minnesota Statutes, chapter 10A, and therefore is not a lobbyist principal. The Board issued Advisory Opinion 441 in 2016, stating that a state agency, the Minnesota Zoo, is not an association within the meaning of Minnesota Statutes, chapter 10A, and therefore is not a lobbyist principal. The Board intends to apply principles announced in those advisory opinions more broadly than to the requesters of the opinions. Therefore, the Board is required to adopt those principles as rules under Minnesota Statutes, section 10A.02, subdivision 12a. Questions have continued to arise regarding whether certain types of political subdivisions are associations and may therefore be defined as lobbyist principals. The Board is aware of instances in which political subdivisions, which are not lobbyist principals, have filed annual principal reports pursuant to Minnesota Statutes, section 10A.04, subdivision 6, despite not being required to do so.

Part 0300 would clarify that political subdivisions, public higher education systems, and state agencies are not associations within the meaning of Minnesota Statutes, chapter 10A, and therefore are not principals under Minnesota Statutes, section 10A.01, subdivision 33. It is reasonable to comply with a statutory requirement. It is reasonable to elaborate upon the language provided in Minnesota Statutes, section 10A.01, subdivisions 6 and 33, and in Minnesota Rules, chapter 4511, part 0300, pertaining to what constitutes a principal, in order to provide clarity to the regulated community and members of the public.

## **PART 4511.0400 TERMINATION.**

### Proposed amendment of Minnesota Rules, chapter 4511, part 0400, subparts 1-3

In 2023 the legislature enacted legislation that, effective beginning in 2024, amended provisions regarding lobbyist reporting to generally require lobbyists to disclose lobbying activity rather than lobbying disbursements. Subparts 1 and 2 need to be amended to make minor changes in language to accommodate the updated reporting requirements. Subpart 3 needs to be amended to address minor grammatical issues. It is reasonable to amend subparts to accommodate statutory changes. It is reasonable to improve the text of rules in order to provide clarity to the regulated community and members of the public.

## **PART 4511.0500 LOBBYIST REPORTING REQUIREMENTS.**

### Proposed amendment of Minnesota Rules, chapter 4511, part 0500, subpart 1

Minnesota Rules, chapter 4511, part 0500, subpart 2, was repealed by the legislature in 2017 and replaced with Minnesota Statutes, section 10A.04, subdivision 9, which allows a lobbyist to report the lobbying activity of other lobbyists who represent the same principal, rather than requiring each lobbyist to file a separate report. Subpart 1 needs to be amended to replace a cross-reference to subpart 2 with a cross-reference to Minnesota Statutes, section 10A.04, subdivision 9. Subpart 1 would also be amended to make minor changes in language to accommodate updated reporting requirements. It is reasonable to amend subparts to remove obsolete cross-references and to accommodate statutory changes.

### Proposed amendment of Minnesota Rules, chapter 4511, part 0500, subpart 2

Each lobbyist principal is required to have a single designated lobbyist who is responsible for reporting certain information about the principal within their lobbyist reports. In 2023 the legislature enacted legislation that, effective beginning in 2024, amended Minnesota Statutes, section 10A.04, subdivision 4, to significantly alter the content of lobbyist reports required to be filed with the Board. Subpart 2 needs to be amended to accommodate those changes and eliminate the need for subpart 5, which applies to the reporting of gifts. The subparts currently numbered as subparts 3-4 would be renumbered as subparts 2-3. It is reasonable to amend subparts to accommodate statutory changes.

### Proposed repeal of Minnesota Rules, chapter 4511, part 0500, subpart 5

The proposed text of subpart 2 would eliminate the need for this subpart because each addresses the reporting of gifts. It is reasonable to repeal a duplicative subpart.

## **PART 4511.0600 REPORTING DISBURSEMENTS.**

### Proposed amendment of Minnesota Rules, chapter 4511, part 0600, subparts 1-2

Minnesota Statutes, section 10A.04, subdivision 6, requires principals to file an annual report disclosing the total amount spent on lobbying. That total is required to include “administrative overhead expenses attributable to” lobbying. Subparts 1 and 2 need to be amended to explicitly state that the requirement to determine the actual costs of lobbying or to approximate those costs applies to administrative overhead expenses. It is reasonable to add language to subparts in order to provide clarity to the regulated community.

## **PART 4511.0700 REPORTING COMPENSATION PAID TO LOBBYIST.**

### Proposed amendment of Minnesota Rules, chapter 4511, part 0600, subpart 1

In 2023 the legislature enacted legislation that, effective beginning in 2024, amended provisions regarding lobbyist reporting to generally require lobbyists to disclose lobbying activity rather than lobbying disbursements. Subpart 1 needs to be amended to make minor changes in language to accommodate the updated reporting requirements. It is reasonable to amend

subparts to accommodate statutory changes.

## **PART 4511.0900 LOBBYIST REPORTING FOR POLITICAL SUBDIVISION MEMBERSHIP ORGANIZATIONS.**

### Proposed addition of Minnesota Rules, chapter 4511, part 0900

In 2023 the legislature enacted legislation that, effective beginning in 2024, amended several statutes that govern lobbying. Previously lobbying was defined to only involve seeking to influence the legislature, certain actions by state agencies, and the official actions of certain local and regional government bodies within the seven-county metro area. Lobbying now includes seeking to influence the official actions of any political subdivision, including any entity defined as a municipality under Minnesota Statutes, section 471.345, subdivision 1. That change prompted the request for Advisory Opinion 456, issued by the Board on December 13, 2023, during the rulemaking process. The opinion addresses the question of whether a membership organization whose members are political subdivisions is engaged in lobbying its own members if it encourages its members to take official action, such as by voting on a resolution, to support or oppose a specific action by the legislature. The opinion concluded that under those circumstances, the membership organization would not be lobbying its own members, but rather would be lobbying the legislature. That conclusion has significant reporting implications because amended lobbyist reporting requirements that took effect in 2024 require that lobbyist reports list each political subdivision that considered official action the lobbyist sought to influence and the subject of each action. Some membership organizations comprised of political subdivisions have hundreds of members.

The Board intends to apply principles announced in Advisory Opinion 456 more broadly than to the requesters of that opinion. Therefore, the Board is required to adopt those principles as rules under Minnesota Statutes, section 10A.02, subdivision 12a. Subpart 1 would provide that under the specific circumstances described above, lobbyists for a principal that is a membership organization comprised of political subdivisions are not required to report attempts to influence the official actions of that principal's own members. Subpart 2 would further provide that under those circumstances, the principal is not lobbying its own members if it encourages those members to take action to support a broader lobbying effort, such as an effort to influence legislative action or administrative rulemaking. This part would help prevent recent changes to lobbyist reporting requirements from being interpreted in a manner that would produce absurd results or make compliance unreasonable.

It is reasonable to comply with a statutory requirement. It is reasonable to add a part to accommodate statutory changes. It is also reasonable to elaborate upon the language provided in Minnesota Statutes, sections 10A.01, subdivision 21, and 10A.04, subdivision 4, paragraph (d), in order to provide clarity to the regulated community.



## **PART 4511.1000 ACTIONS AND APPROVAL OF ELECTED LOCAL OFFICIALS.**

### Proposed addition of Minnesota Rules, chapter 4511, part 1000

In 2023 the legislature enacted legislation that, effective beginning in 2024, amended several statutes that govern lobbying. Previously lobbying was defined to include seeking to influence the official actions of certain local and regional government bodies within the seven-county metro area. Lobbying now includes seeking to influence the official actions of any political subdivision, including any entity defined as a municipality under Minnesota Statutes, section 471.345, subdivision 1. Minnesota Statutes, section 10A.01, subdivision 26b, was added to define the phrase “official action of a political subdivision” to mean an action requiring the approval of elected local officials, or an action by a nonelected local official making or supporting a major decision regarding spending or investing public money. That change prompted the request for Advisory Opinion 457, issued by the Board on January 3, 2024, during the rulemaking process. The opinion addresses whether 27 different scenarios would constitute lobbying, and in many instances the answer provided depended, in part, on whether the action to be influenced involves voting on, or approval by, one or more elected local officials. The Board issued Advisory Opinion 458 on the same day and that opinion, to a lesser extent, also provided answers that depended, in part, on whether the action to be influenced involves voting on, or approval by, one or more elected local officials. The Board intends to apply principles announced in Advisory Opinion 457 more broadly than to the requester of that opinion. Therefore, the Board is required to adopt those principles as rules under Minnesota Statutes, section 10A.02, subdivision 12a.

During the rulemaking process additional concerns were raised regarding the possibility that requesting routine or nondiscretionary acts by an elected local official may be considered lobbying. For example, a business may pay an individual to prepare and submit an application for a building permit, and in some political subdivisions the individual tasked with issuing the permit may be an elected official.

Subpart 1 would provide that attempting to influence the vote of an elected local official constitutes lobbying that official’s political subdivision. Subpart 2 would provide that attempting to influence an elected local official to make a decision that does not require a vote constitutes lobbying if the local official has discretion to approve or deny the act in question. Subpart 2 would enumerate four specific exclusions from what constitutes approval by an elected local official under Minnesota Statutes, section 10A.01, subdivision 26b. Those exclusions involve issuing a license, permit, or variance routinely provided when specific requirements are satisfied, acts performed by the office of the elected official that do not require the personal approval of the elected local official, prosecutorial discretion exercised by a county attorney, and discussions regarding litigation between a litigant that is a political subdivision and another litigant, such as settlement negotiations.

It is reasonable to comply with a statutory requirement. It is reasonable to add a part to accommodate statutory changes. It is also reasonable to elaborate upon the language provided

in Minnesota Statutes, section 10A.01, subdivision 26b, in order to prevent it from being interpreted in a manner that could make compliance unreasonable, and to provide clarity to the regulated community and members of the public.

## **PART 4511.1100 MAJOR DECISION OF NONELECTED LOCAL OFFICIALS.**

### Proposed addition of Minnesota Rules, chapter 4511, part 1100

Minnesota Statutes, section 10A.01, subdivision 22, defines the term “local official” to include nonelected political subdivision officials with authority to make, recommend, or vote on “major decisions regarding the expenditure or investment of public money.” The phrase “major decisions” is not defined in Minnesota Statutes, chapter 10A, or within the Board’s rules. In 1991 the Board issued Advisory Opinion 111 stating that local governing bodies may determine for themselves what constitutes a major decision, and that they should maintain a public list of nonelected individuals they consider to be local officials within the meaning of Minnesota Statutes, chapter 10A. In 2023 the legislature enacted legislation that, effective beginning in 2024, amended the definition of the term lobbyist to include those attempting to influence the official action of any political subdivision, and added Minnesota Statutes, section 10A.01, subdivision 26b, defining the term “official action of a political subdivision” to include “an action by an appointed or employed local official to make, to recommend, or to vote on as a member of the governing body, major decisions regarding the expenditure or investment of public money.”

The Board issued Advisory Opinions 457 and 458 on January 3, 2024, during the rulemaking process. Each opinion provided answers to questions that depended, in part, on whether the actions sought would qualify as major decisions regarding the expenditure or investment of public money. For example, in Advisory Opinion 457 the Board stated that a real estate developer seeking approval of a subdivision plat from a city or county planning commission may constitute lobbying, even if the members of that commission are not elected, because approval of the subdivision plat would likely obligate the political subdivision to incur significant costs for the infrastructure needed to support the subdivision. Within the same opinion the Board stated that a representative of a group speaking at a city planning commission meeting to object to a short-term rental license would not be lobbying if the commission’s members are not elected local officials, because issuing or revoking a short-term rental license presumably would not involve major decisions regarding public money. The Board intends to apply principles announced in those opinions more broadly than to the requesters of the opinions. Therefore, the Board is required to adopt those principles as rules under Minnesota Statutes, section 10A.02, subdivision 12a.

Subpart 1 would state that an attempt to influence a nonelected local official regarding a major decision involving public money is lobbying. While that conclusion may be clear to those who have read and understand the relationship between the definitions provided in Minnesota Statutes, section 10A.01, subdivisions 21, 22, and 26b, and Minnesota Rules, chapter 4511, part 0100, subpart 3 (proposed to be renumbered as subpart 5), this subpart would provide needed clarity by providing a clear and concise statement of the circumstances under which

seeking to influence nonelected local officials constitutes lobbying. Subpart 2 would provide a non-exhaustive list of decisions by political subdivisions that qualify as major decisions regarding the expenditure or investment of public funds. Subpart 3 would provide a non-exhaustive list of decisions by political subdivisions that do not qualify as major decisions regarding the expenditure or investment of public funds. Activities that would be categorically excluded are purchases made using funds allocated within the political subdivision's operating or capital budget, negotiation of a labor contract with a collective bargaining unit, and discussions regarding litigation between the political subdivision and another litigant, such as settlement negotiations.

It is reasonable to comply with a statutory requirement. It is reasonable to add a part to accommodate statutory changes. It is also reasonable to further explain the language in Minnesota Statutes, section 10A.01, subdivisions 21, 22, and 26b, as well as in existing rules. This part will help define relevant terms and provide a concise explanation of when attempting to influence a non-elected local official constitutes lobbying. This part will thereby provide clarity to the regulated community and the general public.

## **PART 4512.0200 GIFTS WHICH MAY NOT BE ACCEPTED.**

### Proposed amendment of Minnesota Rules, chapter 4512, part 0200, subparts 1-2

Subpart 1 needs to be amended solely to note that there are statutory exceptions to the general prohibition on gifts from lobbyist and principals to public and local officials, under Minnesota Statutes, section 10A.071. Subpart 2 needs to be amended to accommodate the general replacement of the term "metropolitan governmental unit" with the term "political subdivision" throughout Minnesota Statutes, chapter 10A, insofar as that term relates to lobbying. It is reasonable to amend subparts to accommodate statutory changes. It is reasonable to add language noting the existence of exceptions to a general rule, and to thereby provide clarity to the regulated community and members of the public.

### Proposed addition of Minnesota Rules, chapter 4512, part 0200, subpart 3

Minnesota Statutes, section 10A.071, subdivision 3, paragraph (a), paragraph (2), provides that the gift prohibition does not apply to a gift that consists of "services to assist an official in the performance of official duties, including but not limited to providing advice, consultation, information, and communication in connection with legislation, and services to constituents." In 2018 the Board issued Advisory Opinion 445, stating that informational material may qualify for that exception if the principal or the principal's lobbyist had a significant role in the creation, development, or production of the information. Likewise, in 2008 the Board issued Advisory Opinion 396, stating that in order to qualify for that exception "it is necessary that that the lobbyist or principal have a significant role in the creation, development, or production of the information." The Board intends to apply principles announced in those opinions more broadly than to the requesters of the opinions. Therefore, the Board is required to adopt those principles as rules under Minnesota Statutes, section 10A.02, subdivision 12a.

Subpart 3 would provide that a gift is not prohibited if it consists of informational material given “to assist an official in the performance of official duties and the lobbyist or principal had a significant role in the creation, development, or production of that material.” It is reasonable to comply with a statutory requirement. It is also reasonable to elaborate upon the language provided in Minnesota Statutes, section 10A.071, subdivision 3, paragraph (a), paragraph (2), in order to provide clarity to the regulated community and members of the public.

## **PART 4525.0100 DEFINITIONS.**

### Proposed addition of Minnesota Rules, chapter 4525, part 0100, subpart 5

Minnesota Statutes, chapter 10A, does not establish an evidentiary standard to be used by the Board in determining whether a violation has occurred. A proposed amendment to Minnesota Rules, chapter 4525, part 0210, would establish a preponderance of the evidence standard. This subpart is needed to define the term “preponderance of the evidence.” Four other subparts would be renumbered. It is reasonable to define undefined terms when needed to provide clarity and improve the administration of Minnesota Statutes, chapter 10A, and those provisions within chapter 211B that are under the jurisdiction of the Board.

## **PART 4525.0200 COMPLAINTS OF VIOLATIONS.**

### Proposed amendment of Minnesota Rules, chapter 4525, part 0200, subpart 2

This subpart currently provides that a complaint must include the “name and address of the person making the complaint” and “must be signed by the complainant or an individual authorized to act on behalf of the complainant.” That language has prompted questions as to whether a complaint may include the address of the complainant’s representative, rather than the personal address of the complainant. The text needs to be amended to provide that a complaint may include the name and address of someone acting on the complainant’s behalf, such as an attorney, rather than requiring the inclusion of the complainant’s address. The purpose of requiring an address is so that the Board may communicate by mail with the individual who filed the complaint. There is no need for the Board to know the personal address of a complainant if the Board is able to communicate by mail with the complainant’s authorized representative.

This subpart currently provides that complaints are not public until after the Board “makes a finding.” The proposed addition of subpart 3 would establish a process whereby a complainant may withdraw a complaint shortly after being filed. This subpart needs to be amended to accommodate that change. This subpart would also be amended to explicitly state that a dismissed complaint is public, such as a complaint dismissed by the Board’s chair or their designee within a prima facie determination, rather than by a vote of the entire Board.

It is reasonable to amend subparts to provide clarity and improve the administration of Minnesota Statutes, chapter 10A, and those provisions within chapter 211B that are under the jurisdiction of the Board. It is reasonable to amend subparts to accommodate other rule amendments and to more clearly articulate when a complaint filed with the Board becomes

public pursuant to Minnesota Statutes, section 10A.022, subdivision 5.

### Proposed addition of Minnesota Rules, chapter 4525, part 0200, subpart 3

Minnesota Statutes, chapter 10A, does not address whether a complaint may be withdrawn at the request of the complainant. There have been multiple instances in which a complainant has asked that their complaint be withdrawn, typically before the Board's chair or their designee had the opportunity to determine whether the complaint stated a prima facie violation. In many cases the complainant asked that their complaint be withdrawn because they realized that the complaint alleged a violation that is not under the jurisdiction of the Board, such as an alleged campaign finance violation by a candidate for local or federal office. When a complainant has asked that their complaint be withdrawn under those circumstances, little purpose is served by proceeding with issuing a prima facie determination dismissing the complaint. Subpart 3 needs to be amended to provide that a complaint may be withdrawn upon written request, but only if the Board's chair or their designee has yet to make a prima facie determination. It is reasonable to add subparts to provide clarity and improve the administration of Minnesota Statutes, chapter 10A, and those provisions within chapter 211B that are under the jurisdiction of the Board. It is also reasonable to add subparts that may aid in conserving Board resources and potentially prevent embarrassment to a complainant who mistakenly filed a complaint with the wrong government agency.

