

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

.....

January 7, 2014

Room 220

Minnesota Judicial Center

.....

MINUTES

The meeting was called to order by Chair Wiener.

Members present: Beck, Oliver, Peterson, Sande, Scanlon, and Wiener

Others present: Goldsmith, Sigurdson, Larson, Schroeder, Pope staff; Hartshorn, counsel

The meeting did not strictly follow the order of business set forth in the agenda.

MINUTES (December 17, 2013)

Member Sande's motion: To approve the December 17, 2013, minutes.

Vote on motion: Unanimously passed.

CHAIR'S REPORT

Board meeting schedule

The next Board meeting is scheduled for Tuesday, February 4, 2014.

Member Wiener informed members that she would have a conflict. Executive Director Goldsmith will poll members for an alternate date.

EXECUTIVE DIRECTOR'S TOPICS

Executive Director Goldsmith reported on recent Board office operations.

Hiring New Staff

Executive Director Goldsmith informed members of the progress in staff hiring.

Staff narrowed the applicants to nine individuals and started the interview process. Of the nine applicants two individuals withdrew their applications; one accepted a different offer and another reevaluated the salary range. Staff plans to extend an offer by the end of January.

Fiscal Year 2014 Budget Spending

Mr. Goldsmith informed members of the current spending of the Board's budget, a copy of the report is attached to and made a part of these minutes.

Reconciliation of Board Data

Mr. Sigurdson presented the Board with a memorandum which is attached to and made a part of these minutes.

Assistant Director Sigurdson informed members that the memo presented would be the first of a series of monthly updates that will be given to the Board regarding the status of the reconciliation of contributions between registered committees and funds.

At the December meeting Executive Director Goldsmith outlined nine steps that staff would implement in order to correct problems in the electronic records, as well as reduce the number of data errors in the future. A copy of the memorandum outlining these steps is attached to and made a part of these minutes.

Progress has been made on all of the steps, although it is also true that all of the steps are still works in progress. Staff has implemented a process where amendments are entered and then verified by another staff member for accuracy. However, the current process is not automated and is not representative of what the final procedure will entail. Other steps that will be in place for the 2013 year-end reports that will be filed at the end of January include the entry of itemized expenditures into the campaign finance database, and the verification of all data entry from paper reports.

While the written procedures and new processes are still being developed some progress has been made on reducing the number of contributions that do not reconcile. The information that is being reconciled resides in two separate databases; one database for financial information disclosed by candidate committees and one for financial information disclosed by political party units, political committees, and political funds (PCF). Within each database there are separate tables for donations received (donor table) and for contributions made to other registered entities (transfer table). All records in the transfer tables should reconcile to the donor tables because transfers are donations that must be reported as received by a recipient committee registered with the Board.

Currently, approximately 86.7% of the reported contributions from registered entities reconcile to the donations reported as received by registered entities during the years 2000 through 2012 and are available on the Board's searchable database. The unreconciled 13.3% total approximately \$18,182,000.

Staff has been reviewing donations that do not reconcile and some records have been corrected. In November a total of \$26,265,867 in contributions did not reconcile. That total

declined to \$18,181,993 by the end of December. The resolution of \$8,083,874 in non-reconciled contributions represents a 31% reduction from the November total.

The current threshold used by the Board for identifying contribution records that do not reconcile is a difference of over \$100. If the threshold for considering a record to be reconciled is lowered to zero difference, then the current data set of contributions between registered entities on the website will be reduced by about 1,500 records and \$5,260,000 in total contributions, or 4% of the total value of the contributions from registered entities.

Reducing the threshold to \$50 and greater has an effect of reducing the database of reconciled contributions by \$829,484 or a little more than ½ of one percent of the total amount of contributions from registered entities.

Staff will monitor the reconciliation of the 2013 reporting year and provide the Board with information on how the new data entry and amendment verification procedures may impact the number of records that will fall into the various thresholds for reconciliation.

Website Redevelopment

Mr. Goldsmith informed members that staff is still working with MN.IT services to evaluate the state's platform as an option for hosting and maintaining the Board's website. Mr. Goldsmith and Mr. Sigurdson will be attending a four-hour in-depth evaluation of the software platform once MN.IT has scheduled the session.

Staff is working with Century College's e-Learning department for online training for the Board. Staff has asked that they put together a proposal for the best way to provide campaign finance training through webinars that would be available on-demand from our website.

BOARD MEMBER TOPICS

Disclosure Conference “Shining the Light on Money”

The campaign finance disclosure seminar will be held at the Humphrey Center for the Study of Governance and Politics, February 19, 2014, 9AM to noon, and will be free to attendees. The seminar would be for the purpose of examining the importance of disclosure and explaining the areas in which Minnesota's campaign finance disclosure laws could be improved.

LEGISLATIVE RECOMMENDATIONS

Mr. Goldsmith presented the Board with the legislative recommendations and a draft bill for changes to Minnesota Statutes Chapter 10A. Those recommendations and the draft bill are attached to and made a part of these minutes.

Mr. Goldsmith explained that the disclosure bill was modeled after the version of the provisions that passed the Senate in 2013. Three significant changes were incorporated into the draft and

presented to the Board for its consideration. First, the language defining the functional equivalent of express advocacy was modified to more closely track the language used by Chief Justice Roberts in *Wisconsin Right To Life v. FEC* to recognize the concept.

Second, electronic mail and text messaging were added to the categories of communications that could constitute electioneering communications. Finally, an exception was added to the electioneering communication reporting provisions to exempt communications that are directed only to an association's members.

After discussion the following motions were made:

Member Sande's motion: To adopt the language presented in the bill for section 10A.21, subdivision 3.

Vote on motion: Unanimously passed.

The Board also discussed a set of recommendations related to topics other than disclosure. Mr. Goldsmith explained that these recommendations included technical changes as well as changes that he did not expect to be controversial.

Member Peterson's motion: To adopt the language for the technical and noncontroversial recommendations for changes to Minnesota Statutes Chapter 10A as drafted.

Vote on motion: Unanimously passed.

Member Peterson's motion: To adopt the legislative recommendations set forth in the letter provided to Governor Dayton and Senate and House Leaders with the addition of the disclosure language for public officials.

Vote on motion: Unanimously passed.

ENFORCEMENT REPORT

Consent Item

Authorization to terminate with a balance discrepancy:

Becky Lourey for Governor. The committee registered with the Board on August 9, 2001. The committee filed a report on December 10, 2013, that discloses a balance of \$258.52. Ms. Lourey submitted a request to be allowed a one-time adjustment in the committee balance. The report discloses a contribution for \$1,100 to the Tony Lourey for Senate committee and two non-itemized expenses that total \$104. The ending balance on the report is \$258.52, which is more than the balance of the bank account.

A bank statement was provided and once the last check for \$1,100 clears the balance will be \$12.16. Ms. Lourey wishes to terminate the committee with a balance discrepancy of \$246.36. In an email dated December 11, she states that the records were thoroughly reviewed and the discrepancy could not be found.

After discussion the following motion was made:

Member Sande's motion: To approve the consent item.

Vote on motion: Unanimously passed.

ADVISORY OPINIONS

Mr. Goldsmith informed members that Advisory Opinion 437 is to be laid over at the requester's request so that the requester can address the Board at the February meeting.

This request is non-public. The requestor is an attorney representing a candidate who has been asked to participate in fundraising activities of an independent expenditure political committee that might wish to make independent expenditures to influence the election of that same candidate. The request asks if the candidate's participation in fundraising for the independent expenditure committee will destroy the independence of any expenditure made by that committee to expressly advocate for that candidate.

After discussion the following motion was made:

Member Scanlon's motion: To lay the matter over until the next Board meeting.

Vote on motion: Unanimously passed.

LEGAL COUNSEL'S REPORT

Board members reviewed a memo from Counsel Hartshorn outlining the status of cases that have been turned over to the Attorney General's office. The Legal Counsel's Report is made a part of these minutes by reference.

RECESS INTO EXECUTIVE SESSION

Prior to recessing into executive session, Mr. Goldsmith gave an explanation of the reason the Board would move into executive session. Mr. Goldsmith explained that the Board would move into executive session for three purposes. First, to consider ongoing investigations; second, to examine some irregularities in the process by which the Board adopted the findings of fact, conclusions of law, and order in the investigation of the DFL independent expenditures; and third, to seek advice of counsel concerning potential litigation regarding the scope of the settlement agreement that was proposed to the Board at its last meeting.

EXECUTIVE SESSION

The Chair recessed the regular session of the meeting and called to order the executive session. Upon completion of the executive session, the regular session of the meeting was called back to order and the chair made the following report into regular session:

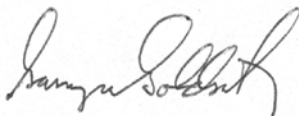
In executive session on January 7, 2014, the Board considered the matter of certain expenditures by the DFL Senate Caucus Party Unit. The Board was informed by staff that although issuance of the Findings, Conclusions, and Order in the matter implied the Board's acceptance and entry into the Stipulation of Facts and the Settlement Agreement that were before it, the Board had not taken formal action to accept or enter into either the Stipulation of Facts or the Settlement Agreement at its December 17, 2013 meeting.

On January 7, 2014, the Board took formal action to ratify its informal acceptance of the Stipulation of Facts and the Settlement Agreement and to ratify the Chair's acceptance on December 17, 2013, of those documents on behalf of the Board by her signature. The Board also took action to ratify the adoption of the Findings of Fact, Conclusions of Law, and Order in the matter.

OTHER BUSINESS

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

Respectfully submitted,



Gary Goldsmith
Executive Director

Attachments:

Fiscal year 2014 report covering July 1, 2013, through December 30, 2013

January 6, 2014, memorandum regarding update on reconciliation of contributions between registered committees

January 7, 2014, letter to Governor Dayton and Minnesota Senate and House leaders regarding legislative recommendations

2014 technical legislative recommendations

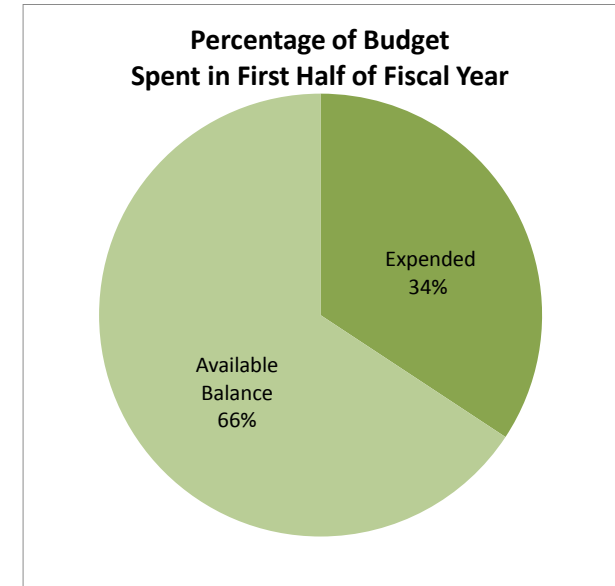
2014 draft bill of technical legislative recommendations

December 31, 2013, memorandum regarding noncontroversial legislative recommendations

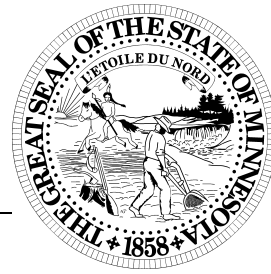
2014 draft bill of noncontroversial legislative recommendations

Fiscal Year 2014
First Quarter Report - July 1, 2013 through December 30, 2013

	Board Spending Plan	Adjusted Budget	Change in Budget Item	Expended	Percentage Expended	Balance
Full time salaries	\$708,000.00	\$690,000.00	-\$18,000.00	\$267,089.63	38.71%	\$422,910.37
Part time salaries	\$65,000.00	\$65,000.00		\$24,060.37	37.02%	\$40,939.63
Space Rental	\$39,966.00	\$39,966.00		\$19,860.52	49.69%	\$20,105.48
Other Benefits	\$5,000.00	\$5,000.00		\$1,922.00	38.44%	\$3,078.00
Repairs	\$500.00	\$500.00		\$0.00	0.00%	\$500.00
Printing	\$4,200.00	\$4,200.00		\$514.75	12.26%	\$3,685.25
Professional Legal Services	\$10,000.00	\$10,000.00		\$1,777.70	17.78%	\$8,222.30
IT Professional Technical Services	\$116,500.00	\$116,500.00		\$3,437.50	2.95%	\$113,062.50
MNIT Provided IT Services	\$20,500.00	\$20,500.00		\$2,551.85	12.45%	\$17,948.15
Postage	\$7,700.00	\$7,700.00		\$1,486.67	19.31%	\$6,213.33
Travel - In State	\$1,400.00	\$2,400.00	\$1,000.00	\$1,762.85	73.45%	\$637.15
Travel - Out of state	\$5,400.00	\$5,400.00		\$0.00	0.00%	\$5,400.00
Supplies	\$4,804.00	\$4,804.00		\$1,512.66	31.49%	\$3,291.34
Equipment Rental (Copier)	\$2,700.00	\$2,700.00		\$1,034.55	38.32%	\$1,665.45
Maintenance Contract	\$1,200.00	\$1,200.00		\$321.31	26.78%	\$878.69
Equipment	\$0.00	\$2,000.00	\$2,000.00	\$1,253.76	62.69%	\$746.24
Software License	\$0.00	\$15,000.00	\$15,000.00	\$12,844.25	85.63%	\$2,155.75
Employee Training	\$1,700.00	\$1,700.00		\$1,150.00	67.65%	\$550.00
OAH Rule Services	\$4,500.00	\$4,500.00		\$0.00	0.00%	\$4,500.00
Other Operating Costs	\$930.00	\$930.00		\$300.00	32.26%	\$630.00
Total	\$1,000,000.00	\$1,000,000.00		\$342,880.37	34.29%	\$657,119.63



Campaign Finance and Public Disclosure Board



190 Centennial Building . 658 Cedar Street . St. Paul, MN 55155-1603

DATE: January 6, 2014

TO: Board Members

FROM: Jeff Sigurdson
Assistant Director

TELEPHONE: 651-539-1189

SUBJECT: Update on Reconciliation of Contributions between Registered Committees

This memo is the first of a series of monthly updates to the Board on the status of the reconciliation of contributions between registered committees and funds. In his testimony before the legislature in December the Executive Director identified nine steps that staff would implement in response to identified problems in the reconciliation process. Many of the steps concerned the establishment of procedures that will insure that data from all reports and amendments are handled uniformly and accurately reflected in the electronic records of the Board. Other steps require staff to present the Board with analysis of how to best utilize the resources of the Board to correct problems in the electronic records, and to have the Board provide direction on the standards for acceptable variation in the reporting of contributions.