## **PART 4525.0210 DETERMINATIONS PRIOR TO AND DURING FORMAL INVESTIGATION.**

### Proposed addition of Minnesota Rules, chapter 4525, part 0210, subpart 3

Minnesota Statutes, section 10A.022, subdivision 3, provides that when a determination is made that a complaint states a prima facie violation, the Board must "make findings and conclusions as to whether probable cause exists to believe the alleged violation that warrants a formal investigation has occurred." The term "probable cause" is not defined within Minnesota Statutes, chapter 10A, or within the Board's rules. Subpart 3 is necessary to provide that "[p]robable cause exists if there are sufficient facts and reasonable inferences to be drawn therefrom to believe that a violation of law has occurred." Subpart 3 would also state that any arguments offered by the complainant and respondent must be considered. It is reasonable to define undefined terms when needed to provide clarity and improve the administration of Minnesota Statutes, chapter 10A, and those provisions under the Board's jurisdiction within chapter 211B.

### Proposed amendment of Minnesota Rules, chapter 4525, part 0210, subpart 5

Minnesota Statutes, chapter 10A, does not establish an evidentiary standard to be used by the Board in determining whether a violation has occurred. The Board has used a preponderance of the evidence standard, which is consistent with the general standard established for alleged violations of Minnesota Statutes, chapters 211A and 211B, under Minnesota Statutes, section 211B.32, subdivision 4. The proposed amendment of subpart 5 is necessary to add language stating that the Board's "determination of any disputed facts must be based upon a

preponderance of the evidence.” It is reasonable to amend subparts to establish a clear evidentiary standard and thereby improve the administration of Minnesota Statutes, chapter 10A, and those provisions under the Board’s jurisdiction within chapter 211B, and provide greater clarity to the regulated community and members of the public.

## **PART 4525.0220 SUMMARY PROCEEDINGS.**

### Proposed amendment of Minnesota Rules, chapter 4525, part 0220, subpart 3

In 2014 the legislature enacted language now codified at Minnesota Statutes, section 10A.022, subdivision 2, paragraph (b), stating that the Board must issue rules that set forth “when summary proceedings may be available.” The Board complied with that directive by adopting part 0220, which does not address whether a complainant should be informed of and given an opportunity to respond to a respondent’s request for a summary proceeding. Minnesota Statutes, section 10A.022, subdivision 3, paragraph (d), provides that a complainant must be given an opportunity to be heard by the Board prior to the Board making a probable cause determination. The statute does not describe any role to be played by a complainant after the Board has determined that probable cause exists and ordered an investigation. The Board may not disclose information to a complainant while an investigation is being conducted “except as required to carry out the investigation or take action in the matter as authorized by” Minnesota Statutes, chapter 10A, pursuant to Minnesota Statutes, section 10A.022, subdivision 5, paragraph (a).

Subpart 3 needs to be amended to provide that if a request for a summary proceeding in a matter initiated by complaint is received prior to any dismissal of the complaint and prior to a probable cause determination being made, the request must be provided to the complainant and the complainant must be given an opportunity to respond. Subpart 3 would be amended to provide that under any other circumstances, the complainant must not be informed of a request for a summary proceeding. It is reasonable to amend subparts to provide clarity and improve the administration of Minnesota Statutes, chapter 10A, and those provisions within chapter 211B that are under the jurisdiction of the Board. It is also reasonable amend subparts to help ensure that the Board complies with its statutory obligation to treat an investigation as confidential until the investigation is resolved.

## **PART 4525.0500 INVESTIGATIONS AND AUDITS; GENERAL PROVISIONS.**

### Proposed addition of Minnesota Rules, chapter 4525, part 0500, subpart 2

The Board is authorized to impose civil penalties up to varying maximum amounts for various types of violations of Minnesota Statutes, chapter 10A, and those provisions within chapter 211B under the Board’s jurisdiction. For some monetary violations the Board may impose a civil penalty of up to four times the amount involved with no limit on the total amount. As a state agency under the APA, the Board is required to consider the factors enumerated in Minnesota Statutes, section 14.045, subdivision 3, when imposing a civil penalty. The Board would like to encourage practices that may decrease the likelihood of, or minimize the negative

impact of, any violation, and also articulate the factors the Board will consider when considering the amount of any civil penalty to be imposed.

Subpart 2 is necessary to cross-reference Minnesota Statutes, section 14.045, and also state that the Board may consider the violator's internal controls or polices, whether the violator could have prevented the violation, whether a violation was self-reported, and whether the violator sought to remedy or mitigate any violation and has taken steps to prevent a future violation. It is reasonable to add subparts to improve the administration of Minnesota Statutes, chapter 10A, and those provisions under the Board's jurisdiction within chapter 211B, and provide greater clarity and certainty to the regulated community and members of the public. It is also reasonable to add subparts that encourage practices to reduce the likelihood, or negative impact, of a violation under the Board's jurisdiction.

## **PART 4525.0550 FORMAL AUDITS.**

### Proposed amendment of Minnesota Rules, chapter 4525, part 0550, subpart 1

From its inception the Board has had statutory authority to audit reports and statements required to be filed with the Board. That authority is currently codified primarily at Minnesota Statutes, section 10A.022, subdivisions 2 and 6. The Board's audit authority has been exercised sparingly, in part due to limited resources. In 2014 the Board adopted part 0550 regarding formal audits. The Board's annual budget appropriation increased significantly starting with fiscal year 2024, thereby affording the Board the resources necessary to conduct additional audits. The proposed changes to part 0550 are needed to establish more clear procedures and criteria to be used by the Board when conducting audits of those required to file campaign finance reports.

The amendment of subpart 1 is needed to provide that the Board may require testimony under oath and issue subpoenas, including for the production of documents required to be retained under Minnesota Statutes, section 10A.025, subdivision 3. It is reasonable to amend subparts to improve the administration of Minnesota Statutes, chapter 10A, and those provisions under the Board's jurisdiction within chapter 211B, and provide greater clarity and certainty to the regulated community and members of the public.

### Proposed addition of Minnesota Rules, chapter 4525, part 0550, subpart 4

A specific type of audit that is routinely conducted by the Board following each election in which candidates receive direct public subsidy payments is an audit of the affidavits of contributions filed by some of those candidates. An affidavit of contributions is a document certifying that the candidate in question has raised a threshold amount of monetary contributions from individuals, counting only the first \$50 given by each individual. That document must be filed by a candidate seeking to receive a direct public subsidy payment. In order to help prevent potential abuse of the public subsidy program, the Board audits a portion of the affidavits of contributions filed with the Board that were not filed using the Board's electronic reporting system or an application compatible with that system.

Subpart 4 is needed to provide, consistent with current practice, that the Board's executive director will initiate an audit of any affidavit of contributions that is not filed using an electronic reporting system and states that the candidate received contributions totaling less than double the threshold amount required by Minnesota Statutes, section 10A.323. It is reasonable to add subparts to improve the administration of Minnesota Statutes, chapter 10A, and provide greater clarity and certainty to the regulated community and members of the public. It is also reasonable to add subparts to help ensure that standardized criteria are used when determining which affidavits of contributions will be audited.

#### Proposed addition of Minnesota Rules, chapter 4525, part 0550, subpart 5

Subpart 5 is needed to provide that in deciding whether to initiate an audit, the Board must consider its resources, the potential benefit to the public, and the potential magnitude of any failures or violations to be discovered as a result of the audit. Subpart 5 would provide that the Board may conduct partial audits, may audit all filers who meet specific criteria, and may select audit respondents on a randomized basis designed to capture a sample of respondents that meet specific criteria. Subpart 5 would provide that when selecting audit respondents on a randomized basis, the Board must, to the extent possible, seek to prevent selecting respondents based on political party affiliation or a candidate's incumbency status. It is reasonable to add subparts to improve the administration of Minnesota Statutes, chapter 10A, and those provisions under the Board's jurisdiction within chapter 211B, and provide greater clarity and certainty to the regulated community and members of the public. It is also reasonable to add subparts to help ensure that audit respondents are not selected in a manner intended to favor or disfavor those affiliated with any political party or to favor or disfavor incumbent or nonincumbent candidates.

## **Regulatory analysis**

Minnesota Statutes, section 14.131, requires the Board to provide the following information to the extent it may be ascertained through reasonable effort. Paragraphs 1 through 8 below state the statutory requirements followed by the information required to be provided.

### **1) Description of the classes of persons who probably will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule.**

The classes of persons who probably will be affected by the proposed rules include lobbyists, lobbyist principals, those required to file campaign finance reports with the Board, state agencies and local governments that hire lobbyists and are not lobbyist principals, public officials who receive informational material prepared by lobbyists or lobbyist principals, complainants, respondents, and members of the general public. Within each of those classes only a small proportion of persons are likely to be affected. The Board will also be affected.



The proposed rules are not expected to increase costs for any of those classes of persons. Legislative changes effective January 1, 2024, expanded the definition the term lobbyist, which may result in increased compliance and reporting costs for some lobbyists and lobbyist principals. However, any such increase would be the result of legislative changes rather than the proposed rules.

The regulated community is likely to benefit from the proposed rules because they align the Board's rules with amended statutory provisions, define undefined terms, provide increased clarity and certainty, codify principles articulated in multiple advisory opinions, and make it easier for the regulated community to ensure that they comply with Minnesota Statutes, chapter 10a, and those provisions under the Board's jurisdiction within chapter 211B. Complainants and respondents are likely to benefit from the proposed rules due to increased clarity and more standardized criteria for handling complaints and audits. The general public is likely to benefit from the proposed rules because they will aid the regulated community in satisfying their registration and disclosure obligations. Finally, the Board is likely to benefit by improving its ability to efficiently perform its duties and provide meaningful disclosure to the public.

**2) The probable costs to the agency and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues.**

Neither the Board, nor any other agency, is expected to incur additional costs as a result of the proposed rules. The Board intends to conduct more audits of campaign finance filers than it has in the past and some of the proposed rules would establish procedures and criteria to be used when conducting audits. Any associated increase in costs would be the result of conducting more audits, rather than the result of the Board's implementation or enforcement of the proposed rules. The proposed rules are unlikely to significantly impact state revenues. Payments of late filing fees and civil penalties imposed by the Board are required by statute to be deposited into the state general fund. The proposed rules likely will make it easier for the regulated community to comply with Minnesota Statutes, chapter 10a, and those provisions under the Board's jurisdiction within chapter 211B, so the Board hopes to impose fewer late filing fees and civil penalties as a result of there being fewer violations. However, the amount of revenue attributable to fees and penalties imposed by the Board is so small that any impact is likely to be negligible.

**3) A determination of whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule.**

Because the proposed rules will not increase costs for any entity, there are not less costly methods to achieve the purposes of the proposed rules. With respect to the proposed rules that seek to implement the changes made by the legislature in 2023 to statutes governing lobbyist regulation and reporting, the Board has limited options. The proposed rules are designed to be minimally intrusive while still effectuating the intent of the legislature and serving the purpose of the rules. Below are several examples demonstrating that design:

- The term “development of prospective legislation” would be defined, for purposes of lobbying, to exclude four specific actions and thereby generally remove them from the scope of what is defined as lobbying;
- An individual who is already a registered lobbyist would not be required to register as a lobbyist on their own behalf as a result of personal lobbying efforts unless they spend more than \$3,000 of their personal funds within a calendar year;
- An individual who serves on the board of a lobbyist principal would not be required to register as a lobbyist on behalf of that principal unless they receive consideration to lobby on behalf of that principal;
- Political subdivisions, public higher education systems, and all agencies and other components of the State of Minnesota would be categorically excluded from the definition of the term “association,” and would thereby be excluded from the definition of the term “principal,” meaning they are not be required to file lobbyist principal reports pursuant to Minnesota Statutes, section 10A.04, subdivision 6, even if they employ registered lobbyists;
- An association comprised of political subdivisions would be considered not to be lobbying its own members when communicating with them regarding the association’s lobbying efforts, which significantly simplifies the reporting required of such an association’s lobbyists;
- Four specific actions would be excluded from what is considered approval by an elected local official, thereby excluding those actions from what is defined as “official action of a political subdivision” under Minnesota Statutes, section 10A.01, subdivision 26b, and from what is defined as lobbying; and
- Three specific actions would be excluded from what are considered major decisions regarding the expenditure or investment of public money, thereby excluding those actions from what is defined as “official action of a political subdivision” under Minnesota Statutes, section 10A.01, subdivision 26b, and from what is defined as lobbying.

The Board considered and then declined to pursue adopting a rule proposed by the American Council of Engineering Companies of Minnesota stating that an individual communicating with a local official regarding a topic on which the individual has particular expertise is categorically not attempting to influence an official action of the official’s political subdivision, thereby excluding such communications from what is defined as lobbying. Board members articulated their judgement that such an exclusion would need to be enacted by the legislature, rather than adopted as part of an administrative rule. Within the legislative changes that became effective on January 1, 2024, the legislature added a definition of the term “official action of a political subdivision” and amended the definition of the term “lobbyist,” without enacting any provisions singling out those communicating with local officials on their topic of expertise. Also, in 2024 the legislature considered an exclusion to the definition of the word lobbyist under Minnesota Statutes, section 10A.01, subdivision 21, which was intended to have a similar effect, but that exclusion was not enacted into law. Therefore, the Board does not believe that such an exclusion was intended by the legislature.

With respect to the remainder of the proposed rules, most are intended to make compliance by the regulated community easier and do not appear to have the capacity to be intrusive. Notably, the Board did not receive any written feedback regarding draft rule language concerning topics other than lobbying, with the exception of an email asking a question about the intent behind the proposed definition of the term “legislative caucus.”

One proposed rule would provide that an entity prohibited from accepting corporate contributions must consider a potential contributor’s sources of funding in determining whether a contribution may be accepted, because such entities are prohibited from accepting corporate contributions, whether they are made directly or indirectly. While that rule could be considered intrusive, its intent is to ensure compliance with Minnesota Statutes, section 211B.15, and it is no more intrusive than is necessary to encourage compliance with the statute.

One proposed rule would provide that a processing fee paid by a contributor that otherwise would be paid by the recipient of the contribution is a donation in kind. While that rule could be considered intrusive, it is no more intrusive than is necessary in order to clarify the circumstances under which a processing fee is a donation in kind, and thereby a contribution, under Minnesota Statutes, section 10A.01, subdivisions 11 and 13.

One proposed rule would define the word headquarters for purposes of Minnesota Statutes, section 211B.15, subdivision 8. While the rule could be considered intrusive, it is no more intrusive than is necessary in order to define headquarters in a manner that affords some flexibility, remains consistent with its common usage, and effectuates legislative intent.

The proposed rules would state that when conducting an audit, the Board may require testimony under oath, permit written statements given under oath, and require the production of records, such as by issuing a subpoena. The proposed rules would also state that the Board may audit affidavits of contributions and any other campaign finance report or statement required to be filed with the Board. While those rules could be considered intrusive, they restate the Board’s statutory authority under Minnesota Statutes, section 10A.022, subdivision 2, and are consistent with previously adopted rules, including Minnesota Rules, chapter 4525, parts 0500 and 0550.

One proposed rule would include a standard for what constitutes probable cause. While that rule could be considered intrusive, the standard to be adopted is very similar to both the standard currently utilized by the Board, and the standard routinely applied by the OAH in addressing complaints filed pursuant to Minnesota Statutes, section 211B.32. Adopting a standard that created a higher or lower evidentiary threshold would likely undermine legislative intent.

One proposed rule would provide that a determination regarding disputed facts must be made upon a preponderance of the evidence. While that rule could be considered intrusive, the standard to be adopted is the same as the standard currently utilized by the Board, and is very similar to the standard routinely applied by the OAH pursuant to Minnesota Statutes,

section 211B.32, subdivision 4. Adopting a different standard would likely undermine legislative intent.

One proposed rule would provide that if the respondent to a complaint requests a summary proceeding prior to the Board making a probable cause determination, a copy of that request must be provided to the complainant. The rule would provide that under any other circumstances, a complainant will not be notified or provided a copy of a request for a summary proceeding. That rule could be considered intrusive. Specifically, during the period following publication of the Board's request for comments, the Minnesota Democratic-Farmer-Labor Party submitted comments generally asserting that "[t]he Board should allow complainants to continue to be involved in the Board's processes following a probable cause determination. At a minimum, this should include allowing complainants to review any proposed resolution of the matter—whether through findings and an order or through a conciliation agreement—an to present the complainant's perspective to the Board before any final action is taken."

The Board is not proposing rules that would generally allow a complainant to be involved in any investigation that follows a probable cause determination, because Minnesota Statutes, section 10A.022, subdivision 5, paragraph (a), clause (1) provides that the Board "must not disclose to an individual information obtained by that member, employee, or agent concerning a complaint or investigation except as required to carry out the investigation or take action in the matter as authorized by" Minnesota Statutes, chapter 10A. A complainant is provided the opportunity to assert any facts or provide any evidence that may have been omitted from the complaint prior to the Board making a probable cause determination. A complainant is provided a copy of any draft probable cause determination and is afforded the opportunity to appear before the board prior to a probable cause determination being made. The complainant's participation in the complaint process up until a probable cause determination is made is intended to ensure that the Board has a complete understanding of the complainant's factual assertions, any evidence supporting those assertions, and any legal arguments the complainant wishes to make.

There may be rare instances in which the Board will request additional information from a complainant after a probable cause determination is made, on the basis that such a request is "required to carry out the investigation or take action in the matter." However, in most instances the Board is capable of obtaining the information it needs and performing the requisite legal analysis without involving the complainant after a probable cause determination has been made. Unlike the process utilized by the OAH for complaints filed under Minnesota Statutes, section 211B.32, investigations ordered by the Board based on a complaint filed under Minnesota Statutes, section 10A.022, do not involve a strictly adversarial process with direct confrontation between a complainant and a respondent. Instead, any investigation conducted following a probable cause determination is typically conducted in the same fashion as an investigation that was not prompted by a complaint, in which the Board seeks to ascertain whether a violation occurred, and if so what penalty, if any, should be imposed.

For the foregoing reasons there are not less costly or less intrusive methods for achieving the purposes of the proposed rules that would effectuate the intent of the legislature.

**4) A description of any alternative methods for achieving the purpose of the proposed rule that were seriously considered by the Agency and the reasons why they were rejected in favor of the proposed rule.**

The Board considered the extent to which any of the purposes of the proposed rules regarding lobbying should be addressed by legislation. Board staff had multiple conversations with legislators, legislative staff, and others regarding the impact of the statutory provisions that became effective on January 1, 2024, and the extent to which any unintended consequences might be addressed by legislation. The Board's request for comments was published in July 2023 and draft rule language regarding lobbying was first released to the public by Board staff on December 27, 2023, signaling the Board's intent to adopt rules seeking to implement the statutory changes the legislature made to lobbyist registration and reporting effective January 1, 2024. To date, the legislature has not enacted legislative changes that accomplish the purposes of the proposed rules, with one exception. The legislature recently enacted a definition of the term "employee of a political subdivision," to be codified at Minnesota Statutes, section 10A.01, subdivision 16b. That definition will improve the Board's ability to apply an exclusion to who is defined as a lobbyist, under Minnesota Statutes, section 10A.01, subdivision 21, paragraph (b), clause (4). Over the past several months the Board has issued multiple advisory opinions regarding lobbying, mostly due to questions that arose as a result of the statutory changes that took effect on January 1, 2024. Some of the advisory opinions issued by the Board contain principles that the Board intends to apply more broadly than to the requesters of the opinions. Therefore, the Board is required to adopt those principles as administrative rules under Minnesota Statutes, section 10A.02, subdivision 12a, and as a practical matter, it does not serve the regulated community or the general public to wait any longer to address the purposes stated above. Moreover, the Board's existing rules need to be amended anyway to update provisions that are now outdated due to the statutory changes that took effect on January 1, 2024, and some of the proposed amendments are noncontroversial technical changes that are well-suited to administrative rulemaking.