Progress has been made on all of the steps, although it is also true that all of the steps are still works in progress. For example, staff has implemented a process where amendments are entered and then verified by another staff member for accuracy. However, the current process is not automated and is not representative of what the final procedure will entail. Other steps that will be in place for the 2013 year-end reports that are filed at the end of January include the entry of itemized expenditures into the campaign finance database, and the verification of all data entry from paper reports. At the end of this memo is information related to step number 3, which calls for an analysis of the implications of setting a threshold for reconciliation below which efforts at correcting a discrepancy will not be undertaken.

While written procedures and new processes are still being developed some progress has been made on reducing the number of contributions that do not reconcile. So that Board members can put the size and nature of the reconciliation problem into context, I will review how the campaign finance databases are configured. The information that is being reconciled resides in two separate databases, one database for financial information disclosed by candidate committees and one for financial information disclosed by political party units, political committees, and political funds (PCF). Within each database there are separate tables for donations received (the donor table) and for contributions made to other registered entities (the transfer table). All records in the transfer tables should reconcile to the donor tables because transfers are donations that must be reported as received by a recipient committee registered with the Board. On the other hand the donation tables contain many records that cannot be reconciled because they come from individuals or unregistered associations that do not report to the Board.

The searchable database on the Board website contains information from the donation and transfer tables from both the candidate and PCF databases. The information available in the searchable database on the Board website is limited to the years 2000 through 2012. During these years a total of \$60,839,005 was reported as itemized contributions received by candidate committees, and another \$319,714,376 was reported as itemized contributions received by PCFs. The total of those two numbers, \$380,553,381, represents the universe of itemized contributions reported to the Board from all registered entities. Of that amount \$136,338,790, (35.8%) was reported as donated by a candidate, political party unit, political committee or political fund registered with the Board. The \$136,338,790, represents the total amount that is subject to reconciliation between the donor and recipient committees. It should be noted that this number is subject to change. Staff's review of donations that do not reconcile has already found a number of contributions that were mistakenly identified as being from a registered entity, and donations that were missing in the transfer table.

Currently in the website database are all donations reported from individuals and unregistered associations, as well as donations from registered entities that reconcile within \$100 of the amount reported as contributed by a registered entity. The reconciled donations from registered entities available in the website database total to \$118,156,797. That is approximately \$18,182,000 less than the \$136,338,790 reported as contributed by all registered entities. Or, stated another way, 86.7% of the reported contributions from registered entities currently reconcile to the donations reported as received from registered entities.

As noted earlier staff has started reviewing donations that do not reconcile and some records have been corrected. The following table shows on the left the amount of contributions that did not reconcile (by reporting year) at the beginning of November, 2013. On the right is the amount that did not reconcile at the end of December. In November a total of \$26,265,867 in contributions did not reconcile. That total declines to \$18,181,993 by the end of December. The resolution of \$8,083,874 in non-reconciled contributions represents a 31% reduction from the November total.

	November 2, 2013			December 27, 2013
Year	Contributions Not Reconciled		Year	Contributions Not Reconciled
2000	\$2,842,098		2000	\$2,842,098
2001	\$470,640		2001	\$374,140
2002	\$6,241,753		2002	\$1,906,587
2003	\$372,648		2003	\$367,448
2004	\$2,335,382		2004	\$2,335,382
2005	\$248,193		2005	\$248,193
2006	\$483,346		2006	\$476,846
2007	\$615,574		2007	\$615,574
2008	\$2,686,354		2008	\$2,686,354
2009	\$351,235		2009	\$351,235
2010	\$4,791,084		2010	\$4,791,084
2011	\$500,960		2011	\$453,060
2012	\$4,326,600		2012	\$733,993
Total	\$26,265,867		Total	\$18,181,993

The bulk of the improvement occurred from reviewing non-reconciled records for 2002, and the progress made on the current year reconciliation for 2012.

When looking at records that do not reconcile from prior reporting years staff has initially concentrated on large contributions. The 2002 reporting year was notable for the number of large contributions that did not reconcile. There are other large non-reconciled donations that staff has not yet investigated, but there does not appear to be the same distribution of large contributions in other years as occurred in 2002. For 2012, the most recent reporting year, staff was conducting a routine reconciliation before the appearance of the Star Tribune story, and has continued the process of contacting committees to determine the reason why contributions are not reconciling. The roughly \$3,600,000 reduction in 2012 non-reconciled contributions represents the amendment of 462 itemized donations.

Step Number 3 – Analysis of threshold for reconciliation

The current threshold used by the Board for identifying contribution records that do not reconcile is a difference of over \$100. An analysis of the effect of reducing the threshold to other amounts is shown in the table below.

2000 – 2013 Transfer Table as of December 27, 2013	Amount of Contributions	Percentage of Total Dollars Reported	Number of Records
Total Perfect Reconciliation Match	\$112,892,963	82.80%	49,874
Total Sum Difference Less Than \$50	\$4,434,348	3.25%	745
Total Sum Difference Between \$50 and \$100	\$829,484	0.61%	754
Total Sum Difference over \$100	\$18,181,992	13.34%	5,322
Total Itemized Transfers	\$136,338,790	100.00%	56,695

If the threshold for considering a record reconciled is lowered to zero difference then the current data set of contributions between registered entities on the website will be reduced by about 1,500 records and \$5,260,000 in total contributions, or by percentage, about 4% of the total value of the contributions from registered entities.

Reducing the threshold to \$50 and greater has an effect of reducing the database of reconciled contributions by \$829,484 or a little more than ½ of one percent of the total amount of contributions from registered entities.

Staff will monitor the reconciliation of the 2013 reporting year and provide the Board with information on how the new data entry and amendment verification procedures may impact the number of records that will fall into the various thresholds for reconciliation. Upon completion of the review of the 2013 reconciliation the Board will be asked for guidance on the threshold amount for reconciliation both going forward and in attempting to correct records that do not reconcile from previous years.

January 7, 2014

Dear Governor Dayton and Minnesota Senate and House of Representatives Leaders:

I am pleased to provide you with the accompanying 2014 legislative recommendations of the Minnesota Campaign Finance and Public Disclosure Board. The Board developed these recommendations based on its extensive experience with real-world campaign finance and public disclosure issues.

This year's recommendations bring before you once again changes designed to strengthen Minnesota's regulation and disclosure of money used to influence elections. These provisions were considered by the legislature in 2013 and passed by the Senate, but did not survive the conference committee process. The Board urges both bodies to pass these provisions this year.

Minnesota's regulation and disclosure laws have fallen behind federal law and laws in other states. Recent Supreme Court holdings have broadened the scope of communications that may be subject to disclosure, while Minnesota's laws have remained static. The Board's recommendations will provide our state with disclosure that is more rigorous, yet remains consistent with the limits that the First Amendment places on public disclosure systems.

This year's recommendations also include a group of changes that are primarily administrative and technical and are not expected to be controversial. Nevertheless, these changes are also important for the efficient and fair administration of Chapter 10A.

The Governor and Legislature provided additional funding to the Board in the 2014-15 budget. As a result, we are already staffed for the additional activities that will result from these recommendations, so there will be no fiscal impact.

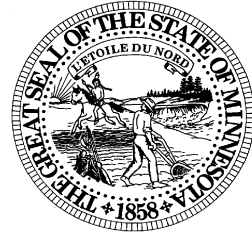
This year, the Minnesota Legislature will make a decision about how important campaign finance disclosure is in Minnesota. On behalf of the Board, I urge you to adopt these recommendations.

Sincerely,

Deanna Wiener, Chair

Minnesota

Campaign Finance and Public Disclosure Board



Campaign Finance and Public Disclosure Board Recommendations to the Governor and the 2014 Legislature.

Pursuant to Minnesota Statutes section 10A.02, subdivision 8, the Board recommends the following changes to Chapter 10A be enacted by the 2014 Legislature and signed by the Governor.

Expand disclosure to individuals and associations that engage in communications to influence the nomination or election of candidates, but which avoid the use of express advocacy and, thus, avoid Chapter 10A disclosure.

1. Provide a definition of express advocacy that includes the functional equivalent of express advocacy, or modify the definition of independent expenditure to include both express advocacy and its functional equivalent.
2. Add an electioneering communication disclosure requirement modeled on the federal definition.

Tighten underlying source disclosure for independent expenditure and ballot question political committees and funds so that more meaningful disclosure of the actual sources of money used can be obtained.

3. Require unregistered associations that provide underlying source disclosure to pro-rate the cost of expenditures across donors.

Improve Chapter 10A compliance and administration

4. Change two threshold amounts that currently specify "\$___ or more" to read "more than \$_____" to continue the Board's efforts to provide consistent treatment of thresholds.
5. Remove references to "findings of probable cause" to reflect 2013 amendments that gave the Board the authority to make findings of fact and conclusions of law in investigations.
6. Provide that the Board may maintain an electronic system for users to enter and store campaign finance data before releasing that data as a filed report and that the data would not be government data subject to the data practices act. Provide that without the filer's consent, the Board may not access or use this data. Amend the data practices act to refer to this provision and to use the Board's current name.

7. Make the late filing fee and civil penalty process and amounts for failure to amend a campaign finance report consistent with the process and amounts in the other programs covered by Chapter 10A.
8. Require treasurers to cooperate in the report reconciliation process and allow for the imposition of late fees and civil penalties for failure to cooperate that are similar to the fees and penalties proposed for failure to amend a campaign finance report.
9. Specify the deadline for judges and county commissioners to file their economic interest statements.
10. Remove language requiring the Board to suspend any public official who does not timely file an economic interest statement. The Board has never used this provision and it is unclear how the Board could actually use the contested case procedures to suspend an official.
11. Increase the threshold for disclosing the names of members whose dues were placed in an association's political fund from more than \$100 to more than \$200 to be consistent with other itemization thresholds in Chapter 10A.
12. Clarify that 1) judicial and constitutional office candidates do not need to file reports according to the election year schedule when their offices are not on the ballot in that election year and 2) constitutional office candidates do not need to file pre-general-election reports when they have lost the primary election.
13. Correct the triggering amount for the 24-hour notice requirement to reflect the creation of election segments in the 2013 legislation.
14. Require the Board to publish the adjusted spending limits on its website instead of in the State Register.
15. Remove language in section 10A.28, subdivision 4, requiring the Board to initiate an action in district court to recover a civil penalty imposed in an investigation because most penalties are paid voluntarily and the Board already has general authority to bring civil actions to collect penalties. Remove other language in this section requiring the Board to deposit all money recovered into the state general fund because statutes outside of Chapter 10A already require the Board to deposit all civil penalties and late filing fees into the general fund.

Campaign Finance and Public Disclosure Board

Possible legislative recommendations

A bill for an act related to campaign finance, providing for additional disclosure, making changes to chapter 10A, establishing civil penalties

10A.01

Subd. 16a. **Expressly advocating.** "Expressly advocating" means:

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

(2) that a communication when taken as a whole and with limited reference to external events, such as the proximity to the election, is susceptible of no reasonable interpretation other than as an appeal advocating the election or defeat of one or more clearly identified candidates.

10A.20

Subd. 3. **Contents of report.** The report required by this section must include each of the items listed in paragraphs (a) to (n) that are applicable to the filer. The board shall prescribe forms based on filer type indicating which of those items must be included on the filer's report.

(a) The report must disclose the amount of liquid assets on hand at the beginning of the reporting period.

(b) The report must disclose the name, address, and employer, or occupation if self-employed, of each individual or association that has made one or more contributions to the reporting entity, including the purchase of tickets for a fund-raising effort, that in aggregate within the year exceed \$200 for legislative or statewide candidates or ballot questions, together with the amount and date of each contribution, and the aggregate amount of contributions within the year from each source so disclosed. A donation in-kind must be disclosed at its fair market value. An approved expenditure must be listed as a donation in-kind. A donation in-kind is considered consumed in the reporting period in which it is received. The names of contributors must be listed in alphabetical order. Contributions from the same contributor must be listed under the same name. When a contribution received from a contributor in a reporting period is added to previously reported unitemized contributions from the same contributor and the aggregate exceeds the disclosure threshold of this paragraph, the name, address, and employer, or occupation if self-employed, of the contributor must then be listed on the report.

- (c) The report must disclose the sum of contributions to the reporting entity during the reporting period.
- (d) The report must disclose each loan made or received by the reporting entity within the year in aggregate in excess of \$200, continuously reported until repaid or forgiven, together with the name, address, occupation, and principal place of business, if any, of the lender and any endorser and the date and amount of the loan. If a loan made to the principal campaign committee of a candidate is forgiven or is repaid by an entity other than that principal campaign committee, it must be reported as a contribution for the year in which the loan was made.
- (e) The report must disclose each receipt over \$200 during the reporting period not otherwise listed under paragraphs (b) to (d).
- (f) The report must disclose the sum of all receipts of the reporting entity during the reporting period.
- (g) The report must disclose the name and address of each individual or association to whom aggregate expenditures, approved expenditures, and ballot question expenditures, and disbursements for electioneering communications have been made by or on behalf of the reporting entity within the year in excess of \$200, together with the amount, date, and purpose of each expenditure and the name and address of, and office sought by, each candidate on whose behalf the expenditure was made or, in the case of electioneering communications, each candidate identified positively in the communication, identification of the ballot question that the expenditure was intended to promote or defeat and an indication of whether the expenditure was to promote or to defeat the ballot question, and in the case of independent expenditures made in opposition to a candidate or electioneering communications in which a candidate is identified negatively, the candidate's name, address, and office sought. A reporting entity making an expenditure on behalf of more than one candidate for state or legislative office must allocate the expenditure among the candidates on a reasonable cost basis and report the allocation for each candidate.
- (h) The report must disclose the sum of all expenditures made by or on behalf of the reporting entity during the reporting period.
- (i) The report must disclose the amount and nature of an advance of credit incurred by the reporting entity, continuously reported until paid or forgiven. If an advance of credit incurred by the principal campaign committee of a candidate is forgiven by the creditor or paid by an entity other than that principal campaign committee, it must be reported as a donation in-kind for the year in which the advance of credit was made.
- (j) The report must disclose the name and address of each political committee, political fund, principal campaign committee, or party unit to which contributions have been made that aggregate in excess of \$200 within the year and the amount and date of each contribution.

(k) The report must disclose the sum of all contributions made by the reporting entity during the reporting period.