The Board considered whether any of the purposes of the proposed rules regarding campaign finance and audits and investigations should be addressed by legislation. The Board's request for comments was published in July 2023 and draft rule language regarding campaign finance and audits and investigations was released to the public by Board staff on September 29 and December 6, 2023, signaling the Board's intent to adopt rules very similar to those being proposed. To date, the legislature has not enacted, and is not expected to enact, legislative changes that accomplish the purposes of the proposed rules. Many of the proposed amendments are noncontroversial technical changes that are well-suited to administrative rulemaking. Many of the proposed amendments and additions are based on advisory opinions issued by the Board and must be adopted as administrative rules under Minnesota Statutes, section 10A.02, subdivision 12a. The proposed rule addressing disclaimer requirements for campaign material disseminated by social media addresses a question that has been raised

repeatedly by the regulated community over a number of years. The proposed rules defining probable cause, establishing a preponderance of the evidence standard, and setting forth procedures to be followed after a probable cause determination is made will largely codify the Board's current practice. The proposed rules regarding audits will also largely codify the Board's current practice and expand upon the administrative rules adopted through the expedited rulemaking process in 2014. Moreover, some of the Board's existing rules regarding campaign finance need to be amended anyway to update provisions that are now outdated due to the statutory changes that took effect on January 1, 2022, regarding local candidates.

For the foregoing reasons the alternative method of recommending legislative changes was rejected in favor of the proposed rules.

**5) The probable costs of complying with the proposed rule, including the portion of the total costs that will be borne by identifiable categories of affected parties, such as separate classes of governmental units, businesses, or individuals.**

The proposed rules are not expected to increase compliance costs for any class of affected persons, including those referenced above.

**6) The probable costs or consequences of not adopting the proposed rule, including those costs or consequences borne by identifiable categories of affected parties, such as separate classes of government units, businesses, or individuals.**

If the proposed rules are not adopted there will be significant unresolved questions, particularly regarding lobbyist registration and reporting, that are likely to cause uncertainty, increased requests for advisory opinions from the Board, and perhaps violations of Minnesota Statutes, chapter 10A, due to a lack of clarity. Lobbyists and individuals who think they may be or might become lobbyists, and lobbyist principals and entities who think they may be or might become principals, will bear the cost of that lack of clarity, including increased compliance costs and perhaps late filing fees and civil penalties imposed but the Board. The general public will bear the consequences of that lack of clarity in the form of less accurate public disclosure of the information required to be disclosed under Minnesota Statutes, sections 10A.03 and 10A.04. The Board will also bear the consequences in the form of increased requests for advisory opinions, an increase in enforcement actions including those initiated by complaint, and increased demand for training and other guidance to aid in complying with Minnesota Statutes, chapter 10A. There is the possibility that a lack of clarity in the absence of the proposed rules could prompt a lawsuit against the Board, in which case the Board would bear the costs of defending itself and any challenged statutes or administrative rules.

If the proposed rules are not adopted there may also be costs borne by entities subject to campaign finance provisions under the Board's jurisdiction, as well as potential complainants

and respondents. For example, a complainant may spend considerable time, or hire legal counsel, to draft a complaint alleging a violation of Minnesota Statutes, section 211B.04, based on campaign material consisting of a social media post that does not include a disclaimer, but does include a link to a website with the required disclaimer, because absent the proposed rules it is unclear whether a social media post is sufficiently similar to an online banner ad to benefit from the exception provided by Minnesota Statutes, section 211B.04, subdivision 3, paragraph (c), clause (3). In such a scenario the respondent may also spend considerable time, or hire legal counsel, in order to respond to the complaint and appear before the Board. An entity may feel the need to consult legal counsel, rather than attempt to analyze the Board's many advisory opinions on its own, in seeking an answer to a legal question that could be clearly addressed by one of the proposed rules that would adopt principles articulated within one or more prior advisory opinions pursuant to Minnesota Statutes, section 10A.02, subdivision 12a. Absent the proposed rules an entity may feel the need to consult legal counsel, or expend time drafting or responding to a complaint, as a result of a lack of clarity regarding the meaning of the word nomination, which is foundational to how multiple terms are defined within Minnesota Statutes, chapter 10A. Absent the proposed rules a campaign finance filer may incur additional reporting costs because its treasurer believed that they needed to report every individual contribution processing fee withheld by or paid to a single vendor, rather than generally having the option to group those fees together on a monthly basis.

There are likely fewer potential consequences to the regulated community and the general public of not adopting the proposed rules regarding audits and investigations. However, complainants and respondents may face increased legal costs, or at least uncertainty, in the absence of the proposed rules due to a lack of clarity regarding the Board's complaint procedures, including the preponderance of the evidence and probable cause standards, and the factors the Board considers prior to imposing a civil penalty. The proposed rules regarding audits would help preserve the Board's reputation for impartial administration of Minnesota Statutes, chapter 10A, and those provisions within chapter 211B that are under the jurisdiction of the Board. Absent the proposed rules an entity may be able to more convincingly argue that a future audit conducted by the Board is designed to advantage or disadvantage incumbent or nonincumbent candidates, or filers affiliated with a particular political party.

**7) An assessment of any differences between the proposed rule and existing federal regulations and a specific analysis of the need for and reasonableness of each difference.**

At the federal level lobbyist registration and disclosure is governed by the LDA as well as the rules of the United States Senate and the United States House of Representatives. The LDA does not govern lobbying of state or local officials or government bodies and there is no federal executive branch agency with authority to promulgate regulations implementing the LDA. For those reasons, the proposed rules regarding lobbying are not comparable to any existing federal regulations.

Regulations promulgated by the FEC are codified within Title 11, Chapter I, of the Code of Federal Regulations. Generally speaking, those regulations do not govern attempts to influence state or local elections and there is no federal executive branch agency with broad authority to regulate campaign contributions and spending intended to influence only state or local elections, as opposed to federal elections. For those reasons, the proposed rules regarding campaign finance generally do not address the same activity as existing federal regulations.

However, there are some similarities and differences in terms of how comparable issues are addressed by the FEC and by the Board. The proposed rule to be codified at Minnesota Rules, chapter 4501, part 0100, subpart 12, is comparable to 11 CFR part 100, subpart A, section 100.36. The proposed rule differs from the federal rule in that a signer who is unable to write may sign a filing by having another person apply their mark or name at the signer's request, and in the signer's presence, which removes a potential accessibility barrier. The rules are otherwise very similar.

The proposed amended text of Minnesota Rules, chapter 4501, part 0500, subpart 1, is comparable to 11 CFR part 104, section 104.18, in that each require a large proportion of campaign finance reports and statements to be filed electronically in a specific format. The rules differ in that the federal rule sets a \$50,000-per-year monetary threshold at which point filers must file campaign finance reports electronically. The rules differ in that regard because Minnesota Statutes, section 10A.20, subdivision 1, paragraph (c), provides that "[f]or good cause shown, the board must grant exemptions to the requirement that reports be filed electronically." The Board does not believe that raising or spending less than \$50,000 within a calendar year constitutes good cause for an exemption from the electronic filing requirement for campaign finance reports filed with the Board. The Board presently provides campaign finance filers with access to a web-based online reporting system, free of charge, and generally does not grant exemptions to the electronic filing requirement unless filers have or expect to consistently raise or spend no more than \$5,000 per year. Moreover, it is possible that a filer may be able to demonstrate good cause that is not directly related to the amount of money raised or spent.

The proposed rule to be codified at Minnesota Rules, chapter 4503, part 0400, is somewhat comparable to 11 CFR part 9034, section 9034.8, in that each addresses joint activity of campaign finance filers. One major difference is that the federal regulation requires the participants in a joint fundraising activity to enter into a written agreement that sets forth a formula for allocating proceeds and generally requires that the allocation of costs be proportionate to the allocation of proceeds. A second major difference is that the Board's proposed rule addresses purchases that are unrelated to fundraising activity. A third major difference is that the Board's proposed rule is drafted to help prevent a principal campaign committee from inadvertently making a contribution to another principal campaign committee, which is generally prohibited unless the contributing committee is in the process of terminating its registration with the Board, while at the federal level, a candidate committee may make a contribution to another candidate committee up the statutory limit, which is currently \$2,000 per



election. The rules are different because they serve different purposes, are based on different statutory schemes, and relate to different classes of campaign finance filers. While it may be reasonable to require those engaged in joint campaign activity to enter into a written agreement allocating expenses and any proceeds, the Board did not consider that possibility during the rulemaking process.

The proposed rules to be codified at Minnesota Rules, chapter 4503, part 0500, subparts 2 and 3, are somewhat comparable to 11 CFR parts 102, section 102.8, paragraph (d), and 103, section 103.3, paragraph (a), clause (1), in that they each pertain to contributions processed by vendors. The proposed rules more explicitly state that contribution processing services are not in-kind contributions to the ultimate recipient if the vendor is paid the fair market value of the services provided, and that vendors are not political committees or political funds solely by virtue of processing contributions. The federal rule requires that contributions processed by vendors be transmitted to the ultimate recipient within 10 days, while the Board's proposed rule would require such contributions to be transmitted to the ultimate recipient within 10 business days. Part 0500, subpart 3, uses the word promptly, which is defined as "within ten business days" under Minnesota Rules, chapter 4501, part 0100, subpart 9. One notable difference is that the proposed rules provide that if the entity that processes or otherwise facilitates a contribution decides which entity will be the recipient of that contribution, the entity that facilitated the contribution thereby is a political committee or a political fund. That language was included to prevent an entity claiming to be a contribution processing vendor from asserting that it is not required to register and file campaign finance reports with the Board despite collecting money and then deciding which candidates or other entities should receive that money.

The proposed rule to be codified at Minnesota Rules, chapter 4503, part 1800, is somewhat comparable to 11 CFR part 110, section 110.11, in that each pertain to disclaimers. The federal rule provides that when the required disclaimer "cannot be provided or would occupy more than 25 percent of the communication due to character or space constraints intrinsic to the advertising product or medium, an adapted disclaimer may be used within the communication instead." Adapted disclaimers include "hyperlinks to a landing page" that contains the required disclaimer. Minnesota Statutes, section 211B.04, subdivision 3, exempts from the disclaimer requirement "bumper stickers, pins, buttons, pens, or similar small items on which the disclaimer cannot be conveniently printed," as well as "skywriting, wearing apparel, or other means of displaying an advertisement of such a nature that the inclusion of a disclaimer would be impracticable." Minnesota Statutes, section 211B.04, subdivision 3, also exempts "online banner ads and similar electronic communications that link directly to an online page that includes the disclaimer." The proposed rule is limited to the exemption for certain electronic communications. The rules are different because they serve somewhat different purposes and are based on different statutory schemes.

The proposed amended text of Minnesota Rules, chapter 4525, part 0200, subpart 2, is comparable to 11 CFR part 111, subpart A, section 111.4, in that each pertain to the form of a complaint. The federal rule differs from the Board's rule in that it requires complaints to be

“sworn to and signed in the presence of a notary public,” and provides that statements in complaints are made under penalty of perjury. The Board has not found it to be necessary, and Minnesota Statutes, chapter 10A, does not require, that complaints be submitted under oath or be notarized. The federal rule differs from the proposed rule in that it requires inclusion of the “address of the complainant,” whereas the proposed rule would allow a complaint to only include the address of the complainant’s representative, such as an attorney, if that representative has signed the complaint on behalf of the complainant. As explained more fully above within the rule-by-rule analysis, that serves the purpose of facilitating communication between the Board and any representative of the complainant while not requiring a complainant to disclose their personal address if the complaint is signed by their representative. The rules are similar in that they each require that a complaint be submitted in writing, be signed, identify the alleged violator, describe the alleged violation, and include any evidence available to the complainant.

The proposed rule to be codified at Minnesota Rules, chapter 4525, part 0500, subpart 2, is somewhat comparable to 11 CFR part 111, subpart B, section 111.24, paragraph (a), in that each applies to civil penalties for which the amount is discretionary up to a maximum amount. However, the federal rule sets general maximum amounts for violations that are not reporting violations, whereas the maximum civil penalties that may be imposed by the Board are set forth within multiple sections of Minnesota Statutes, chapter 10A. Also, the proposed rule would list factors to be considered before imposing a civil penalty, including a cross-reference to Minnesota Statutes, section 14.045, which requires state agencies to consider specific factors when determining the amount of a discretionary fine. The rules are different because they serve somewhat different purposes, are based on different statutory schemes, and relate to different classes of campaign finance filers.

The proposed text of Minnesota Rules, chapter 4525, part 0550, subparts 1 and 5, is comparable to 11 CFR part 104, section 104.16. The proposed text of subpart 1 differs in that the scope of audits conducted by the Board is not limited to campaign finance filings. The federal rule differs in that it requires the FEC, prior to conducting an audit, to conduct an internal review to determine whether filings meet specific thresholds of “substantial compliance.” The proposed text of subpart 5 would require the Board to consider a variety of factors in determining whether to conduct an audit of campaign finance filings, including “the possible benefit to the public, and the magnitude of any reporting failures or violations that may be discovered as a result of the audit.” Also, in practice the Board would likely conduct an internal review prior to initiating an audit, which may eliminate some or all potential respondents from the scope of a potential audit. However, in some instances an internal review will not be sufficient to determine whether the filings in question comply with Minnesota Statutes, chapter 10A, so the proposed rule would not require such an exercise.

The proposed rule to be codified at Minnesota Rules, chapter 4525, part 0550, subpart 4, is somewhat comparable to 11 CFR parts 9007, section 9007.1, and 9038, section 9038.1, in that they each pertain to audits related to candidates who have sought public financing. The federal

rules require a considerably more extensive audit involving a “thorough examination and audit of the receipts, disbursements, debts and obligations of each candidate.” The proposed rule, on the other hand, only involves auditing certain affidavits of contributions filed under Minnesota Statutes, section 10A.323. Also, the timing differs in that audits of presidential candidates occur after those candidates have received public financing, whereas audits of affidavits of contributions conducted by the Board are intended to occur prior to public subsidy payments being issued. The rules are different because they serve different purposes, pertain to public financing programs involving vastly different sums of money and vastly different numbers of participating candidates, and are based on different statutory schemes.

#### **8) An assessment of the cumulative effect of the rule with other federal and state regulations related to the specific purpose of the rule.**

There are no state administrative rules applicable to campaign finance or lobbying, or audits and investigations conducted by the Board, other than those adopted and administered by the Board. Some entities under the jurisdiction of the Board may be subject to federal rules or regulations, such as regulations promulgated by the FEC or the United States Department of the Treasury. However, those rules and regulations serve different specific purposes than those served by the proposed rules. Therefore, there is no cumulative effect to be assessed.

## **Notice Plan**

Minnesota Statutes, sections 14.131 and 14.23, require that an agency include in its SONAR a description of its efforts to provide notice to persons or classes of persons who may be affected by the proposed rules, or an explanation of why those efforts were not made. The Board intends to issue a dual notice comprised of a notice of intent to adopt rules without a public hearing, in case less than 25 persons request a hearing, and a notice of hearing, in case 25 or more persons request a hearing.

Copies of the Board’s dual notice and this SONAR will be mailed to:

- the chair and ranking minority member of the Senate Elections Committee;
- the chair and ranking minority member of the House Elections Finance and Policy Committee;
- a former legislator who previously asked to receive rulemaking notices by mail;
- the Legislative Coordinating Commission; and
- the Legislative Reference Library.

Hyperlinked webpage addresses for the Board’s dual notice, this SONAR, the text of the proposed rules, and the Board’s rulemaking docket, will be emailed to those subscribed to the Board’s rulemaking email list, which includes approximately 228 subscribers.

Hyperlinked webpage addresses for the Board’s dual notice, this SONAR, the text of the proposed rules, and the Board’s rulemaking docket, will also be emailed to:

- all legislators serving on the Senate Elections Committee;
- all legislators serving on the House Elections Finance and Policy Committee;
- those who submitted comments or testimony during the rulemaking process, including the MGRC, American Council of Engineering Companies of Minnesota, Housing First Minnesota, Minnesota State Bar Association, Minnesota Regional Railroads Association, St. Paul Area Chamber, AIA Minnesota, Coalition of Greater Minnesota Cities, Minnesota Democratic-Farmer-Labor Party, Democratic Governors Association, Maureen Shaver, Conrad Zbikowski, James Newberger, Sue Rasmussen, and Ethel Cox;
- those subscribed to the Board's email lists regarding Board meeting dates and agenda items, press releases and announcements, lobbyist report filing dates, principal report filing dates, lobbying summary reports, compliance training classes, enforcement actions, the public subsidy program, and the gift prohibition, which excluding those subscribed to the rulemaking email list include approximately 1,293 unique subscribers;
- all registered lobbyists for whom the Board has an email address, which includes approximately 1,544 unique addresses;
- all associations with a registered lobbyist for which the Board has a contact person's email address, which includes approximately 1,713 unique addresses;
- all candidates, treasurers, deputy treasurers, and chairs of principal campaign committees registered with the Board for whom the Board has an email address, which includes approximately 1,289 unique addresses;
- all treasurers, deputy treasurers, and chairs of political party units, political committees, and political funds registered with the Board for whom the Board has an email address, which includes approximately 1,310 unique addresses;
- entities that requested an advisory opinion regarding lobbying in 2023 or 2024, including the League of Minnesota Cities, Association of Metropolitan Municipalities, Minnesota Association of Small Cities, Coalition of Greater Minnesota Cities, Municipal Legislative Commission, Minnesota School Boards Association, Education Minnesota, Minnesota Building and Construction Trades Council, Teamsters Joint Council 32, and others who cannot be publicly identified under Minnesota Statutes, section 10A.02, subdivision 12, paragraph (c);
- 35 organizations that may be interested, including Clean Elections Minnesota, Minnesota Chamber of Commerce, Common Cause Minnesota, Minnesota Business Partnership, ISAIAH, League of Women Voters of Minnesota, Freedom Club, Minnesota Council of Nonprofits, Minnesota Council on Foundations, North Star Liberty Alliance, Jewish Community Action, Upper Midwest Law Center, Minnesota Voice, Minnesota Indivisible Alliance, Minnesota Citizens Concerned for Life, Main Street Alliance, Minnesota College Republicans, Ayada Leads, Minnesota Voters Alliance, Pro-Choice Minnesota, Protect Minnesota, CAIR Minnesota, Minnesota Gun Rights, Asian American Organizing Project, Center of the American Experiment, ERA Minnesota, Citizens League, Minnesota Family Council, Joint Religious Legislative Coalition, Taxpayers League of Minnesota, Somali Action Alliance of Minnesota, Urban League Twin Cities, NAACP Minneapolis, NAACP St. Paul, and ACLU of Minnesota; and

- 32 attorneys who have been in contact with the Board within the past several years regarding topics that may be impacted by the proposed rules, including David Zoll, Charles Nauen, R. Reid LeBeau II, Benjamin Pachito, Roxanne Reinfeld, Jeffrey O'Brien, Jennifer Crancer, Brian Dillon, Wade Hauser, Amy Erickson, K. Davis Senseman, Tammera Diehm, Jordan Mogensen, Thomas Boyd, Erick Kaardal, William Mohrman, Jason Torchinsky, Dennis Polio, Jessica Furst Johnson, Charles Spies, Darrin Rosha, Daniel Rosen, Nick Harper, Jon Erik Kingstad, Christopher Madel, Kevin Beck, Richard Dahl, Brian Wajtalewicz, Jon Berkon, Emily Hogin, Derek Ross, and Steven Timmer.