(l) The report must disclose the name and address of each individual or association to whom noncampaign disbursements have been made that aggregate in excess of \$200 within the year by or on behalf of the reporting entity and the amount, date, and purpose of each noncampaign disbursement.

(m) The report must disclose the sum of all noncampaign disbursements made within the year by or on behalf of the reporting entity.

(n) The report must disclose the name and address of a nonprofit corporation that provides administrative assistance to a political committee or political fund as authorized by section 211B.15, subdivision 17, the type of administrative assistance provided, and the aggregate fair market value of each type of assistance provided to the political committee or political fund during the reporting period.

10A.201 Electioneering communications.

Subdivision 1. Electioneering communication. (a) “Electioneering communication” means a communication distributed by television, radio, satellite, or cable broadcasting system; by means of printed material, signs, or billboards; through the use of telephone communications; or by electronic mail or electronic text messaging, that:

(1) refers to a clearly identified candidate;

(2) is made within:

(i) 30 days before a primary election or special primary election for the office sought by the candidate; or

(ii) 60 days before a general election or special election for the office sought by the candidate;

(3) is targeted to the relevant electorate; and

(4) is made without the express or implied consent, authorization, or cooperation of, and not in concert with or at the request or suggestion of, a candidate or a candidate's principal campaign committee or agent.

(b) Electioneering communication does not include:

(1) the publishing or broadcasting of news items or editorial comments by the news media;

(2) a communication that constitutes an approved expenditure or an independent expenditure;

(3) a communication by an association distributed only to the association's own members. A communication distributed to an association's members is not excluded as an electioneering communication if substantially the same communication is also distributed to other individuals in the same pre-election period;

(4) a voter guide, which is a pamphlet or similar printed materials, intended to help voters compare candidates' positions on a set of issues, as long as each of the following is true:

(i) the guide does not focus on a single issue or a narrow range of issues, but includes questions and subjects sufficient to encompass major issues or interest to the entire electorate;

(ii) the questions and any other description of the issues are clear and unbiased in both their structure and content;

(iii) the questions posed and provided to the candidates are identical to those included in the guide;

(iv) each candidate included in the guide is given a reasonable amount of time and the same opportunity as other candidates to respond to the questions;

(v) if the candidate is given limited choices for an answer to a question, for example: "support," "oppose," "yes," or "no," the candidate is also given an opportunity, subject to reasonable limits, to explain the candidate's position in the candidate's own words; the fact that a candidate provided an explanation is clearly indicated in the guide; and the guide clearly indicates that the explanations will be made available for public inspection, subject to reasonable conditions;

(vi) answers included in the guide are those provided by the candidates in response to questions, the candidate's answers are unedited, and the answers appear in close proximity to the question to which they respond;

(vii) if the guide includes candidates' positions based on information other than responses provided directly by the candidate, the positions are based on recorded votes, reliable media reports, or public statements of the candidates and are presented in an unedited and unbiased manner; and

(viii) the guide includes all major party candidates for each office listed in the guide;

(5) any other communication specified in board rules or advisory opinions as being excluded from the definition of electioneering communications; or

(6) a communication that:

(i) refers to a clearly identified candidate who is an incumbent member of the legislator or a constitutional officer,

(ii) refers to a clearly identified issue that is or was before the legislature in the form of an introduced bill; and

(iii) is made when the legislature is in session or within ten days after the last day of a regular session of the legislature.

(c) A communication that meets the requirements of paragraph (a) but is made with the authorization or express or implied consent of, or in cooperation or in concert with, or at the request or suggestion of a candidate, a candidate's principal campaign committee, or a candidate's agent is an approved expenditure.

(d) Distributing a voter guide questionnaire, survey, or similar document to candidates and communications with candidates limited to obtaining their responses, without more, do not constitute communications that would result in the voter guide being an approved expenditure on behalf of the candidate.

Subd. 2. Targeted to relevant electorate. (a) For purposes of this section, a communication that refers to a clearly identified candidate is targeted to the relevant electorate if the communication is distributed to or can be received by more than 1,500 persons in the district the candidate seeks to represent, in the case of a candidate for the house of representatives, senate, or a district court judicial office or by more than 6,000 persons in the state, in the case of a candidate for constitutional office or appellate court judicial office.

(b) A communication consisting of printed materials, other than signs, billboards, or advertisements published in the print media, is targeted to the relevant electorate if it meets the requirements of paragraph (a) and is distributed to voters by means of United States mail or through direct delivery to a resident's home or business.

Subd. 3. Disclosure of electioneering communications. (a) Electioneering communications made by a political committee, a party unit, or a principal campaign committee must be disclosed on the periodic reports of receipts and expenditures filed by the association on the schedule and in accordance with the terms of section 10A.20.

(b) An association other than a political committee, party unit, or principal campaign committee may register a political fund with the board and disclose its electioneering communications on the reports of receipts and expenditures filed by the political fund. If it does so, it must disclose its disbursements for electioneering communication on the schedule and in accordance with the terms of section 10A.20.

(c) An association that does not disclose its disbursements for electioneering communication under paragraph (a) or (b) must disclose its electioneering communications according to the requirements of subdivision 4.

Subd. 4. Statement required for electioneering communications made by unregistered associations. (a) Except for associations providing disclosure as specified in subdivision 3, paragraph (a) or (b), every person who makes a disbursement for the costs of producing or distributing electioneering communications that aggregate more than \$1,500 in a calendar year must, within 24 hours of each disclosure date, file with the board a disclosure statement containing the information described this subdivision.

(b). Each statement required to be filed under this section must contain the following information:

(1) the names of: (i) the association making the disbursement; (ii) any person exercising direction or control over the activities of the association with respect to the disbursement; and (iii) the custodian of the financial records of the association making the disbursement;

(2) the address of the person making the disbursement;

(3) the amount of each disbursement of more than \$200 during the period covered by the statement, a description of the purpose of the disbursement, and the identification of the person to whom the disbursement was made;

(4) the names of the candidates identified or to be identified in the communication;

(5) if the disbursements were paid out of a segregated bank account that consists of funds donated specifically for electioneering communications, the name and address of each person who gave the association more than \$200 in aggregate to that account during the period beginning on the first day of the preceding calendar year and ending on the disclosure date; and

(6) if the disbursements for electioneering communications were made using general treasury money of the association, an association that has paid more than \$5,000 in aggregate for electioneering communications during the calendar year must file with its disclosure statement a written statement that includes the name, address, and amount attributable to each person that paid the association membership dues or fees, or made donations to the association that, in total, aggregate more than \$5,000 of the money used by the association for electioneering communications. The statement must also include the total amount of the disbursements for electioneering communications attributable to persons not subject to itemization under this clause.

The statement must be certified as true by an officer of the association that made the disbursements for the electioneering communications.

(c) To determine the amount of the membership dues or fees, or donations made by a person to an association and attributable to the association's disbursements for electioneering communications, the association must separately prorate the total disbursements made for electioneering communications during the calendar year over all general treasury money received during the calendar year.

(d) If the amount spent for electioneering communications exceeds the amount of general treasury money received by the association during that year:

(1) the electioneering communications must be attributed first to all receipts of general treasury money received during the calendar year in which the electioneering communications were made;

(2) any amount of current year electioneering communications that exceeds the total of all receipts of general treasury money during the current calendar year must be prorated over all general treasury money received in the preceding calendar year; and

(3) if the allocation made in clauses (1) and (2) is insufficient to cover the subject electioneering communications, no further allocation is required.

(e) After a portion of the general treasury money received by an association from a person has been designated as the source of a disbursement for electioneering communications, that portion of the association's general treasury money received from that person may not be designated as the source of any other disbursement for electioneering communications or as the source for any contribution to an independent expenditure political committee or fund.

Subd. 5. **Disclosure date.** For purposes of this section, the term "disclosure date" means the earlier of:

(1) the first date on which an electioneering communication is publicly distributed, provided that the person making the electioneering communication has made disbursements for the direct costs of producing or distributing one or more electioneering communication aggregating in excess of \$1,500; or

(2) any other date during the same calendar year on which an electioneering communication is publicly distributed, provided that the person making the electioneering communication has made disbursements for the direct costs of distributing one or more

electioneering communications aggregating in excess of \$1,500 since the most recent disclosure date.

Subd. 6. **Contracts to disburse.** For purposes of this section, a person shall be treated as having made a disbursement if the person has entered into an obligation to make the disbursement.

Subd. 7 **Statement of attribution.** (a) An electioneering communication must include a statement of attribution.

(1) For communications distributed by printed material, signs, and billboards, the statement must say, in conspicuous letters: "Paid for by [association name] [address]."

(2) For communications distributed by television, radio, satellite, or cable broadcasting system, the statement must be included at the end of the communication and must orally state at a volume and speed that a person of ordinary hearing can comprehend: "The preceding communication was paid for by the [association name]."

(3) For communications distributed by telephone communication, the statement must precede the communication and must orally state at a volume and speed that a person of ordinary hearing can comprehend: "The following communication is paid for by the [association name]."

(b) If the communication is paid for by an association registered with the board, the statement of attribution must use the association's name as it is registered with the board. If the communication is paid for by an association not registered with the board, the statement of attribution must use the association's name as it is disclosed to the board on the association's disclosure statement associated with the communication.

Subd. 8. **Failure to file; penalty.** (a) If a person fails to file a statement required by this section by the date the statement is due, the board may impose a late filing fee of \$50 per day, not to exceed \$1,000, commencing the day after the statement was due.

(b) The board must send notice by certified mail to a person who fails to file a statement within ten business days after the statement was due that the person that the person may be subject to a civil penalty for failure to file the statement. A person who fails to file the statement within seven days after the certified mail notice was sent by the board is subject to a civil penalty imposed by the board of up to \$1,000.

(c) An association that provides disclosure under section 10A.20 rather than under this section is subject to the late filing fee and civil penalty provisions of section 10A.20 and is not subject to the penalties provided in this subdivision.

(d) An association that makes electioneering communications under this section and wilfully fails to provide the statement required by subdivision 4, paragraph (b), clause (6), within the time specified is subject to an additional civil penalty of up to four times the amount of the electioneering communications disbursements that should have been included on the statement.

10A.25

Subd. 3a. **Independent expenditures and electioneering communications.** The principal campaign committee of a candidate must not make independent expenditures or disbursements for electioneering communications.

10A.27

Subd. 15. **Contributions or use of general treasury money.** (a) An association may, if not prohibited by other law, contribute its general treasury money to an independent expenditure or ballot question political committee or fund, including its own independent expenditure or ballot question political committee or fund, without complying with subdivision 13.

(b) Before the day when the recipient committee or fund's next report must be filed with the board under section 10A.20, subdivision 2 or 5, an association that has contributed more than \$5,000 in aggregate to independent expenditure political committees or funds during the calendar year or has contributed more than \$5,000 in aggregate to ballot question political committees or funds during the calendar year must provide in writing to the recipient's treasurer a statement that includes the name, address, and amount attributable to each person that paid the association dues or fees, or made donations to the association that, in total, aggregate more than \$1,000 of the contribution from the association to the independent expenditure or ballot question political committee or fund. The statement must also include the total amount of the contribution attributable to persons not subject to itemization under this section. The statement must be certified as true by an officer of the donor association.

(b c) To determine the amount of membership dues or fees, or donations made by a person to an association and attributable to the association's contribution to the independent expenditure or ballot question political committee or fund, the donor association must: separately prorate the total independent expenditures and ballot question expenditures made during the calendar year over all general treasury money received during the calendar year.

(d) If the amount contributed to independent expenditure and ballot question political committees or funds in a calendar year exceeds the amount of general treasury money received by the association during that year:

(i) the contributions must be attributed first to all receipts of general treasury money received during the calendar year in which the contributions were made;

(ii) any amount of current year contributions that exceeds the total of all receipts of general treasury money during the current calendar year must be prorated over all general treasury money received in the preceding calendar year;

(iii) if the allocation made in parts (i) and (ii) is insufficient to cover the subject independent expenditures and ballot question expenditures no further allocation is required.

~~(1) apply a pro rata calculation to all unrestricted dues, fees, and contributions received by the donor association in the calendar year; or~~

~~(2) as provided in paragraph (c), identify the specific individuals or associations whose dues, fees, or contributions are included in the contribution to the independent expenditure political committee or fund.~~

~~(c) Dues, fees, or contributions from an individual or association must be identified in a contribution to an independent expenditure political committee or fund under paragraph (b), clause (2), if:~~

~~(1) the individual or association has specifically authorized the donor association to use the individual's or association's dues, fees, or contributions for this purpose; or~~

~~(2) if the individual's or association's dues, fees, or contributions to the donor association are unrestricted and the donor association designates them as the source of the subject contribution to the independent expenditure political committee or fund.~~

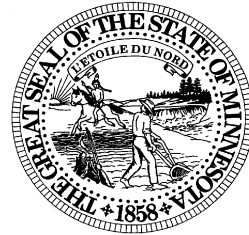
(e) After a portion of the general treasury money received by an association from a person has been designated as the source of a contribution to an independent expenditure or ballot question political committee or fund, that portion of the association's general treasury money received from

that person may not be designated as the source of any other contribution to an independent expenditure or ballot question political committee or fund or as the source of funds for a disbursement for electioneering communications made by that association.

Staff draft - Not adopted by Board

Minnesota

*Campaign Finance and
Public Disclosure Board*



Date: December 31, 2013

To: Board members

From: Gary Goldsmith, Executive Director

Telephone: 651-539-1190

This memorandum explains the modifications to Chapter 10A that the Board will consider as it discusses the attached draft bill language. Some of these changes are purely technical. Others are substantive but are not expected to encounter any significant opposition.

10A.01, subdivision 5

Amend section 10A.01, subdivision 5, to change the threshold for disclosing securities owned in an associated business from "\$2,500 or more" to "more than \$2,500." This amendment continues the Board's efforts to standardize the financial disclosure thresholds in Chapter 10A.

10A.02, subdivisions 11 and 11a

Amend section 10A.02, subdivisions 11 and 11a, to eliminate references to probable cause to make these provisions consistent with the 2013 legislative changes.

10A.02, subdivision 11b

Add a new subdivision to section 10A.02 to allow the Board to maintain data to facilitate the development of an online campaign finance filing application.

10A.025, subdivision 3a

Add a new subdivision to section 10A.025 to require treasurer cooperation in the reconciliation process and to allow for notice and the imposition of penalties similar to those imposed in the campaign finance program for failure to amend.

10A.025, subdivision 4

Amend section 10A.025 subdivision 4 to make the late filing fee and civil penalty process and amounts for failing to file amendments consistent with the process and amounts in the other programs covered by Chapter 10A.