The Board's rulemaking docket webpage will be updated to include hyperlinks to the dual notice and this SONAR. The Latest News section of the Board's website homepage will be updated to include hyperlinks to the dual notice and this SONAR.

## **Performance-based rules**

Minnesota Statutes, section 14.002, requires state agencies, whenever feasible, to "develop rules and regulatory programs that emphasize superior achievement in meeting the agency's regulatory objectives and maximum flexibility for the regulated party and the agency in meeting those goals." The Board sought to develop proposed rules that are flexible, to the extent possible, while achieving the desired objective and complying with relevant statutes. The proposed rules include multiple examples demonstrating that flexibility.

The proposed definition of "original signature" within Minnesota Rules, chapter 4501, part 0100, provides for multiple ways in which to sign a report or statement to be filed with the Board. Minnesota Rules, chapter 4501, part 0500, would allow campaign finance reports to be filed using third-party software capable of submitting a report in the format specified by the Board.

The proposed definition of "headquarters" within Minnesota Rules, chapter 4503, part 0100, is not limited to a single building or structure, and is flexible in allowing any building or structure to satisfy the definition if used as the primary location where business is conducted for any portion of a calendar year. The proposed definitions of "legislative caucus," "legislative caucus leader," and "legislative party unit" within Minnesota Rules, chapter 4503, part 0100, are broader than how the words caucus and leader are used within Minnesota Statutes, chapter 3. Minnesota Rules, chapter 4503, part 0400, would explicitly permit joint purchases by campaign finance filers, not require those engaging in joint purchases to enter into a written agreement with each other, and allow flexibility in terms of how reimbursements are reported as long as each joint purchaser uses the same method for reporting reimbursements.

Minnesota Rules, chapter 4503, part 0500, subpart 2, would explicitly permit vendors to facilitate contributions to campaign finance filers without thereby making contributions themselves or

being required to register with the Board as a political committee or political fund, allow vendors to withhold processing fees from amounts forwarded to contribution recipients rather than requiring them to forward the full amount and then bill recipients for any processing fees, and allow vendors 10 business days in which to forward contributions to recipients. Minnesota Rules, chapter 4503, part 0500, subpart 7, would not require a potential contribution recipient to obtain a statement or financial records from a potential contributor that is an unregistered association, and would not require the filing of any additional disclosure beyond that required by Minnesota Statutes, section 10A.27, subdivisions 13-16.

Minnesota Rules, chapter 4503, part 0700, would permit flexibility by explicitly stating that commercial vendors that facilitate the accumulation of contributions are not subject to the bundling limitation imposed by Minnesota Statutes, section 10A.27, subdivision 1.

Minnesota Rules, chapter 4503, part 0800, would permit flexibility by providing that a treasurer is only required to report the value of a payment processing fee paid by a contributor as an in-kind contribution if the amount of the fee exceeds the amount stated in Minnesota Statutes, section 10A.13, subdivision 1, which is currently \$20.

Minnesota Rules, chapter 4503, part 0900, subparts 2 and 3, would permit flexibility by providing non-exhaustive lists of types of expenses that qualify as noncampaign disbursements for expenses incurred by a leader of a legislative caucus and expenses for serving in public office, respectively. Minnesota Rules, chapter 4503, part 0900, subpart 4, would permit flexibility by articulating six specific scenarios in which equipment purchases by principal campaign committees may be classified as noncampaign disbursements.

Minnesota Rules, chapter 4503, part 1600, would permit flexibility by allowing campaign finance filers, under certain circumstances, to group multiple expenses paid or payable to the same vendor for the same goods or services together on a monthly basis, rather than requiring that each such expense be entered and reported separately.

Minnesota Rules, chapter 4503, part 1800, would permit flexibility by allowing certain campaign material disseminated electronically, such as by social media, to satisfy the disclaimer requirement by including a hyperlink to a webpage that contains the required disclaimer, rather than requiring the communications themselves to each contain the disclaimer text.

Minnesota Rules, chapter 4511, part 0100, would define the term “development of prospective legislation” in a manner that specifically excludes four types of actions. Minnesota Rules, chapter 4511, part 0100, would also permit flexibility by excluding the payment of an application or processing fee for a government service, permit, or license, from the definition of lobbying,

and by stating that an individual whose job duties do not involve lobbying and has not been asked to engage in lobbying by their employer does not receive consideration for lobbying they undertake at their own initiative.

Minnesota Rules, chapter 4511, part 0200, subpart 2, would permit flexibility by providing that an individual is not required to register as a lobbyist for a particular principal under two specific scenarios.

Minnesota Rules, chapter 4511, part 0300, would permit flexibility by explicitly permitting political subdivisions and other government entities to engage lobbyists without thereby being required to submit annual principal reports under Minnesota Statutes, section 10A.04, subdivision 6.

Minnesota Rules, chapter 4511, part 0900, would permit flexibility by allowing membership organizations comprised of political subdivisions to engage in lobbying and communicate with their members about those efforts, without their lobbyists thereby being required to submit lobbyist reports stating that the organization is lobbying its own members.

Minnesota Rules, chapter 4511, part 1000, would permit flexibility by allowing entities to seek four specific types of actions from local elected officials without those actions being considered an approval by an elected local official, which has lobbyist registration and reporting implications.

Minnesota Rules, chapter 4511, part 1100, would permit flexibility by allowing entities to seek three specific types of actions from nonelected local officials without those actions being considered a major decision regarding the expenditure of public money, which has lobbyist registration and reporting implications.

Minnesota Rules, chapter 4512, part 0200, would permit flexibility by explicitly allowing certain informational material to be provided to officials by lobbyists and lobbyist principals without that material being a prohibited gift under Minnesota Statutes, section 10A.071.

Minnesota Rules, chapter 4525, part 0200, subparts 2 and 3, would permit flexibility by allowing a representative of a complainant, who signs a complaint, to provide the representative's address rather than the personal address of the complainant, and by allowing complaints to be withdrawn prior to a prima facie determination being made, respectively.

Minnesota Rules, chapter 4525, part 0210, subpart 3, would permit flexibility by allowing the

Board to consider any evidence obtained by or known to the Board when making a probable cause determination.

Minnesota Rules, chapter 4525, part 0500, subpart 2, would permit flexibility by allowing the Board to consider a variety of factors when determining the amount of a civil penalty to be imposed, if any, while noting that the Board must consider the factors listed in Minnesota Statutes, section 14.045, subdivision 3.

Minnesota Rules, chapter 4525, part 0550, subpart 1, would permit flexibility by allowing the Board to obtain information regarding an audit by a variety of methods, consistent with Minnesota Statutes, section 10A.022, subdivision 2.

Minnesota Rules, chapter 4525, part 0550, subpart 5, would permit flexibility by allowing the Board to conduct partial audits and to conduct audits in which respondents are selected on a randomized basis designed to capture a sample of entities that meet certain criteria.

## **Consult with MMB on local government impact**

As required by Minnesota Statutes, section 14.131, the Board will consult with MMB. The Board will provide MMB with copies of the proposed rules, this SONAR, and the Governor's Office Proposed Rule and SONAR form, prior to publication of the dual notice.

## **Impact on local government ordinances and rules**

Minnesota Statutes, section 14.128, subdivision 1, requires an agency to make a determination of whether a proposed rule will require a local government to adopt or amend any ordinances or other regulation in order to comply with the rule. The Board does not believe that the proposed rules will require any such adoptions or amendments of local ordinances or regulations. To the extent that local governments have ordinances or regulations regarding campaign finance involving local elections that are impacted by changes implemented by the legislature effective January 1, 2022, any required changes are attributable to those legislative changes, rather than the proposed rules. To the extent that local governments have ordinances or regulations regarding lobbying or specifying who is considered a local official that are impacted by changes implemented by the legislature effective January 1, 2024, any required changes are attributable to those legislative changes, rather than the proposed rules.

## **Costs of complying for small business or city**

Minnesota Statutes, section 14.127, subdivisions 1 and 2, require an agency to “determine if the cost of complying with a proposed rule in the first year after the rule takes effect will exceed



\$25,000 for any one business that has less than 50 full-time employees, or any one statutory or home rule charter city that has less than ten full-time employees.” The Board has determined that the cost of complying with the proposed rules in the first year after the rules take effect will not exceed \$25,000 for any small business or small city. In the unlikely event that a small business or city incurs a more than \$25,000 increase in its compliance costs related to Minnesota Statutes, chapter 10A, within a year of the proposed rules taking effect, that increase will almost certainly be attributable to legislative changes regarding lobbying, rather than the proposed rules.

## Witnesses

If the proposed rules are considered at a public hearing, the Board anticipates having the following witnesses testify in support of the need for and reasonableness of the rules:

- Jeff Sigurdson, Executive Director
- Andrew Olson, Legal/Management Analyst

The Board does not intend to call any non-agency witnesses.

## Conclusion

The Board has established the need for and the reasonableness of each of the proposed amendments to Minnesota Rules, chapters 4501, 4503, 4511, 4512, and 4525. The Board has provided the necessary notice and documented its compliance with all applicable administrative rulemaking requirements. Based on the forgoing, the proposed amendments are both needed and reasonable.

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Jeff Sigurdson, Executive Director  
Campaign Finance and Public Disclosure Board

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Date



# MINNESOTA

## CAMPAIGN FINANCE BOARD

### AUTHORIZING RESOLUTION

#### **In the Matter of Proposed Revisions of Minnesota Rules, Chapters 4501, 4503, 4511, 4512, and 4525; Revisor's ID No. 04809**

I, David Asp, certify that I am a member and the Chair of the Campaign Finance and Public Disclosure Board, a board authorized under the laws of the State of Minnesota; that the following is a true, complete, and correct copy of a resolution that the Campaign Finance and Public Disclosure Board adopted at a properly convened meeting on June 5, 2024; that a quorum was present; and that a majority of those present voted for the resolution, which has not been rescinded or modified. The Board resolved the following:

1. The executive director of the Campaign Finance and Public Disclosure Board, is authorized and directed to sign and to give the Notice of the Board's Intent to Adopt Rules using Alternate Notices of whether a hearing will be held in the Revisor of Statutes draft, file number 04809, identified as Minnesota Rules, Chapters 4501, 4503, 4511, 4512, and 4525, with any modifications approved by the Board. The executive director must give this notice to all persons who have registered their names with the Board for that purpose. The executive director must also publish the Notice in the State Register. Furthermore, the executive director is authorized and directed to do anything else needed to complete this Notice.
2. If there are fewer than 25 outstanding hearing requests, the executive director of the Campaign Finance and Public Disclosure Board is authorized and directed to sign the Order Adopting Rules and to do anything else needed to adopt these rules without a hearing.
3. If there are 25 or more outstanding hearing requests, the executive director of the Campaign Finance and Public Disclosure Board, is authorized and directed to act as the Board's representative at the hearing and do anything else needed to adopt these rules with a hearing. This includes authority to sign the Order Adopting Rules if there are no modifications to the rules other than modifications approved by the Board.

\_\_\_\_\_  
David Asp, Chair  
Campaign Finance and Public Disclosure Board

Date: \_\_\_\_\_



# MINNESOTA

## CAMPAIGN FINANCE BOARD

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**Date:** May 29, 2024

**To:** Board members

**From:** Megan Engelhardt, Assistant Executive Director

**Telephone:** 651-539-1182

**Re:** Prima facie determinations

Complaints filed with the Board are subject to a prima facie determination which is usually made by the Board chair in consultation with staff. If the Board chair determines 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 three complaints were dismissed by either Chair Asp or Vice Chair Rashid, and the prima facie determinations are provided here as informational items to Board members. No further Board action is required.

### **Claigan Environmental**

On March 29, 2024, the Board received the attached complaint from Steven J. Timmer. The complaint alleged that Claigan Environmental attempted to influence the Minnesota Pollution Control Agency (MPCA) regarding its rulemaking process concerning per-and polyfluoroalkyl substances (PFAS). The complaint included a copy of a press release from Claigan Environmental dated January 29, 2024, and a letter submitted to the MPCA as a comment to the MPCA rulemaking process by a representative of PCB Piezotronics that references efforts by Claigan Environmental. The complaint alleged that "Claigan Environmental is acting as a lobbyist for unknown principals" and that it should be registered. The complaint alleged, and the Board's records reflect, no lobbyists are registered on behalf of Claigan Environmental. The complaint alleged that Claigan Environmental should be registered as a lobbyist. The complainant also appeared to allege that Claigan Environmental may need to file a lobbyist principal report for attempting to influence rulemaking by the MPCA in 2024.

On April 10, 2024, the Board's chair determined that the complaint does not state a prima facie violation of Minnesota Chapter 10A. The lobbyist registration requirement in Minnesota Statutes section 10A.03, subdivision 1, applies to individuals, not associations. A complaint alleging a violation of this statute would need to allege that an individual failed to timely register as a lobbyist.

The prima facie determination also addressed that even if Claigan Environmental did participate in actions attempting to influence administrative rulemaking by the MPCA, they would not be required to file a principal report for 2024 until March 15, 2025.

### **Richard W. Ginsberg**

On April 22, 2024, the Board received the enclosed complaint from Jeff Brinkman. The complaint alleged that Richard W. Ginsburg violated unnamed Minnesota Statutes Chapter 10A by his “failure to update lobbying registration (medical and recreational cannabis).” The complaint asserted that “Mr. Ginsberg has been actively representing the interests of medical cannabis” and that he “appears to have been involved in shaping legislation for medical manufacturers.” The complaint was attached to an email stating “[w]e believe this gentlemen continues his work as an unregistered lobbyist for medical cannabis manufacturers and possibly the UFCW 1189 cannabis union, the Mille Lacs Band of Ojibwe, Hwy 35 Cannabis or the Minnesota Marijuana Association.”

On May 3, 2024, the Board’s vice chair determined that the complaint did not state a prima facie violation as Mr. Ginsberg has been a registered lobbyist for Corporate Commission of the Mille Lacs Band of Chippewa Indians since 1997, and MN Medical Solutions since 2017. While the complaint included evidence that Mr. Ginsberg has lobbied on the subject of cannabis regulation, it did not include evidence specific to UFCW Local 1189, HWY35, LLC, the Minnesota Marijuana Association, or any particular medical cannabis manufacturer. Moreover, Board records show that Mr. Ginsberg has lobbied on the subject of cannabis regulation on behalf of MN Medical Solutions.

### **Sarah Kruger**

On April 19, 2024, the Board received the enclosed complaint from Sigurd Scheurle. The complaint stated that the complainant received a mailer during the week of March 18, 2024, before the Minnesota Democratic-Farmer-Labor Party’s House District 26A nominating convention. The complaint alleged that the mailer was fake, misleading, and attributed to a nonexistent group called "Winona Area Democrats For Reproductive Rights". The complaint listed the name of the person or entity being complained about as "Sarah Kruger". The complaint also stated that Sarah Kruger disclaimed affiliation with the mailing. The mailer contained language that states that it was paid for by an organization called “Winona Area Democrats For Reproductive Rights”. The complaint cited violations of Minnesota Statutes sections 211B.02, 211B.04, and 211B.06.

On May 3, 2024, the Board’s chair determined that the complaint did not state a prima facie violation as the complaint was lodged against Ms. Kruger as the individual responsible for the disclaimer violation, but failed to provide any evidence that Ms. Kruger or her campaign committee were responsible for preparing or disseminating the mailer. In fact, the complaint acknowledged that Ms. Kruger had stated that she was not responsible for the mailer. The complaint therefore did not state a prima facie violation by Ms. Kruger or her campaign committee of the disclaimer requirement in Minnesota Statutes section 211B.04. Further, the Board does not have investigative authority with respect to Minnesota Statutes sections 211B.02 or 211B.06.

### **Attachments:**

Complaint against Claigan Environmental  
Prima facie determination regarding Claigan Environmental  
Complaint against Richard Ginsberg  
Prima facie determination regarding Richard Ginsberg  
Complaint against Sarah Kruger for MN House  
Prima facie determination regarding Sarah Kruger for MN House



# MINNESOTA CAMPAIGN FINANCE BOARD

## Complaint for Violation of the Campaign Finance and Public Disclosure Act

All information on this form is confidential until a decision is issued by the Board.  
A photocopy of the entire complaint, however, will be sent to the respondent.

### Information about complaint filer

Name of complaint filer	Steven J. Timmer		
Address	5348 Oaklawn Avenue	Email address	@planetlawyers.com stimmer
City, state, and zip	Edina, Minnesota 55424	Telephone (Daytime)	952.607.7734

### Identify person/entity you are complaining about

Name of person/entity being complained about	Claigan Environmental
Address	10 Brewer Hunt Way, Suite 200
City, state, zip	Kanata, Ontario, Canada K2K 2B5
Title of respondent (If applicable)	
Board/Department/Agency/District # (If legislator)	

*Steven J. Timmer*

Signature of person filing complaint

March 29, 2024

Date

Send completed form to:

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

If you have questions call 651-539-1189, 800-657-3889, or for TTY/TDD communication contact us via the Minnesota Relay Service at 800-627-3529. Board staff may be reached by email at [cf.board@state.mn.us](mailto:cf.board@state.mn.us).

This document is available in alternative formats to individuals with disabilities by calling 651-539-1180, 800-657-3889, or through the Minnesota Relay Service at 800-627-3529.

Give the statutory cite to the section of Chapter 10A, Chapter 211B, or Minnesota Rules you believe has been violated:

§ 10A.03

You will find links to the complete text of Chapter 10A, Chapter 211B, and Minnesota Rules chapters 4501 - 4525 on the Board's website at [cfb.mn.gov](http://cfb.mn.gov).

### Nature of complaint

Explain in detail why you believe the respondent has violated the campaign finance and public disclosure laws. Attach extra sheet(s) of paper if necessary. Attach any documents, photographs, or other evidence needed to support your allegations. Electronic files may be provided to the Board by email or via a file transfer service.

Claigan Environmental has embarked on a self-described effort to influence the Minnesota Pollution Control Agency on its rulemaking as required by Minn. Stat. sec. 116.943 (2023). Claigan's current principals are unknown, but it is soliciting additional principals to join the effort. These documents are evidence of lobbying activity:

1) Press release by Claigan Environmental dated January 29, 2024, describing its intent to influence rulemaking by the MPCA (attached).

2) Letter by a representative of PCB Piezotronics to the Minnesota Pollution Control Agency referring to the lobbying effort by Claigan Environmental with approval. This undated letter was filed as a comment before the expiration of the relevant comment period on March 1, 2024.

Claigan Environmental is acting as a lobbyist for unknown principals; it is not registered (as of March 29, 2024) and clearly should be.

Minnesota Statutes section 10A.022 and Minnesota Rules Chapter 4525 describe the procedures required for investigating complaints. A full description of the complaint process is available on the Board's website. Briefly, the Board will notify you when it has received your complaint. The Board must send a copy of the complaint to the respondent. Complaints and investigations are confidential. Board members and staff cannot talk about an investigation except as required to carry out the investigation or to take action in the matter. After the Board issues a decision, the record of the investigation is public.

The law requires a complaint to go through two stages before the Board can begin an investigation: a *prima facie determination* and a *probable cause decision*. If the complaint does not pass one of the stages, it must be dismissed. The Board chair or their designee has 10 business days after receiving your complaint to determine whether the complaint alleges a *prima facie* violation. If the complaint alleges a *prima facie* violation, the Board has 45 days to decide whether probable cause exists to believe a violation that warrants a formal investigation has occurred. Both you and the respondent have the right to be heard on the issue of probable cause before the Board makes this decision. The Board will notify you if the complaint moves to the probable cause stage.

If the Board determines that probable cause does not exist, the Board will dismiss the complaint. If the Board determines that probable cause exists, the Board may start an investigation. In some cases the Board will issue findings, conclusions, and an order as its decision. In other cases the Board will instead enter into a conciliation agreement with the respondent. The Board's final decision will be posted on the Board's website.

# Invitation to Join - Claigan PFAS Current Unavoidable Uses Project

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NEWS PROVIDED BY

**Claigan Environmental Inc. →**

Jan 29, 2024, 11:28 ET

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*Industry project to submit PFAS restriction exemption to Maine and Minnesota by March 1 2024.*

OTTAWA, ON, Jan. 29, 2024 /CNW/ - On January 24th, Claigan Environmental Inc.

([www.claigan.com](http://www.claigan.com)) announced a strategic project to apply for Currently Unavoidable Use (CUU) exemptions for PFAS in Maine and Minnesota. Companies are encouraged to participate in this project and are urged to submit their PFAS Currently Unavoidable Uses (CUU) proposals by the March 1, 2024 deadline, marking a critical step towards obtaining exemptions for PFAS restrictions in both states.

The significance of this project lies not only in its impact on Maine and Minnesota but also in its potential to influence PFAS legislations in other states that share a common legislative framework, such as California and New York. Exemptions approved in Maine and Minnesota are expected to have a much higher likelihood of exemption in other states.

Building on the success of Claigan's previous PFAS derogation submission project, Claigan is inviting companies to participate in the Maine/Minnesota PFAS exemption project.

Participants will benefit from the expertise of Claigan, ensuring their PFAS uses are submitted for review. Leveraging substantial information from the EU derogation project, Claigan aims to provide a well-supported list of common uses within the tight deadline of March 1, 2024.

**Advantages to participants**



- Assurance that their PFAS uses are submitted
- Inclusion of their customs codes/product categories
- Access to Claigan's in-depth technical knowledge on this highly specialized topic
- Utilization of Claigan extensive PFAS exemption data.
- An option to join Claigan's Canadian PFOA exemption submission project

It is essential to recognize that in PFAS regulation, assuming that "someone else will do the work" has proven to be one of the industry's major mistakes. Only your company cares about your products.

To join the Claigan PFAS CUU Project, please contact us at [\*\*info@claigan.com\*\*](mailto:info@claigan.com) or at [\*\*https://www.claigan.com/contact-us/\*\*](https://www.claigan.com/contact-us/).

At Claigan, our philosophy is simple: Less Journey, More Results.

SOURCE Claigan Environmental Inc.





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## Letter of Support

PCB Piezotronics stands firmly behind efforts to minimize the presence of Per- and Polyfluorinated Substances (PFAS) in the environment. However, we express concern regarding the potential economic, social, and health ramifications of current PFAS restrictions. It's important to acknowledge that PFAS play a vital role in ensuring product functionality and meeting stringent safety standards.

In line with our commitment to finding balanced solutions, Claigan Environmental has developed a comprehensive Currently Unavoidable Uses (CUU) proposal, which is being submitted to the states of Maine and Minnesota. This proposal is founded upon rigorous laboratory testing and incorporates valuable insights gathered from diverse stakeholders. By engaging experts from various industries, Claigan Environmental has adopted a collaborative approach to address this complex issue.

PCB Piezotronics actively participated in the consultation process and supports Claigan Environmental's submission. We believe that their proposal represents a thoughtful and pragmatic approach to managing PFAS while mitigating adverse impacts on businesses, communities, and public health.

*Wendy Willard*

Wendy Willard

Regulatory Affairs Specialist & Product Certification Specialist

*3425 Walden Ave.*

*Depew, NY 14043*

*Phone: 716-684-0002 ext.102420*

*wwillard@pcb.com*

## SUPPLEMENTAL MEMORANDUM TO COMPLAINT AGAINST CLAIGAN ENVIRONMENTAL INC.

\* \* \*

This memorandum is a supplement to the record for the complaint filed with the Campaign Finance and Public Disclosure Board against Claigan Environmental Inc. on Friday, March 29, 2024. The complaint was made because Claigan should have registered as a lobbyist but has not, and that it is attempting to influence rulemaking by the Minnesota Pollution Control Agency and Office of Administrative Hearings.

In its January 2024 press release, copied in the complaint, Claigan said it was launching a “strategic project to apply for Currently Unavoidable Use (CUU) exemptions for PFAS in Maine and Minnesota.” The project is aimed at influencing the way the PCA implements the “currently unavoidable use” provisions of Minn. Stat. § 116.943 (2023). In the press release, it invites participants to become its clients in the endeavor. Apparently, many have.

A letter comment responding to the PCA’s request for comments (which closed March 1<sup>st</sup> of this year) by PCB Piezotronics is an example; it is reproduced in the complaint. The letter cites with approval the “balanced” and “comprehensive” proposal for CUUs by Claigan. PCB Piezotronics is hardly alone in providing an endorsement of Claigan.

Here is a link to a PDF file of the comments filed with the PCA/OAH during the comment period:

<https://www.pca.state.mn.us/sites/default/files/c-pfas-rule3-02.pdf>

If you conduct a search of the word “Claigan” in this database of comments, you will find some 234 matches by a variety of industry commenters. There are multiple references in some comments, but there are still many unique records. Claigan filed a comment, too, although with all the references to the company it can be hard to find.

Some of the commenters seemed to think they were applying for a CUU exemption. That is obviously not the case though; there are no rules and Claigan can’t be appearing on behalf of anyone to apply for an exemption pursuant to existing rules. Manifestly, it’s an effort to influence *rulemaking*.

Evidence of the central planning of this effort can be found in the fact that most of the commenters use language quite similar to the PCB Piezotronics comment, using words and terms like standing firmly, expressing concern, vital roles, balanced solutions,

diverse stakeholders, valuable insights, complex issues, thoughtful and pragmatic approaches, *etc.*

Investigation would undoubtedly reveal that Claigan is really the author of the language of these comments, and it must have been drumming up commenters for some time to have so many endorsements in the comments from so many different places.

Claigan's motto, stated in the referenced press release is:

*At Claigan, our philosophy is simple: Less Journey, More Results.*

That's a transparent anti-environmental regulation message. The citizens of Minnesota deserve to know who and what resources are being put behind it.

Respectfully submitted,

A handwritten signature in blue ink that reads "Steven J. Timmer". The signature is written in a cursive, flowing style.

Steven J. Timmer

April 1, 2024

STATE OF MINNESOTA  
CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD

PRIMA FACIE  
DETERMINATION

IN THE MATTER OF THE COMPLAINT OF STEVEN J. TIMMER REGARDING CLAIGAN ENVIRONMENTAL

On March 29, 2024, the Campaign Finance and Public Disclosure Board received a complaint submitted by Steven J. Timmer regarding Claigan Environmental. The complaint alleges a violation of Minnesota Statutes section 10A.03, which requires lobbyists to register with the Board.

The complaint alleges that Claigan Environmental attempted to influence the Minnesota Pollution Control Agency (MPCA) regarding its rulemaking process concerning per-and polyfluoroalkyl substances (PFAS). The complaint includes a copy of a press release from Claigan Environmental dated January 29, 2024, and a letter submitted to the MPCA as a comment to the MPCA rulemaking process by a representative of PCB Piezotronics that references efforts by Claigan Environmental. The complaint alleges that "Claigan Environmental is acting as a lobbyist for unknown principals" and that it should be registered.

The press release provided by the complainant states that Claigan Environmental "announced a strategic project to apply for Currently Unavoidable Use (CCU) exemptions for PFAS in . . . Minnesota." The press release appears to encourage other companies to participate in Claigan Environmental's plan to participate in applying for the CCU exemptions in Minnesota. The comment provided to the MPCA as part of the rulemaking process from PCB Piezotronics states that PCB Piezotronics supports Claigan Environmental's CCU exemption proposal.

On April 1, 2024, the complainant provided a supplemental memorandum to his complaint that provided more information related to his complaint. The supplemental memorandum states that Claigan Environmental has launched a proposal to apply for CCU exemptions for PFAS and encouraged others "to become its clients in the endeavor." The supplemental memorandum alleges that Claigan Environmental's proposal to apply for CCU exemptions for PFAS and their encouragement of other companies is "an effort to influence *rulemaking*" and "is aimed at influencing the way the PCA implements the 'currently unavoidable use' provisions of Minn. Stat. § 116.943 (2023)." The supplemental memorandum provides a link to the comments submitted as part of the rulemaking process and alleges that if you search for the word "Claigan" in the database of comments, there are "234 matches by a variety of industry commenters." The supplemental memorandum alleges that many of the comments include similar language to the PCB Piezotronics comment. The supplemental memorandum also states that Claigan Environmental submitted a comment to the MPCA as part of the rulemaking process. Board staff reviewed the comments, and Claigan Environmental did submit a comment in response to the MPCA's request for public comments.

## Determination

Minnesota Statutes section 10A.03, subdivision 1, requires a lobbyist to register with the Board within five days after becoming a lobbyist, or being engaged to represent a new association as a lobbyist. Minnesota Statutes section 10A.01, subdivision 21, defines the term lobbyist, in relevant part, to mean "an individual . . . engaged for pay or other consideration of more than \$3,000 from all sources in any year . . . for the purpose of attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit, by communicating or urging others to communicate with public or local officials." Additionally, an individual who is employed by a business whose primary source of revenue is "derived from facilitating government relations or government affairs services if the individual's job duties include offering direct or indirect consulting or advice that helps the business provide those services to clients" will need to register as a lobbyist on behalf of the client that received those services.

The complaint alleges, and the Board's records reflect, that there are no lobbyists registered on behalf of Claigan Environmental. The complaint alleges that Claigan Environmental should be registered as a lobbyist. However, the lobbyist registration requirement in Minnesota Statutes section 10A.03, subdivision 1, applies to individuals, not associations. A complaint alleging a violation of this statute would need to allege that an individual failed to timely register as a lobbyist. The complaint therefore does not state a prima facie violation of Minnesota Statutes section 10A.03.

While not specifically stated in the complaint, the complainant appears to also allege that Claigan Environmental may need to file a lobbyist principal report for attempting to influence rulemaking by the MPCA in 2024. Minnesota Statutes section 10A.01, subdivision 33, defines the term principal to mean an individual or association that:


(1) spends more than \$500 in the aggregate in any calendar year to engage a lobbyist, compensate a lobbyist, or authorize the expenditure of money by a lobbyist; or

(2) is not included in clause (1) and spends a total of at least \$50,000 in any calendar year on efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units, as described in section 10A.04, subdivision 6.

If these communications qualified as lobbying, then Claigan Environmental will need to file the lobbyist principal report for 2024, which is due March 17, 2025, if it spends at least \$50,000 "on efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units," or if it spends more than \$500 "to engage a lobbyist, compensate a lobbyist, or authorize the expenditure of money by a lobbyist," in 2024. The complaint includes references to two things that Claigan Environmental did to influence the MPCA rulemaking process: 1) it issued a press release that appears to be a call for other companies comment on the MPCA's PFAS rulemaking; and 2) it submitted a comment to the MPCA. Even if these

actions qualify as attempting to influence administrative rulemaking by the MPCA, whether Claigan Environmental has, or will, spend at least \$50,000 to influence administrative action in Minnesota during 2024, and whether Claigan Environmental will spend more than \$500 to engage a lobbyist in 2024, is unknown to the Board. However, regardless of whether either threshold is reached, a principal cannot be in violation of a filing requirement that has not yet occurred. Therefore, there is no reason to believe that Claigan Environmental has violated Minnesota Statutes section 10A.04, subdivision 6, by failing to file a lobbyist principal report.

Pursuant to Minnesota Statutes section 10A.022, subdivision 3, 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. The complaint is dismissed without prejudice.

  
\_\_\_\_\_  
David Asp, Chair  
Campaign Finance and Public Disclosure Board

Date: April 10, 2024



# MINNESOTA CAMPAIGN FINANCE BOARD

## Complaint for Violation of the Campaign Finance and Public Disclosure Act

All information on this form is confidential until a decision is issued by the Board.  
A photocopy of the entire complaint, however, will be sent to the respondent.

### Information about complaint filer

Name of complaint filer	Jeff Brinkman		
Address	PO Box 672	Email address	jbrinkman@superiorcannabiscompany.com
City, state, and zip	Austin, MN 55912	Telephone (Daytime)	507-438-1000

### Identify person/entity you are complaining about

Name of person/entity being complained about	Richard W. Ginsberg		
Address	676 Summit Ave #202 (email;therotundagroup@gmail.com)		
City, state, zip	St. Paul, MN 55105		
Title of respondent (If applicable)	lobbyist, fundraiser, Walz appointee to Airports Commission		
Board/Department/Agency/District # (If legislator)	MN Airports Commision Board		

 Signature of person filing complaint

4/22/2024 Date

Send completed form to:

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

If you have questions call 651-539-1189, 800-657-3889, or for TTY/TDD communication contact us via the Minnesota Relay Service at 800-627-3529. Board staff may be reached by email at [cf.board@state.mn.us](mailto:cf.board@state.mn.us).

This document is available in alternative formats to individuals with disabilities by calling 651-539-1180, 800-657-3889, or through the Minnesota Relay Service at 800-627-3529.

Give the statutory cite to the section of Chapter 10A, Chapter 211B, or Minnesota Rules you believe has been violated:

10A Failure to update lobbying registration (medical and recreational cannabis)

You will find links to the complete text of Chapter 10A, Chapter 211B, and Minnesota Rules chapters 4501 - 4525 on the Board's website at [cfb.mn.gov](http://cfb.mn.gov).

### Nature of complaint

Explain in detail why you believe the respondent has violated the campaign finance and public disclosure laws. Attach extra sheet(s) of paper if necessary. Attach any documents, photographs, or other evidence needed to support your allegations. Electronic files may be provided to the Board by email or via a file transfer service.

Mr. Ginsberg has been actively representing the interests of medical cannabis as noted in the advocates sections of the Office of Cannabis Management, and has been included in private meetings with the OCM. His email is noted in the invitations and he appears on several key lists obtained from OCM data requests and other sources. Mr. Ginsberg is a democratic strategist, lobbyist and fundraiser for the DFL and has many connections inside agencies and within the governors office and appears to have been involved in shaping legislation for medical manufacturers.

I have attached the following. 1. Lobbyist Listing (not designated) 2. Personal Contributions List Ginsberg 3. Jeff Brinkman Testimony regarding lobbying contacts 4. Advocates email invitation including Ginsberg (therotundagroup@gmail.com) 5. Governor's Advocates List Richard Ginsberg (noted medical affiliation, therotundagroup@gmail.com) 6. OMC Consultant Meeting Update for private meeting. 7. Ginsberg Appointment information Dayton and Walz (email richard.ginsberg@mspac.org)

Minnesota Statutes section 10A.022 and Minnesota Rules Chapter 4525 describe the procedures required for investigating complaints. A full description of the complaint process is available on the Board's website. Briefly, the Board will notify you when it has received your complaint. The Board must send a copy of the complaint to the respondent. Complaints and investigations are confidential. Board members and staff cannot talk about an investigation except as required to carry out the investigation or to take action in the matter. After the Board issues a decision, the record of the investigation is public.

The law requires a complaint to go through two stages before the Board can begin an investigation: a prima facie determination and a probable cause decision. If the complaint does not pass one of the stages, it must be dismissed. The Board chair or their designee has 10 business days after receiving your complaint to determine whether the complaint alleges a prima facie violation. If the complaint alleges a prima facie violation, the Board has 45 days to decide whether probable cause exists to believe a violation that warrants a formal investigation has occurred. Both you and the respondent have the right to be heard on the issue of probable cause before the Board makes this decision. The Board will notify you if the complaint moves to the probable cause stage.

If the Board determines that probable cause does not exist, the Board will dismiss the complaint. If the Board determines that probable cause exists, the Board may start an investigation. In some cases the Board will issue findings, conclusions, and an order as its decision. In other cases the Board will instead enter into a conciliation agreement with the respondent. The Board's final decision will be posted on the Board's website.