10A.09, subdivision 1

Amend section 10A.09, subdivision 1, to specify the deadline for judges and county commissioners to file their economic interest statements. The statute is unclear due to poorly written language when judges were added to the list of public officials.

10A.09, subdivision 5

Amend section 10A.09, subdivision 5, to change the threshold for disclosing an option to buy real property from "a fair market value of \$50,000 or more" to "a fair market value of more than \$50,000." This amendment continues the Board's efforts to standardize the financial disclosure thresholds in Chapter 10A.

10A.09, subdivision 8

Repeal section 10A.09, subdivision 8, which requires the Board to use the contested case procedures in chapter 14 to suspend any public official who does not timely file an economic interest statement. The Board has never used this authority and it also is unclear how the Board would actually use the contested case procedures to suspend an official.

10A.12, subdivision 5

Amend section 10A.12, subdivision 5, to increase the threshold for disclosing the names of members whose dues were placed in an association's political fund from \$100 to \$200 to be consistent with other itemization thresholds.

10A.20, subdivision 2

Amend section 10A.20, subdivision 2, to (1) exempt judicial and constitutional office candidates from the additional reporting requirements in general election years when their offices are not on the ballot; and (2) exempt constitutional office candidates from both pre-general-election reports when they lose in the primary election. This change is most easily accomplished by adding language to separate the types of filers. Other amendments are made to remove references to a June primary and to add the word "election" after the word "primary." Although the amendment language looks extensive, its only effect is to accomplish these goals.

10A.20, subdivision 5

Amend section 10A.20, subdivision 5, to require constitutional and legislative office candidates to file a 24-hour notice whenever they receive a contribution that is more than 50% of the election segment limit for the office. The statute currently requires 24-hour notice of contributions that are more than 50% of the election cycle limit.

10A.255, subdivision 3

Amend section 10A.255, subdivision 3, to require the Board to publish the adjusted spending limits on its website instead of in the State Register.

10A.28, subdivision 4

Amend section 10A.28, subdivision 4, to eliminate the reference to probable cause to make the provision consistent with the 2013 legislative changes. Also eliminate the requirement that the Board "must" bring an action to collect the civil penalty in this case. The Board already has general authority under section 10A.34 to bring civil actions to collect penalties. Additionally, all civil penalties and late filing fees collected by the Board are placed in the general fund of the state pursuant to statutory requirements outside of Chapter 10A.

13.607

Amend the title to eliminate reference to "Ethics." Amend subdivision 3 to change the reference from "Ethical practices" to "Campaign finance." Add language to subdivision 5a referring to the new provision in section 10A.02, subdivision 11b.

Attachments:

Draft language for noncontroversial changes

**Minnesota Campaign Finance and Public Disclosure Board
Recommendations for Changes to Minnesota Statutes Chapter 10A**

10A.01 DEFINITIONS

Subd. 5. **Associated business.** "Associated business" means an association, corporation, partnership, limited liability company, limited liability partnership, or other organized legal entity from which the individual receives compensation in excess of \$50, except for actual and reasonable expenses, in any month as a director, officer, owner, member, partner, employer or employee, or whose securities the individual holds worth more than \$2,500 ~~or more~~ at fair market value.

10A.02 CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD

Subd. 11. **Violations; enforcement.** (a) The board may investigate any alleged violation of this chapter. The board may also investigate an alleged violation of section 211B.04, 211B.12, or 211B.15 by or related to a candidate, treasurer, principal campaign committee, political committee, political fund, or party unit, as those terms are defined in this chapter. The board must investigate any violation that is alleged in a written complaint filed with the board and must within 30 days after the filing of the complaint make findings and conclusions as to whether a violation has occurred and must issue an order, except that if the complaint alleges a violation of section 10A.25 or 10A.27, the board must either enter a conciliation agreement or make public findings and conclusions as to whether a violation has occurred and must issue an order within 60 days after the filing of the complaint. The deadline for action on a written complaint may be extended by majority vote of the board.

.....

(c) Within a reasonable time after beginning an investigation of an individual or association, the board must notify the individual or association of the fact of the investigation. The board must not make a finding ~~of whether there is probable cause to believe~~ that a violation has occurred without notifying the individual or association of the nature of the allegations and affording an opportunity to answer those allegations.

(d) A hearing before the board or action of the board concerning a complaint or investigation other than a ~~finding concerning probable cause~~ findings, conclusions, and orders or a conciliation agreement is confidential. Until the board makes a public finding ~~concerning probable cause~~ or enters a conciliation agreement:

(1) a member, employee, or agent of 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 this chapter; and

(2) an individual who discloses information contrary to this subdivision is subject to a civil penalty imposed by the board of up to \$1,000.

(e) A matter that is under the board's jurisdiction pursuant to this section and that may result in a criminal offense must be finally disposed of by the board before the alleged violation may be prosecuted by a city or county attorney.

Subd. 11a. **Data privacy.** If, after making a public finding ~~concerning probable cause~~ or entering a conciliation agreement, the board determines that the record of the investigation contains statements, documents, or other matter that, if disclosed, would unfairly injure the reputation of an innocent individual, the board may:

(1) retain the statement, document, or other matter as a private record, as defined in section 13.02, subdivision 12, for a period of one year, after which it must be destroyed; or

(2) return the statement, document, or other matter to the individual who supplied it to the board.

Subd. 11b. **Data privacy related to electronic reporting system.** The board may develop and maintain systems to enable treasurers to enter and store electronic records online for the purpose of complying with this chapter. Data entered into such systems by treasurers or their authorized agents is not government data under chapter 13 and may not be accessed or used by the board for any purpose without the treasurer's written consent. Data from such systems that has been submitted to the board as a filed report is government data under chapter 13.

10A.025 FILING REQUIREMENTS

Subd. 3a. **Reconciliation information; penalty.** An individual or association required to file a report under this chapter must provide information requested by the board to reconcile discrepancies between the report and reports filed by other individuals or associations. The board's request for information must be in writing. If the individual or association fails to provide the requested information within ten business days after the request was sent, the board may impose a late filing fee of \$25 per day up to \$1,000.

The board may send notice by certified mail to an individual or association that has not timely responded to the board's written request for reconciliation information. The certified notice must state that if the individual or association does not respond to the board's request for information within ten business days after the certified notice was sent, the individual or association may be subject to a civil penalty for failure to provide information to the board. An individual or association that does not provide the requested information within ten business days after the certified notice was sent is subject to a civil penalty imposed by the board of up to \$1,000.

A person who willfully fails to cooperate with the board to reconcile a report discrepancy is subject to a civil penalty imposed by the board of up to \$3,000.

Subd. 4. **Changes and corrections.** Material changes in information previously submitted and corrections to a report or statement must be reported in writing to the board within ten days following the date of the event prompting the change or the date upon which the person filing became aware of the inaccuracy. The change or correction must identify the form and the paragraph containing the information to be changed or corrected.

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

The board must send a written notice by certified mail to any individual who fails to file a report required by this subdivision. If the individual fails to file the required report within ten business days after the notice was sent, the board may impose a late filing fee of ~~\$5~~ \$25 per day up to ~~\$100~~ \$1,000 starting on the 11th day after the notice was sent. The board ~~must~~ may send an additional notice by certified mail to an individual who fails to file a report within ~~14 days~~ ten business days after the first notice was sent by the board. The certified notice must state that if the individual does not file the requested report within ten business days after the certified notice was sent, that the individual may be subject to a civil penalty for failure to file a report. An individual who fails to file a report required by this subdivision within ~~seven~~ ten business days after the ~~second~~ certified notice was sent by the board is subject to a civil penalty imposed by the board of up to \$1,000.

10A.09 STATEMENTS OF ECONOMIC INTEREST.

Subdivision 1. **Time for filing.** ~~Except for a candidate for elective office in the judicial branch, a~~ An individual must file a statement of economic interest with the board:

- (1) within 60 days of accepting employment as a public official or a local official in a metropolitan governmental unit;
- (2) within 60 days of assuming office as a district court judge, appeals court judge, or supreme court justice, or county commissioner;
- (3) within 14 days after filing an affidavit of candidacy or petition to appear on the ballot for an elective state constitutional or legislative office or an elective local office in a metropolitan governmental unit other than county commissioner;
- ~~(3)~~(4) in the case of a public official requiring the advice and consent of the senate, within 14 days after undertaking the duties of office; or
- ~~(4)~~(5) in the case of members of the Minnesota Racing Commission, the director of the Minnesota Racing Commission, chief of security, medical officer, inspector of pari-mutuels, and stewards employed or approved by the commission or persons who fulfill those duties under contract, within 60 days of accepting or assuming duties.

Subd. 5. **Form.** A statement of economic interest required by this section must be on a form prescribed by the board. The individual filing must provide the following information:

- (1) name, address, occupation, and principal place of business;
- (2) the name of each associated business and the nature of that association;

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

~~Subd. 8. **Failure to file; suspension.** A public official, except a member of the legislature or a constitutional officer, who is required to file a statement of economic interest and fails to do so by the prescribed deadline must be suspended without pay by the board in the manner prescribed in the contested case procedures in chapter 14.~~

10A.12 POLITICAL FUNDS

Subd. 5. **Dues or membership fees.** An association may, if not prohibited by other law, deposit in its political fund money derived from dues or membership fees. Under section 10A.20, the treasurer of the fund must disclose the name of any member whose dues, membership fees, and contributions deposited in the political fund together exceed ~~\$100~~ \$200 in a year.

10A.20 CAMPAIGN REPORTS

Subd. 2. **Time for filing.** (a) The reports must be filed with the board on or before January 31 of each year and additional reports must be filed as required and in accordance with paragraphs (b) to ~~(d)~~ (f).

(b) In each year in which the name of a candidate for legislative or district court judicial office is on the ballot, the report of the principal campaign committee must be filed 15 days before a primary election and ten days before a general election, seven days before a special primary election and seven days before a special general election, and ten days after a special election cycle.

(c) In each general election year, a political committee, a political fund, a state party committee, and a party unit established by all or a part of the party organization within a house of the legislature, ~~and the principal campaign committee of a candidate for constitutional or appellate court judicial office~~ must file reports on the following schedule:

- (1) a first-quarter report covering the calendar year through March 31, which is due April 14;
- (2) ~~in a year in which a primary election is held in August, a report covering the calendar year through May 31, which is due June 14;~~
- (3) ~~in a year in which a primary election is held before August, a pre-general election report covering the calendar year through July 15, which is due July 29;~~
- (4) ~~a pre-primary-election report due 15 days before a primary election;~~
- (5) ~~(4) a pre-general-election report due 42 days before the general election; and~~
- (6) ~~(5) a pre-general-election report due ten days before a general election; and~~
- (7) ~~for a special election, a constitutional office candidate whose name is on the ballot must file reports seven days before a special primary and a special election, and ten days after a special election cycle.~~

(d) In each general election year, a party unit not included in paragraph (c) must file reports 15 days before a primary election and ten days before a general election.

(e) In each year in which the name of a candidate for constitutional or appellate court judicial office is on the ballot, the candidate's principal campaign committee must file reports on the following schedule:

- (1) a first-quarter report covering the calendar year through March 31, which is due April 14;
- (2) a report covering the calendar year through May 31, which is due June 14;
- (3) a pre-primary-election report due 15 days before a primary election;
- (4) a pre-general-election report due 42 days before the general election;
- (5) a pre-general-election report due ten days before a general election; and
- (6) for a special election, a constitutional office candidate whose name is on the ballot must file reports seven days before a special primary election, seven days before a special general election, and ten days after a special election cycle.

(f) Notwithstanding paragraphs (a) to (de), the principal campaign committee of a candidate whose name will not be on the general election ballot is not required to file the report due 42 days before the general election; the report due ten days before a general election, or the report due seven days before a special general election.

Subd. 5. Pre-election reports. (a) Any loan, contribution, or contributions:

- (1) to a political committee or political fund from any one source totaling more than \$1,000;
- (2) to the principal campaign committee of a candidate for an appellate court judicial office totaling more than \$2,000;
- (3) to the principal campaign committee of a candidate for district court judge totaling more than \$400; or
- (4) to the principal campaign committee of a candidate for constitutional office or for the legislature totaling more than 50 percent of the election ~~cycle~~ segment contribution limit for the office,

received between the last day covered in the last report before an election and the election must be reported to the board in the manner provided in paragraph (b).

10A.255 ADJUSTMENT BY CONSUMER PRICE INDEX.

Subd. 3. **Publication of expenditure limit.** By April 15 of each election year the board must publish ~~in the State Register~~ on its web site the expenditure limit for each office for that calendar year under section 10A.25 as adjusted by this section. The revisor of statutes must code the adjusted amounts in the next edition of Minnesota Statutes, section 10A.25, subdivision 2.

10A.28 PENALTY FOR EXCEEDING LIMITS

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Subd. 3. **Conciliation agreement.** If the board finds that there is reason to believe that excess expenditures have been made or excess contributions accepted contrary to subdivision 1 or 2, the board must make every effort for a period of at least 14 days after its finding to correct the matter by informal methods of conference and conciliation and to enter a conciliation agreement with the person involved. A conciliation agreement under this subdivision is a matter of public record. Unless violated, a conciliation agreement is a bar to any civil proceeding under subdivision 4.

Subd. 4. **Civil action.** If the board is unable after a reasonable time to correct by informal methods a matter where there is reason ~~that constitutes probable cause~~ to believe that excess expenditures have been made or excess contributions accepted contrary to subdivision 1 or 2, the board must make a public finding ~~of probable cause~~ in the matter. ~~After making a public finding, the board must bring an action, or transmit the finding to a county attorney who must bring an action, in the District Court of Ramsey County or, in the case of a legislative candidate, the district court of a county within the legislative district, to collect a civil penalty as imposed by the board under subdivision 1 or 2. All money recovered under this section must be deposited in the general fund of the state treasury.~~

13.607 ETHICS CAMPAIGN FINANCE AND ELECTION DATA CODED ELSEWHERE.

Subd. 3. ~~Ethical practices~~ **Campaign Finance and Public Disclosure Board investigation data**. The record of certain investigations conducted under chapter 10A is classified, and disposition of certain information is governed, by section 10A.02, subdivision 11a.

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Subd. 5a. **Campaign reports and data**. Certain reports filed with the Campaign Finance and Public Disclosure Board are classified under section 10A.20. Certain data stored by the Campaign Finance and Public Disclosure Board is not government data under section 10A.02, subdivision 11b.