# Search Lobbyists



2024 June Report



## Ginsberg, Richard W

### Lobbyist information

Lobbyist reports

Subjects of lobbying

Complete client list

### Ginsberg, Richard W

Reg num: 9713  
676 Summit Ave #202  
St Paul, MN 55105

Login to Follow (<https://logon.cfb.mn.gov/sso/login?returnTo=https://cfb.mn.gov/reports-and-data/viewers/lobbying/lobbyists/api>) ➔

View lobbyist contributions  
([/reports/#/contributors\\_lobbyist/97770](/reports/#/contributors_lobbyist/97770))

### Associations represented

Association	Registered	Terminated	Designated	Disbursements
<a href="/reports-and-data/viewers/lobbying/lobbying-organizations/3587/">Mille Lacs Band of Ojibwe Indians-Corp Comm</a>	12/3/1997	<input type="checkbox"/>	<input type="checkbox"/>	Available 6/18/2024
<a href="/reports-and-data/viewers/lobbying/lobbying-organizations/4228/">MN Hospital Assn</a>	3/9/2023	<input type="checkbox"/>	<input type="checkbox"/>	Available 6/18/2024
<a href="/reports-and-data/viewers/lobbying/lobbying-organizations/6948/">MN Medical Solutions</a>	2/22/2017	<input type="checkbox"/>	<input type="checkbox"/>	Available 6/18/2024
<a href="/reports-and-data/viewers/lobbying/lobbying-organizations/5823/">Wal-Mart Stores, Inc.</a>	2/27/2007	<input type="checkbox"/>	<input type="checkbox"/>	Available 6/18/2024

Contributor	Contributor	Contributor	Contributor	Contributor zip	Recipient	Recipient r	Recipient s	Recipient t	Contrib	Arr	Contrib Da	Year	In kind?	In kind desc
97770	Ginsberg, I	9713	Lobbyist	55105	Blaha, Julie State Aud Committee	18218		PCC	200	00:00.0		2022	0	
97770	Ginsberg, I	9713	Lobbyist	55105	Blaha, Julie State Aud Committee	18218		PCC	1000	00:00.0		2023	0	
97770	Ginsberg, I	9713	Lobbyist	55105	Blaha, Julie State Aud Committee	18218		PCC	250	00:00.0		2019	0	
97770	Ginsberg, I	9713	Lobbyist	55105	Coleman, Christopher B Gov Committee	18127		PCC	250	00:00.0		2016	0	
97770	Ginsberg, I	9713	Lobbyist	55105	Walz, Tim Gov Committee	18135		PCC	1000	00:00.0		2019	0	
97770	Ginsberg, I	9713	Lobbyist	55105	Walz, Tim Gov Committee	18135		PCC	1000	00:00.0		2023	0	
97770	Ginsberg, I	9713	Lobbyist	55105	Walz, Tim Gov Committee	18135		PCC	1000	00:00.0		2023	0	
97770	Ginsberg, I	9713	Lobbyist	55105	Walz, Tim Gov Committee	18135		PCC	1000	00:00.0		2019	0	
97770	Ginsberg, I	9713	Lobbyist	55105	Winkler, Ryan Atty Gen Committee	18124		PCC	500	00:00.0		2016	0	
97770	Ginsberg, I	9713	Lobbyist	55105	Winkler, Ryan Atty Gen Committee	18124		PCC	500	00:00.0		2016	0	
97770	Ginsberg, I	9713	Lobbyist	55105	Winkler, Ryan Atty Gen Committee	18124		PCC	130.44	00:00.0		2017	1	Food for campaign meeting
97770	Ginsberg, I	9713	Lobbyist	55105	Winkler, Ryan Atty Gen Committee	18124		PCC	1000	00:00.0		2017	0	
97770	Ginsberg, I	9713	Lobbyist	55105	Winkler, Ryan House Committee	18274		PCC	250	00:00.0		2021	0	
97770	Ginsberg, I	9713	Lobbyist	55105	Winkler, Ryan House Committee	18274		PCC	300	00:00.0		2019	0	

I'm Jeff Brinkman, a Cannabis Activist and Hemp Farmer. I'm here to remind you of the promises made regarding cannabis legalization.

Last year, Legislative Authors sold the people on a Minnesota-centric small business, craft, and equity-focused bill, touted as a "model for the nation." Currently, the bills, including this one, notably deviate from that promise. You can't imagine the backlash we faced last year for questioning the legislation and its corporate inclinations. We've learned a lot since then.

We discovered that the first Office of Cannabis Management director was required to make her introductory phone calls to lobbying strategists and select business owners. I know this because I reached out to Ms. Dupree, who confirmed that her first call on a list of 220 people was indeed a lobbying strategist. Following that call, the strategist initiated a campaign to have Ms. Dupree removed, and she resigned within 24 hours. There are serious questions about why our governor-appointed director was required to make her first contact with a lobbying strategist. Ms. Dupree will soon cover this topic in an upcoming documentary produced by Kowala Media, and I have that list.

We also learned that medical and other corporate players are planning massive expansions in anticipation of a race to the bottom in their cost per gram. They mention canopies exceeding 250,000 square feet at a single location in news articles. How does that affect equity stakeholders, small businesses, and farms? How can these companies spend millions, some with state money, on the construction of huge facilities without knowing whether they will obtain a license? It seems they have already solidified their positions with lobbyists and legislators.

Once again, equity stakeholders, small businesses, and farms are being sidelined, while big businesses and corporate interests expect to thrive due to their close relationships with legislators and lobbyists, and are forging ahead with their expansions.

This is the unfortunate reality in Minnesota, but I'm hopeful for change. Please remember that your constituents are people, not corporations. Thank you

# Office of Governor Tim Walz & Lt. Governor Peggy Flanagan

## Boards & Commissions

Director of the Office of Cannabis Management

Announcement

September 2023

### Tuesday, September 19, 2023

- Review and Approve Bio – Erin Dupree
- Draft Quote – Erin Dupree
- Validators for Quote – Erin Dupree
- Develop press plan – GO/MDA
- Develop talking points – GO/MDA

### Wednesday, September 20, 2023

- Press Release – GO
- Draft Internal OCM Communication – MDA Comms/GO
- Draft Enterprise Communication – MDA Comms/GO N
- Draft Announcement Tick Tock Filled Out – MDA/GO
- Calls to unsuccessful candidates—Charlene
  - 9:45 AM on Thursday, September 21
- Add press availability to the Thursday tick tock
- Late afternoon – Erik and Charlene call Chris Tholkes to begin to sort out her approach to announcement

Name	Assigned	Message	Contact	Time
Calls to Rep. Stephenson and Sen. Port offering meeting	Erik			4:30 pm
Rep. Stephenson and Sen. Port	Erik, Charlene and new director	Teams meeting to meet new director		7:30 pm

### Thursday, September 21 - Tick Tock

Name	Assigned	Message	Contact	Time	Notes
Calls to Legislative Leaders: Hortman Dzedzic Long Champion	GO Staff – Leah	Phone call or text with embargoed message		8:45 am	

# Office of Governor Tim Walz & Lt. Governor Peggy Flanagan

Tribal Leaders	Patina			~9:40 am	
Bill English Rev. McAfee Anthony Newby Angela Dawson	Dr. Burrage			9:40 am	
Rapid Pre- Outreach to Stakeholders: Leili Fatehi Maren Schroeder Kurtis Hannah Henry Erdman Rep. Hanson Rep. Gomez Rep. Kozlowski Rep. Hollins Sen. Omou- Verbeten	Erik and Charlene divide roughly in this order as time allows			9:40 am	
Rich Ginsberg Tyrel Ventura	Erik	Phone call with embargoed message - Offer call to him and/or Gov Ventura later in day		9:40 AM	
- Don. LM Unsuccessful candidate		Charlene		9:45 AM	
Texts to Minority CoS	GO Staff - Leah			9:55 AM	
PRESS RELEASE	GO	Public Announcement		10: 00 AM	
Leili Fatehi - Blunt Strategies	New Director	Introductory Message	(914) 844- 1974	10:10 AM	
Maren Schroeder (Advocate)	New Director	Introductory Message	(507) 226- 3578	10:15 AM	
Kurtis Hannan (Advocate) LM	New Director	Introductory Message	(612) 483- 8904	10:20 AM	
Jim Gleb - UFCW 1189 President LM			(651) 260- 5362		
Henry Edrman (Advocate)	New Director	Introductory Message	(651) 247- 1701	10:25 AM	
PRESS CALL	GO	Media Q&A		11:30 AM	

**From:** [Melekin, Merone \(OCM\)](#)  
**Bcc:** [Sam Ndely](#); [Elizer Darris](#); [Pakou Hang](#); [yao@mnhmongchamber.org](#); [bkyle@saintpaulchamber.com](#); [therotundagroup@gmail.com](#); [jbagnoli@winthrop.com](#); [Tock, Rosa \(MCLA\)](#); [Geshick, Shannon \(MIAC\)](#); [Her, Sia \(CAPM\)](#); [Sloan, Linda \(CMAH\)](#)  
**Subject:** OCM Informational panel discussion tomorrow Friday, February 16 | Logistics  
**Date:** Thursday, February 15, 2024 5:05:00 PM  
**Attachments:** [Parking.pdf](#)  
[image001.jpg](#)

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Good afternoon –

This is a reminder of the Office of Cannabis Management (OCM) informational panel with OCM leadership, Cannabis Public Policy Consulting (CPPC), and our partners at the Department of Employment and Economic Development.

This event will take place **tomorrow Friday, February 16 from 11:30 am – 12:30 pm** at Freeman Office building in conference room B145. The reception and security desk staff will direct you to the meeting location upon entry into the building.

**\*\*Location\*\***

This Freeman Office Building is located at 625 Robert St N, St. Paul, MN 55101. A map of Capitol Complex parking options is attached, and we recommend Lot U or Lot W, which is public metered parking. There are also public transportation options to the Capitol complex available. Additional information about the location including a virtual map and public transportation can be found on the following page. [Freeman Office Building / Minnesota.gov \(mn.gov\)](#)

**If you have not sent an RSVP and would like to join, please let me know as soon as possible so I can provide an accurate count and list of names to our front reception desk.**

If you have any additional questions, please let me know. I look forward to meeting you all tomorrow!

Merone

**Merone Melekin**

Outreach & External Relations | Office of Cannabis Management  
[merone.melekin@state.mn.us](mailto:merone.melekin@state.mn.us)



**From:** [Melekin, Merone \(OCM\)](#)  
**To:** [Melekin, Merone \(OCM\)](#)  
**Bcc:** [Anthony Newby](#); [Angela Dawson](#); [Bryant Jones](#); [Jason Tarasek](#); [lelli@apparatusgbc.com](#); [laura@apparatusgbc.com](#); [Ryan Winkler -](#); [Fatima Moore](#); [shawn@criver.cc](#); [apomroy@fredlaw.com](#); [tanner@mncannabiscollege.org](#); [marcus@marcusharcus.com](#); [john@mncannabiscollege.org](#); [Sumaya Mohamed](#); [Hollies Winston](#); [kvrstin@apparatusgbc.com](#); [Tomme Beevas](#); [Skye Rossi](#); [michael@minnmarijuana.com](#); [Josh@legacyglassworks.com](#); [kyle.marinkovich@northerndiversified.com](#); [Bill Lofy](#); [andrea@changemn.org](#); [Josh Maslowski](#); [Sam Ndely](#); [Elizer Darris](#); [Blauvelt, Will M.](#); [Kurtis Hanna](#); [Pakou Hang](#); [vao@mnhmongchamber.org](#); [clevens@mplschamber.com](#); [bkvle@saintpaulchamber.com](#); [darian@igniteafterschool.org](#); [Saydee Whitebird](#); [Cassidy Paul](#); [Jack Mitchell](#); [therotundagroup@gmail.com](#); [jbagnoli@winthrop.com](#); [Tock, Rosa \(MCLA\)](#); [Geshick, Shannon \(MIAC\)](#); [Her, Sia \(CAPM\)](#); [Sloan, Linda \(CMAH\)](#)  
**Subject:** Save the date: OCM Informational panel discussion on Friday, February 16 (Please RSVP)  
**Date:** Friday, February 9, 2024 2:45:00 PM  
**Attachments:** [image001.jpg](#)

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Good afternoon –

On behalf of the Office of Cannabis Management (OCM), I would like to invite you to an informational session next Friday, February 16 from 11:30 am – 12:30 pm at the Freeman Office building located at 625 Robert St N, St Paul, MN 55155.

The session will feature a facilitated panel discussion with OCM leadership, our consulting partners from Cannabis Public Policy Consulting (CPPC), and a representative from the Minnesota Department of Employment and Economic Development.

We look forward to hosting an informative discussion to share about the multiple considerations involved in standing up OCM, preparing for licensing and industry launch, rulemaking and to have a national perspective from representatives from CPPC.

We will be collecting questions for the moderated panel in advance of the event. **Please submit your questions to [Merone.Melekin@state.mn.us](mailto:Merone.Melekin@state.mn.us) by 12:00 pm on February 15, 2024.**

**Please rsvp to: [Merone.Melekin@state.mn.us](mailto:Merone.Melekin@state.mn.us) by February 15, 2024, to confirm your attendance.**

Confirmation email with logistics will be provided following registration.

**Merone Melekin**

Outreach & External Relations | Office of Cannabis Management

[merone.melekin@state.mn.us](mailto:merone.melekin@state.mn.us)



Name	Org	Affiliations	Email	Notes	RSVP Feb 16
Anthony Newby	Cultivated CBD	Mpls	<a href="mailto:anthony@cultivatedcbd.com">anthony@cultivatedcbd.com</a>		
Angela Dawson	Fourty Acre Co-op/Advisory Council	Advisory Council, Mpls	<a href="mailto:angela@fortyacre.coop">angela@fortyacre.coop</a>		Yes
Bryant Jones	Horticulture/Cultivation/Mpls College/Advisory Council	Advisory Council, Mpls	<a href="mailto:bryant@charcco.com">bryant@charcco.com</a>		Yes
Jason Tarasek	Vicenete	MMA Board	<a href="mailto:j.tarasek@vicentellp.com">j.tarasek@vicentellp.com</a>		Yes
Leili Fatehi	Blunt Strategies/Apparatus	MCGCIC	<a href="mailto:leili@apparatusgbc.com">leili@apparatusgbc.com</a>		Yes
Laura Mohn Gisburg	Blunt Strategies	MCGCIC	<a href="mailto:laura@apparatusgbc.com">laura@apparatusgbc.com</a>		Yes
Ryan Winkler			<a href="mailto:rwinkler@gmail.com">rwinkler@gmail.com</a>		No Response
Fatima Moore	FireFly Advocacy		<a href="mailto:fatima@fireflyadvocacy.com">fatima@fireflyadvocacy.com</a>		Tentative
Shawn Weber	Crested River Cannabis Company	MCGCIC, Hemp	<a href="mailto:shawn@criver.cc">shawn@criver.cc</a>		Yes
Andy Pomroy	Fred Law	Stinson Meeting	<a href="mailto:apomroy@fredlaw.com">apomroy@fredlaw.com</a>		Yes + Jeff Hayden
Tanner Berris	MN Cannabis College	Cannabis College, Uniflora	<a href="mailto:tanner@mncannabiscollege.org">tanner@mncannabiscollege.org</a>		Yes
Marcus Harcus	MN Cannabis College	Cannabis College, Uniflora	<a href="mailto:marcus@marcusharcus.com">marcus@marcusharcus.com</a>		
John Bartee	CRMA, MN Cannabis College	Cannabis College, Uniflora, CRMA	<a href="mailto:john@mncannabiscollege.org">john@mncannabiscollege.org</a>		Yes
Sumaya Mohamed	Firefly Advocacy	Firefly Advocacy	<a href="mailto:sumaya@fireflyadvocacy.com">sumaya@fireflyadvocacy.com</a>		Yes
Hollies Winston	Business Owner		<a href="mailto:hollieswinston@guaranteed-america.com">hollieswinston@guaranteed-america.com</a>		Tentative
Kyrstin Schuette	Apparatus		<a href="mailto:kvrstin@apparatusgbc.com">kvrstin@apparatusgbc.com</a>		
Tomme Beevas	Business Owner		<a href="mailto:tomme@pimentokitchen.com">tomme@pimentokitchen.com</a>		Tentative
Skye Rossi	Advocate, Rhymesayers Business Owner		<a href="mailto:skye@rhymesayers.com">skye@rhymesayers.com</a>		Yes
Michael Ford	Minnesota Marijuana, MN Norml	MN Norml	<a href="mailto:michael@minnmarijuana.com">michael@minnmarijuana.com</a>		Yes
Legacy Glassworks Duluth	Legacy Glassworks Duluth	Council, Hemp	<a href="mailto:josh@legacyglassworks.com">josh@legacyglassworks.com</a>		Yes
Kyle Marinkovich	Northern Diversified Solutions MN, Advisory Council	MCGCIC, Hemp	<a href="mailto:kyle.marinkovich@northerndiversified.com">kyle.marinkovich@northerndiversified.com</a>		Yes
Bill Lofy	Kria Botanicals		<a href="mailto:BillLofy@kriabotanicals.com">Bill Lofy &lt;bill@kriabotanicals.com&gt;</a>		
Andrea Devore	Sensible Change MN	Sensible Change	<a href="mailto:andrea@changemn.org">andrea@changemn.org</a>		
Josh Maslowski	Stigma Cannabis THC	Hemp	<a href="mailto:josh@stigmahemp.com">josh@stigmahemp.com</a>		
Sam Ndely	Black Chamber	Biz Community Voice	<a href="mailto:samuel.ndely@gmail.com">samuel.ndely@gmail.com</a>		
Elizer Darris	Black Chamber	Biz Community Voice	<a href="mailto:eli.darris@darrisgroup.com">eli.darris@darrisgroup.com</a>		
Will Blauvelt	Stinson	Stinson	<a href="mailto:will.blauvelt@stinson.com">will.blauvelt@stinson.com</a>	<a href="mailto:suzanna.kennedy@stinson.com">suzanna.kennedy@stinson.com</a>	No - Lauren Reller will attend
Kurtis Hanna	Blunt Strategies	MCGCIC	<a href="mailto:kurtis@bluntstrategies.com">kurtis@bluntstrategies.com</a> or <a href="mailto:kurtis@riseup.net">Kurtis@riseup.net</a>		Yes
PaKou Hang	Hmong Farmers Association	Hmong Farmers Association	<a href="mailto:hang.pakou@gmail.com">hang.pakou@gmail.com</a>		
Yao Yaj	Hmong Chamber	Biz Community Voice	<a href="mailto:yao@mnhmongchamber.org">yao@mnhmongchamber.org</a>		
Christine Levens	Minneapolis Chamber	Minneapolis Chamber	<a href="mailto:clevens@mplschamber.com">clevens@mplschamber.com</a>	Hanna Zinn (hzinn@mplschamber.com)	Add - Hanna Zinn
Hanna Zinn	Minneapolis Chamber	Minneapolis Chamber	<a href="mailto:hzinn@mplschamber.com">hzinn@mplschamber.com</a>		
B Kyle	St. Paul Chamber	St. Paul Chamber	<a href="mailto:bkyle@saintpaulchamber.com">bkyle@saintpaulchamber.com</a>		
Ignite/CAEC	Ignite/CAEC	Ignite - Youth	<a href="mailto:darian@igniteafterschool.org">darian@igniteafterschool.org</a>		
Saydee Whitebird	Whitebird Logistics	Stinson Meeting	<a href="mailto:saydeewhitebird@gmail.com">saydeewhitebird@gmail.com</a>		yes
Paul Cassidy	Stinson	Stinson	<a href="mailto:paul.cassidy@stinson.com">paul.cassidy@stinson.com</a>		Yes
Jack Mitchell	MMA	MMA Board	<a href="mailto:jmitchell@bbsmidwest.com">jmitchell@bbsmidwest.com</a>		
Rich Ginsburg	Medical	Medical	<a href="mailto:therichginsburg@gmail.com">therichginsburg@gmail.com</a>		
Joe Bagnoli	Medical	Medical	<a href="mailto:jbagnoli@winthrop.com">jbagnoli@winthrop.com</a>		
Rosa Tock	Council on Latino Affairs	Ethnic Council	<a href="mailto:rosa.tock@state.mn.us">rosa.tock@state.mn.us</a>		
Shannon Geshick	MN Indian Affairs Council	Ethnic Council	<a href="mailto:shannon.geshick@state.mn.us">shannon.geshick@state.mn.us</a>		
Sia Her	Council on Asian Pacific Minnesotans	Ethnic Council	<a href="mailto:sia.her@state.mn.us">sia.her@state.mn.us</a>		
Linda Sloan	Council for Minnesotans of African Heritage	Ethnic Council	<a href="mailto:Linda.sloan1@state.mn.us">Linda.sloan1@state.mn.us</a>		
Maren Schroeder	Mjoy LLC, Advisory Council	Advisory Council	<a href="mailto:maren@marenjoyce.com">maren@marenjoyce.com</a>		Tentative
John					



<b>Additional RSVPs:</b>					
Melanie Goggins	Blunt Strategies				Yes
Elise C. Busse	Messerli Kramer		<a href="mailto:ebusse@MesserliKramer.com">ebusse@MesserliKramer.com</a>		Yes
Amber Shimpa	Vireo Health of Minnesota	Vireo, Medical	<a href="mailto:ambershimpa@vireohealth.com">ambershimpa@vireohealth.com</a>		No
Diana Tastad-Damer	UFCW	UFCW - Labor	<a href="mailto:dtastad@ufcw1189.org">dtastad@ufcw1189.org</a>		Yes
Mackenzie Ferris	Revenue	Revenue	<a href="mailto:mackenzie.ferris@state.mn.us">mackenzie.ferris@state.mn.us</a>		Yes
Jim Jordan	Revenue	Revenue	<a href="mailto:Jim.Jordan@state.mn.us">Jim.Jordan@state.mn.us</a>		Yes
Laurisa Clay	DPS	DPS	<a href="mailto:Laurisa.Clay@state.mn.us">Laurisa.Clay@state.mn.us</a>		yes
Qodah Elmi	DPS	DPS	<a href="mailto:Qodah.Elmi@state.mn.us">Qodah.Elmi@state.mn.us</a>		yes
Juventino Meza			<a href="mailto:juve.mezar@gmail.com">juve.mezar@gmail.com</a>		

APPT. POSITION/SEAT	APPOINTEE NAME	APPOINTEE EMAIL	RSVP 2/16/2024
Expert in Adult Medicine	Dr. Dylan Zylla	<a href="mailto:dylan.zylla@parknicollet.com">dylan.zylla@parknicollet.com</a>	No
Expert in Cannabis Cultivation	Bryant Jones	<a href="mailto:bryant@charcco.com">bryant@charcco.com</a>	yes
Expert in Cannabis Product Manufacturing	Kyle Marinkovich	<a href="mailto:kyle_marinkovich@northerndiversified.com">kyle_marinkovich@northerndiversified.com</a>	yes
Expert in Cannabis Retailing	Josh Wilken-Simon	<a href="mailto:legacyglassworks@gmail.com">legacyglassworks@gmail.com</a>	yes
Expert in Criminal Justice Reform to Mitigate the Disproportionate Impact of Drug Prosecutions on Communities of Color	Rachel Moran	<a href="mailto:rmoran@stthomas.edu">rmoran@stthomas.edu</a>	
Expert in Economic Development Strategies for Under-Resourced Communities			
Expert in Farming or Representing the Interests of Farmer	Angela Dawson	<a href="mailto:myfarmkitchen@icloud.com">myfarmkitchen@icloud.com</a>	yes
Expert in Laboratory Sciences and Toxicology	Samantha Lee	<a href="mailto:samantha.lee@hcmed.org">samantha.lee@hcmed.org</a>	yes
Expert in Municipal Law Enforcement with Advanced Training in Impairment Detection and Evaluation	Jaren Zech	<a href="mailto:jzech@edinamn.gov">jzech@edinamn.gov</a>	No
Expert in Pediatric Medicine	Dr. Melanie Johnson	<a href="mailto:melanie.johnson@thegreenclinic.com">melanie.johnson@thegreenclinic.com</a>	No
Expert in Prevention, Treatment, and Recovery Related to Substance Use Disorders	Dr. Sara Polley	<a href="mailto:sarapolleymd@gmail.com">sarapolleymd@gmail.com</a>	
Expert in Providing Legal Services to Cannabis Businesses	Michael Sly	<a href="mailto:sly.michael@dorsey.com">sly.michael@dorsey.com</a>	
Expert in Social Welfare or Social Justice	Dr. Denise Johnson	<a href="mailto:dstewart651@gmail.com">dstewart651@gmail.com</a>	
Expert Representing the Interests of Employers	Nic Puechner	<a href="mailto:npuechner@larkinhoffman.com">npuechner@larkinhoffman.com</a>	tentative
Licensed Mental Health Professional #1	Donna Ennis	<a href="mailto:donna.l.ennis@state.mn.us">donna.l.ennis@state.mn.us</a>	no
Licensed Mental Health Professional #2	Kate Makinen	<a href="mailto:kmakinen@hopehousetreatment.org">kmakinen@hopehousetreatment.org</a>	yes - cancellation
Patient Advocate who is a Parent or Caregiver of a Patient in the Medical Cannabis Program	Pia Prenevost	<a href="mailto:pia.prenvost@gmail.com">pia.prenvost@gmail.com</a>	
Patient Advocate who is a Patient Enrolled in the Medical Cannabis Program	Maren Schroeder	<a href="mailto:maren@marenjoyce.com">maren@marenjoyce.com</a>	tentative
Patient Advocate with Experience in the Mental Health System or Substance Use Disorder Treatment System			
Veteran Member	Stefan Egan	<a href="mailto:segan@bellablami.com">segan@bellablami.com</a>	yes + Nicholas Lane
Colonel of the State Patrol, or designee	Gabe Cornish	<a href="mailto:gabe.cornish@state.mn.us">gabe.cornish@state.mn.us</a>	yes
Commissioner of Agriculture, or designee	Peder Kjeseth	<a href="mailto:peder.kjeseth@state.mn.us">peder.kjeseth@state.mn.us</a>	
Commissioner of DEED, or designee	Nathan Ratner	<a href="mailto:nathan_ratner@state.mn.us">nathan_ratner@state.mn.us</a>	yes
Commissioner of Health, or designee	Kari Gloppen	<a href="mailto:kari.gloppen@state.mn.us">kari.gloppen@state.mn.us</a>	yes
Commissioner of Human Rights, or designee	Michelle Manivel	<a href="mailto:michelle.manivel@state.mn.us">michelle.manivel@state.mn.us</a>	yes
Commissioner of Human Services, or designee	Jen Sather	<a href="mailto:jen.m.sather@state.mn.us">jen.m.sather@state.mn.us</a>	
Commissioner of Labor and Industry, or designee	Dan Solomon	<a href="mailto:dan.solomon@state.mn.us">dan.solomon@state.mn.us</a>	yes
Commissioner of Public Safety, or designee	Nicole Archbold	<a href="mailto:nicole.archbold@state.mn.us">nicole.archbold@state.mn.us</a>	
Commissioner of Revenue, or designee	Martha Burton	<a href="mailto:martha.burton@state.mn.us">martha.burton@state.mn.us</a>	yes + forwarded to others
Commissioner of the MPCA, or designee	Anna Hotz	<a href="mailto:anna.hotz@state.mn.us">anna.hotz@state.mn.us</a>	yes
Director of the Office of Cannabis Management, or designee	Charlene Briner	<a href="mailto:charlene.briner@state.mn.us">charlene.briner@state.mn.us</a>	yes
Director of the Office of Traffic Safety in DPS, or designee	Michael J. Hanson	<a href="mailto:michael.hanson@state.mn.us">michael.hanson@state.mn.us</a>	
Member Representing the Fond du Lac Band	Roger Smith, Sr.	<a href="mailto:rogermsmithsr@fdrez.com">rogermsmithsr@fdrez.com</a>	
Member Representing the Lower Sioux Community	Tyler Prescott	<a href="mailto:tyler.prescott@lowersioux.com">tyler.prescott@lowersioux.com</a>	no
Member Representing the Mille Lacs Band	Melanie Benjamin	<a href="mailto:melanie.benjamin@millelacsband.com">melanie.benjamin@millelacsband.com</a>	yes
Member Representing the Shakopee Mdewakanton Sioux Community	John Cook Brewer King	<a href="mailto:john.king@shakopeedakota.org">john.king@shakopeedakota.org</a>	
Representative from the Association of MN Counties	Laurel Podulke-Smith	<a href="mailto:laurel.podulke-smith@olmstedcounty.gov">laurel.podulke-smith@olmstedcounty.gov</a>	
Representative from the League of Minnesota Cities	Jill Wolf	<a href="mailto:jwolf@cityofluverne.org">jwolf@cityofluverne.org</a>	yes
Superintendent of the BCA, or designee	Catherine Knutson	<a href="mailto:catherine.knutson@state.mn.us">catherine.knutson@state.mn.us</a>	yes + BCA Assistant Laboratory Director Allison Hursh

**From:** [Melekin, Merone \(OCM\)](#)  
**To:** [Knutson, Katie \(OCM\)](#); [Briner, Charlene \(OCM\)](#)  
**Subject:** RE: CPPC Advocates Meeting  
**Date:** Thursday, February 8, 2024 4:13:00 PM  
**Attachments:** [image002.png](#)  
[image003.jpg](#)

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Updates below.

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**From:** Melekin, Merone (OCM)  
**Sent:** Thursday, February 8, 2024 4:12 PM  
**To:** Knutson, Katie (OCM) <katie.m.knutson@state.mn.us>; Briner, Charlene (OCM) <Charlene.Briner@state.mn.us>  
**Subject:** CPPC Advocates Meeting

Hi, all –

I wanted to provide you with an update on the OCM informational session and panel with Advocates. Linked below you will find an event plan for **Friday, February 16, 2024**.

A few updates:

- Nikki was able to reserve two rooms in Freeman that can accommodate up to 120 people in Freeman. We will position the tables in a classroom style setting with speakers and panelists at the front. (If you think we should host at an outside venue, I have a quote for the History Center. They are also available on Friday)

#### [CPPC and Advocates \(Event Plan\)](#)

- This link includes logistics, a draft agenda, and invite language.
- **Please review the meeting invitation language and offer any feedback to the framing of the event.** I'm also thinking about whether we should explicitly state that you must RSVP to attend or something like that.

#### [Advocates\\_Draft 2.xlsx](#)

- The link above is the invitation list. We are at 74 guests. This number includes advocates, prospective operators, business community leaders, Cannabis Advisory Council direct appointments and Governor council member appointees.
  - We requested contact information from the SOS for the Advisory Council Members
- **If you have a contact for B Kyle at the St. Paul Chamber, Ignite, and MN Youth Council, can you please share it with me?**

Feel free to edit anything you see on the working document or offer suggestions. Once details are finalized, I can plan to send invitations out.

Merone

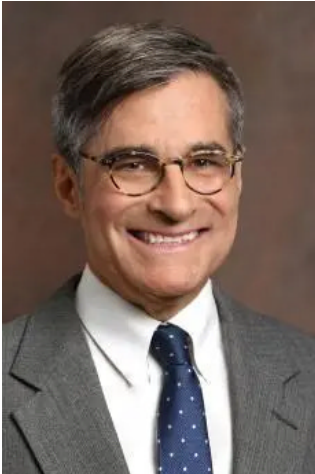
**Merone Melekin**

Outreach & External Relations | Office of Cannabis Management

[merone.melekin@state.mn.us](mailto:merone.melekin@state.mn.us)



# Richard Ginsberg



Richard Ginsberg was appointed to the MAC by Gov. Mark Dayton in January 2017 and reappointed by Gov. Tim Walz in February 2021 to District G, which includes the communities of Grey Cloud Island Township, Lilydale, Mendota, Mendota Heights, Newport, St. Paul, West St. Paul, South St. Paul, St. Paul Park, Sunfish Lake, and part of Grey Cloud Island Township.

Ginsberg is the sole proprietor of The Rotunda Group, a government relations firm that focuses on state and local government issues. Previously, he worked in the administration of Gov. Rudy Perpich, Hennepin County's Office of Governmental Affairs and the law firm Lockridge Grindal Nauen.

Additionally, Ginsberg served as a member of the Visit Saint Paul Board's Executive Committee and also chaired the board's Building and Finance committees.

Ginsberg was born and raised in Hibbing, Minn., earned his BA in criminal justice and public administration from St. Cloud State University, and completed course work at Mitchell Hamline School of Law.

Ginsberg serves on the Operations, Finance and Administration committee.

[Richard.Ginsberg@mspmact.org](mailto:Richard.Ginsberg@mspmact.org)



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@RichardGinsber8

Doing what I can to ensure I don't outlive democracy

Joined January 2020

673 Following 221 Followers

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Posts

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← **Richard Ginsberg**

1,080 posts

Richard Ginsberg reposted

**Teamsters Joint Council 32** @IBTJC32 · Jan 17, 2022

Thank you for your solid support for Teamster members!

**Ryan Winkler** @RyanWinkler · Jan 16, 2022

I'm glad to see that the MAC and the skilled union work force that keeps our airport open rain, snow or shine reached a fair agreement to avoid a strike. Workers deserve to be paid enough to support themselves and their families. Period. [twitter.com/IBT\\_320/status...](https://twitter.com/IBT_320/status...)



1



4



Jeff Brinkman  
@brinkjay

Richard Ginsberg reposted

**Bill Kristol** @BillKristol · Jan 16, 2022

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@paulcumi

**Jeff Brand**  
@RepJeffBr

**Patrick Tar**  
@patricktar

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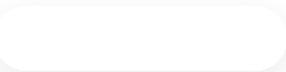
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Not the most important thing, but the atta  
Senate Republicans have been blocking c  
qualified Deborah Lipstadt as the US Sp  
Combat Antisemitism for months. A disgrace. Biden should call them out.

### Messages



345 3.8K 16K

**Richard Ginsberg** @RichardGinsber8 · Jan 17, 2022  
Go team Drobnick 🇺🇸🇺🇸

**Phill Drobnick** @CoachPhill · Jan 16, 2022  
🇺🇸 Attention 🇺🇸 Curling 🇺🇸 Fans 🇺🇸

In 1 week our MXD Team & Coaches depart for LA ➡ Beijing for the #Olympics.  
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1

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**Jeff Brinkman**  
@brinkjay



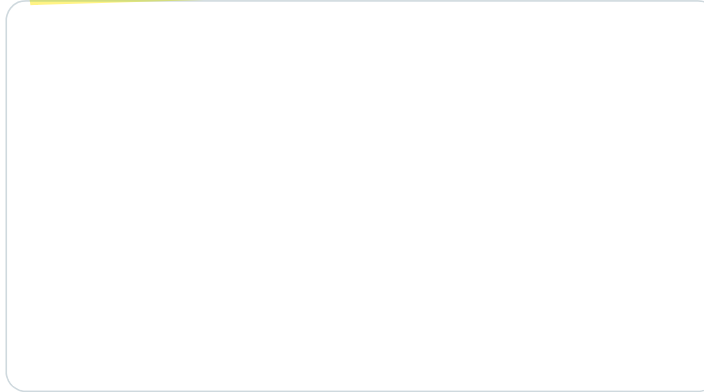


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← Post

Richard Ginsberg  
@RichardGinsber8

Mn House passes bipartisan HHS omnibus bill which includes adding flower to medicinal cannabis program. Big win for patients and their pocket books. Doesn't happen without the leadership of @TinaLiebling @heather\_edelson and @RepAishaGomez



1:49 AM · May 18, 2021

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Jeff Brinkman  
@brinkjay

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@TinaLiebling  
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#mnleg

Rep. Heather Edelson  
@heather.edelson  
MN State House  
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Jeff Brinkman  
@brinkjay

Post

Richard Ginsberg  
@RichardGinsber8

Appreciate your leadership @RyanWinkler in passing the state minimum wage and for your advice and strong support for raising the minimum wage at MSP to \$15 . Workers win today on a unanimous MAC vote.

**Ryan Winkler** @RyanWinkler · Oct 19, 2020

As many of us have said for too long, we need to raise the minimum wage.

Today the MSP Airport Commission voted to do just that for MSP airport workers. Thank you to the unions like @seiumn, @SEIU26, & @UNITEHERE17 who made this happen. #FightFor15

5:16 PM · Oct 19, 2020

2 6 15

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@RichardGinsber8  
Doing what  
outlive dem

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

**PRIMA FACIE  
DETERMINATION**

IN THE MATTER OF THE COMPLAINT OF JEFF BRINKMAN REGARDING RICHARD W. GINSBERG

On April 22, 2024, the Campaign Finance and Public Disclosure Board received a complaint submitted by Jeff Brinkman regarding Richard W. Ginsberg. Mr. Ginsberg has been a registered lobbyist since 1997, assigned Board registration number 9713. The complaint was attached to an email stating “We believe this gentlemen continues his work as an unregistered lobbyist for medical cannabis manufacturers and possibly the UFCW 1189 cannabis union, the Mille Lacs Band of Ojibwe , Hwy 35 Cannabis or the Minnesota Marijuana Association.” The complaint describes the alleged violation as “failure to update lobbying registration (medical and recreational cannabis).” The complaint asserts that “Mr. Ginsberg has been actively representing the interests of medical cannabis” and that he “appears to have been involved in shaping legislation for medical manufacturers.” The complaint does not cite a specific statute or rule that Mr. Ginsberg is alleged to have violated.

The complaint includes a printout of a Board webpage showing the principals for which Mr. Ginsberg is presently registered as a lobbyist;<sup>1</sup> a printout of a Board webpage showing a partial list of political contributions reportedly made by Mr. Ginsberg;<sup>2</sup> written testimony Mr. Brinkman appears to have provided to the House Commerce Finance and Policy Committee regarding H.F. 4757 in March 2024;<sup>3</sup> a copy of a document apparently produced by the Office of Governor Tim Walz and Lieutenant Governor Peggy Flanagan in September 2023 regarding the Office of Cannabis Management, listing “Rich Ginsberg” as a stakeholder; three February 2024 emails from an Office of Cannabis Management employee regarding an informational panel with leadership from that agency, Cannabis Public Policy Consulting, and the Department of Employment and Economic Development, at least two of which were apparently sent to Mr. Ginsberg’s email address; a list appearing to contain the names of those invited to attend the informational panel on which Mr. Ginsberg’s “Affiliations” are listed as “Medical;” a copy of a webpage regarding Mr. Ginsberg’s service on the Metropolitan Airports Commission;<sup>4</sup> and copies of certain posts of Mr. Ginsberg on Twitter, including one post from May 2021 regarding changes to Minnesota’s medical cannabis program<sup>5</sup>. The printout included with the complaint, and confirmed by Board records, shows that Mr. Ginsberg is presently registered as a lobbyist on behalf of the Corporate Commission of the Mille Lacs Band of Chippewa Indians,<sup>6</sup> and MN Medical Solutions,<sup>7</sup> among other principals. Mr. Ginsberg’s lobbyist registration form for MN

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<sup>1</sup> [cfb.mn.gov/reports-and-data/viewers/lobbying/lobbyists/9713/](https://cfb.mn.gov/reports-and-data/viewers/lobbying/lobbyists/9713/)

<sup>2</sup> [cfb.mn.gov/reports-#/contributors/97770/](https://cfb.mn.gov/reports-#/contributors/97770/)

<sup>3</sup> [house.mn.gov/comm/docs/Et0EmgOg10KU3UDI-rYAnw.pdf](https://house.mn.gov/comm/docs/Et0EmgOg10KU3UDI-rYAnw.pdf) at 6

<sup>4</sup> [metroairports.org/people/richard-ginsberg](https://metroairports.org/people/richard-ginsberg)

<sup>5</sup> [twitter.com/RichardGinsber8/status/1394545678328557572](https://twitter.com/RichardGinsber8/status/1394545678328557572)

<sup>6</sup> [cfb.mn.gov/reports-and-data/viewers/lobbying/lobbying-organizations/3587/](https://cfb.mn.gov/reports-and-data/viewers/lobbying/lobbying-organizations/3587/)

<sup>7</sup> [cfb.mn.gov/reports-and-data/viewers/lobbying/lobbying-organizations/6948/](https://cfb.mn.gov/reports-and-data/viewers/lobbying/lobbying-organizations/6948/)

Medical Solutions, dated February 22, 2017, stated that Mr. Ginsberg expected to lobby on the subject of medical cannabis policy, legislation, and rulemaking.

### Determination

Minnesota Statutes section 10A.03, subdivision 1 requires a lobbyist to register with the Board within five days after becoming a lobbyist, or being engaged to represent a new association as a lobbyist. Minnesota Statutes section 10A.03, subdivision 2 provides that a lobbyist registration form must include “the name and address of each individual, association, political subdivision, or public higher education system, if any, by whom the lobbyist is retained or employed or on whose behalf the lobbyist appears,” and “the general lobbying categories on which the lobbyist expects to lobby on behalf of a represented entity.” Minnesota Statutes section 10A.04, subdivision 4, paragraph (i), requires that each lobbyist report “disclose the general lobbying categories that were lobbied on in the reporting period.”

The complaint and the Board’s records reflect that Mr. Ginsberg has been registered to lobby on behalf of the Corporate Commission of the Mille Lacs Band of Chippewa Indians since 1997. The complaint and the Board’s records reflect that Mr. Ginsberg has been registered to lobby on behalf of MN Medical Solutions since 2017. While the complaint includes evidence that Mr. Ginsberg has lobbied on the subject of cannabis regulation, it does not include evidence specific to UFCW Local 1189, HWY35, LLC, the Minnesota Marijuana Association, or any particular medical cannabis manufacturer. Moreover, Board records show that Mr. Ginsberg has lobbied on the subject of cannabis regulation on behalf of MN Medical Solutions. Therefore, the complaint does not provide reason to believe that Mr. Ginsberg violated Minnesota Statutes section 10A.03 by failing to register as a lobbyist on behalf of any specific principal, or violated Minnesota Statutes, section 10A.04, subdivision 4 by failing to identify medical cannabis regulation as a lobbying category on which he lobbied on behalf of MN Medical Solutions.

Pursuant to Minnesota Statutes section 10A.022, subdivision 3, 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. The complaint is dismissed without prejudice.



Faris Rashid, Vice Chair  
Campaign Finance and Public Disclosure Board

Date: May 3, 2024



# MINNESOTA CAMPAIGN FINANCE BOARD

MINN. CAMPAIGN FINANCE BOARD  
24 APR 19 AM 9:53

## Complaint for Violation of the Campaign Finance and Public Disclosure Act

All information on this form is confidential until a decision is issued by the Board.  
A photocopy of the entire complaint, however, will be sent to the respondent.

### Information about complaint filer

Name of complaint filer <i>Sigurd Scharle</i>	
Address <i>242 - Oak Leaf Dr.</i>	Email address <i>sidrunner@gmail.com</i>
City, state, and zip <i>Winona, MN 55987</i>	Telephone (Daytime) <i>612-669-1377</i>

### Identify person/entity you are complaining about

Name of person/entity being complained about <i>Sarah Kruger</i>
Address <i>unknown</i>
City, state, zip <i>"</i>
Title of respondent (If applicable) <i>"</i>
Board/Department/Agency/District # (If legislator) <i>26A, candidate</i>

*S Scharle*

Signature of person filing complaint

*4-17-24*

Date

Send completed form to:

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

If you have questions call 651-539-1189, 800-657-3889, or for TTY/TDD communication contact us via the Minnesota Relay Service at 800-627-3529. Board staff may be reached by email at [cf.board@state.mn.us](mailto:cf.board@state.mn.us).

This document is available in alternative formats to individuals with disabilities by calling 651-539-1180, 800-657-3889, or through the Minnesota Relay Service at 800-627-3529.

§ 211B.02  
§ 211B.04

Give the statutory cite to the section of Chapter 10A, Chapter 211B, or Minnesota Rules you believe has been violated:

Minn. Stat. § 211B.06

You will find links to the complete text of Chapter 10A, Chapter 211B, and Minnesota Rules chapters 4501 - 4525 on the Board's website at [cfb.mn.gov](http://cfb.mn.gov).

**Nature of complaint**

Explain in detail why you believe the respondent has violated the campaign finance and public disclosure laws. Attach extra sheet(s) of paper if necessary. Attach any documents, photographs, or other evidence needed to support your allegations. Electronic files may be provided to the Board by email or via a file transfer service.

During the week of March 18, 2024 my wife and I were mailed the enclosed campaign piece. The mailer is a fake and misleading. It arrived just prior to the 26A nominating convention.

① The piece is attributed to "Winona Area Democrats For Reproductive Rights". This group does not seem to exist. ② The material is false as it states "Duane Vogel" wants to decide if women are deserving of reproductive care." Sarah Kruger disclaims affiliation with the mailing.

Minnesota Statutes section 10A.022 and Minnesota Rules Chapter 4525 describe the procedures required for investigating complaints. A full description of the complaint process is available on the Board's website. Briefly, the Board will notify you when it has received your complaint. The Board must send a copy of the complaint to the respondent. Complaints and investigations are confidential. Board members and staff cannot talk about an investigation except as required to carry out the investigation or to take action in the matter. After the Board issues a decision, the record of the investigation is public.

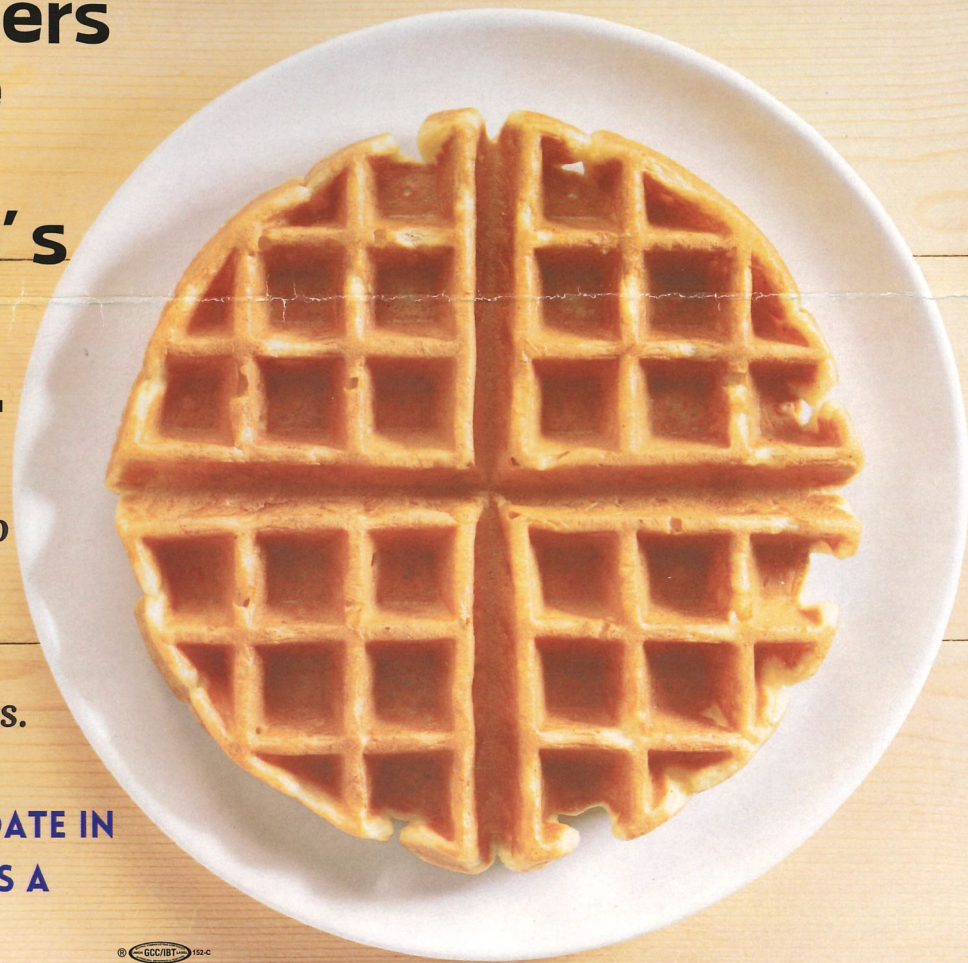
The law requires a complaint to go through two stages before the Board can begin an investigation: a prima facie determination and a probable cause decision. If the complaint does not pass one of the stages, it must be dismissed. The Board chair or their designee has 10 business days after receiving your complaint to determine whether the complaint alleges a prima facie violation. If the complaint alleges a prima facie violation, the Board has 45 days to decide whether probable cause exists to believe a violation that warrants a formal investigation has occurred. Both you and the respondent have the right to be heard on the issue of probable cause before the Board makes this decision. The Board will notify you if the complaint moves to the probable cause stage.

If the Board determines that probable cause does not exist, the Board will dismiss the complaint. If the Board determines that probable cause exists, the Board may start an investigation. In some cases the Board will issue findings, conclusions, and an order as its decision. In other cases the Board will instead enter into a conciliation agreement with the respondent. The Board's final decision will be posted on the Board's website.

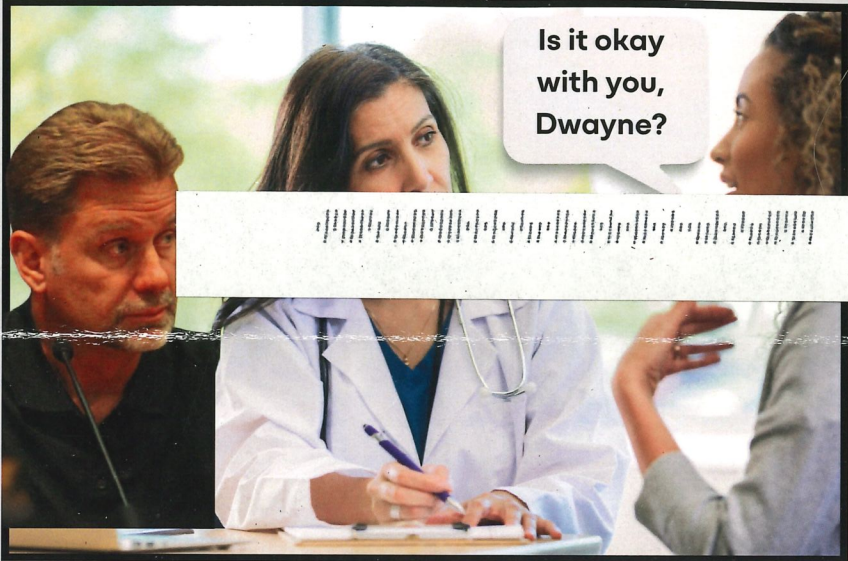
**Winona Area DFLers  
need a candidate  
who refuses to  
waffle on women's  
reproductive  
healthcare rights.**

*This election is too important to  
support Dwayne Voegeli, a  
candidate who agrees with  
Donald Trump on abortion access.*

**SARAH KRUGER IS THE ONLY CANDIDATE IN  
THIS RACE WHO FULLY SUPPORTS A  
WOMAN'S RIGHT TO CHOOSE.**



© 2012 GOCART 12-C



Is it okay  
with you,  
Dwayne?

**DWAYNE VOEGELI WANTS TO DECIDE IF WOMEN  
ARE DESERVING OF REPRODUCTIVE HEALTHCARE.**

**SARAH KRUGER ALWAYS SUPPORTS A  
WOMAN'S RIGHT TO CHOOSE.**

**PLEASE VOTE FOR SARAH KRUGER ON MARCH 23**

Paid for by Winona Area Democrats For Reproductive Rights



Sidney Scheurle  
242 Oak Leaf Dr  
Winona, MN 55987

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

**PRIMA FACIE  
DETERMINATION**

IN THE MATTER OF THE COMPLAINT OF SIGURD SCHEURLE REGARDING SARAH KRUGER FOR MN HOUSE

On April 19, 2024, the Campaign Finance and Public Disclosure Board received a complaint submitted by Sigurd Scheurle regarding Sarah Kruger, who is a candidate for House District 26A. Sarah Kruger for MN House (19041) is Sarah Kruger's principal campaign committee.

The complaint alleges that the complainant received a mailer during the week of March 18, 2024, before the Minnesota Democratic-Farmer-Labor Party's House District 26A nominating convention. The complaint alleges that the mailer is fake, misleading, and attributed to a nonexistent group called "Winona Area Democrats For Reproductive Rights". The complaint alleges the content of the mailer to be false because it claims that Dwayne Voegeli, another House District 26A candidate seeking the Minnesota DFL's endorsement, "wants to decide if women are deserving of reproductive care." The mailer also states "PLEASE VOTE FOR SARAH KRUGER ON MARCH 23".

The complaint lists the name of the person or entity being complained about as "Sarah Kruger". The complaint also states that Sarah Kruger has disclaimed affiliation with the mailing. The complaint includes a copy of the mailer. The mailer contains language that states that it was paid for by an organization called "Winona Area Democrats For Reproductive Rights". The complaint cites Minnesota Statutes sections 211B.02, 211B.04, and 211B.06.

**Determination**

Minnesota Rules 4525.0200, subpart 2, provides that "A complainant shall list the alleged violator and the alleged violator's address if known by the complainant and describe the complainant's knowledge of the alleged violation." Although the complaint lists Sarah Kruger as the alleged violator, the complaint also states that Ms. Kruger disclaimed affiliation with the mailer. Moreover, the mailer states that it was paid for by an organization called "Winona Area Democrats For Reproductive Rights", which is not registered with the Board and is not the name of Ms. Kruger's principal campaign committee. Minnesota Rules 4525.0210, subpart 2, provides that "In determining whether a complaint states a prima facie violation, any evidence outside the complaint and its attachments may not be considered."

The disclaimer printed on the mailer does not contain an address, and therefore does not comply with the provisions of Minnesota Statutes section 211B.04 which requires campaign material to include a disclaimer substantially in the form provided in that statute, stating the name and address of the person or committee causing the material to be prepared or



disseminated. The complaint was lodged against Ms. Kruger as the individual responsible for the disclaimer violation, but fails to provide any evidence that Ms. Kruger or her campaign committee were responsible for preparing or disseminating the mailer. In fact, the complaint acknowledges that Ms. Kruger has stated that she was not responsible for the mailer. The complaint therefore does not state a prima facie violation by Ms. Kruger or her campaign committee of the disclaimer requirement in Minnesota Statutes section 211B.04.

Minnesota Statutes section 10A.022, subdivision 3, paragraph (a), provides that the Board may investigate any alleged or potential violation of Minnesota Statutes chapter 10A, but its investigative authority with respect to Chapter 211B is limited to sections 211B.04, 211B.12, and 211B.15, insofar as those sections apply to individuals and associations under the Board's jurisdiction. Minnesota Statutes section 211B.02 prohibits a person or candidate from making a false claim, directly or indirectly, that a candidate or ballot question has the endorsement or support of a political party unit, organization, or individual. Minnesota Statutes section 211B.06 generally prohibits the intentional preparation or dissemination of false political advertising or campaign material.<sup>1</sup> However, the Board does not have investigative authority with respect to Minnesota Statutes sections 211B.02 or 211B.06. The complaint therefore does not state a prima facie violation of Minnesota Statutes Chapter 10A or of those sections of Chapter 211B under the Board's jurisdiction.

Pursuant to Minnesota Statutes section 10A.022, subdivision 3, 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 those sections of Chapter 211B under the Board's jurisdiction. The complaint is dismissed without prejudice.



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David Asp, Chair  
Campaign Finance and Public Disclosure Board

Date: May 3, 2024

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<sup>1</sup> See [281 Care Committee v. Arneson, 766 F.3d 774 \(8<sup>th</sup> Cir. 2014\)](#) regarding the constitutionality of Minnesota Statutes section 211B.06.

**CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD  
 JUNE 2024  
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
Mariani, Carlos	Neighbors for Mariani	2022 year-end report	\$1,000 LFF \$1,000 CP	11/22/23				Draft complaint forwarded to the Board.
		Late filing of 2018 year-end report	\$525 LFF					
		Late filing of 2020 pre-primary report	\$1,000 LFF \$1,000 CP					
		Late filing of 2018 pre-primary report	\$1,000 LFF \$100 CP					
		2018 pre-general report	\$1,000 LFF \$1,000 CP					
		2020 pre-general 24-hour large contribution notice	\$1,000 LFF					
		2022 annual statement of economic interest	\$1,000 LFF \$100 CP					
		Late filing of 2018 annual statement of economic interest	\$1,000 LFF \$100 CP					
		Late filing of 2018 candidate statement of economic interest	\$95 LFF					