



# MINNESOTA CAMPAIGN FINANCE BOARD

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**Date:** October 8, 2025

**To:** Board Members

**From:** Jeff Sigurdson, Executive Director

**Telephone:** 651-539-1189

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

## **Legislative Recommendations**

Pursuant to Minnesota Statutes section 10A.02, subdivision 8, the Board may offer legislative recommendations to the legislature. The recommendations may range from significant changes to the programs the Board administers, to technical changes that provide clarity or resolve inconsistencies in statute. In recent years the Board has recommended, and the legislature has approved, significant changes to the reporting requirements for the lobbying and economic interest statement programs, as well as recommendations for the campaign finance program on how campaign committees should report and process contributions made with virtual currency. In 2025 the Board recommended, and the legislature adopted, a number of recommendations related to the expansion of the lobbying program to include local governmental units.

Board staff has identified a number of what we believe to be technical changes to Chapter 10A that the Board may wish to recommend to the legislature. In my view, the recommendations are non-controversial and are unlikely to be objected to for partisan reasons. The recommendations and draft language to achieve each recommendation are provided below for Board consideration.

If Board members have other legislative recommendations that they would like to bring forward for consideration please let me know and staff will work on draft language for discussion at the November and December Board meetings. The 2026 legislative session begins on February 17, 2026. If the Board wishes to pursue legislative recommendations, the recommendations should be provided to the legislature no later than January.

Key: (1) language to be deleted (2) new language

### **Economic Interest Program**

It is increasingly difficult for Board staff to contact candidates and public officials about the need to file an economic interest statement, or to notify individuals that they are near the deadline for filing. Filing officers for candidates are reluctant to provide candidates' contact information because Minnesota Statutes section 204B.06, subdivision 1b, paragraph (c), provides that under certain circumstances, a candidate may request that their address of residence be classified as private data, in which case it may only be used by the filing officer. The appointing authorities for public officials appear to have security concerns about providing the Board with contact information for new public officials, and are no longer providing this information with the notice of appointment. Without an individual's contact information, the best staff can do is send information to the agency where the public official will serve and ask that it be forwarded to the public official. Staff's experience with this approach has not been satisfactory, in particular when the Board is looking for a final statement from an official that has left office.

The proposed change provides authority for filing officers to provide contact information for candidates, and makes clear that the notification of a public official appointment must include contact information.

Minnesota Statutes 2024, section 10A.09, subdivision 2, is amended to read:

Subd. 2. **Notice to board.** Notwithstanding section 204B.06, subdivision 1b, the secretary of state or the appropriate county auditor, upon receiving an affidavit of candidacy or petition to appear on the ballot from an individual required by this section to file a statement of economic interest, and any official who nominates or employs a public official required by this section to file a statement of economic interest, must notify the board of the name, mailing address, phone number, and email address of the individual required to file a statement and the date of the affidavit, petition, or nomination.

### **Campaign Finance Program**

#### **Late Filing Fee – Underlying Disclosure Statements for Ballot Question Committees and Funds**

Independent expenditure committees and funds, and ballot question committees and funds, are required to provide underlying statements of disclosure when the committee or fund receives a contribution from an unregistered association that contributed more than \$5,000 in aggregate to these types of committees and funds during a calendar year. Under current statute an unregistered association that fails to provide the statement to an independent expenditure or ballot question committee or fund that received the contribution, and an independent expenditure committee or fund that fails to forward the statement to the Board with the periodic report disclosing the contribution, are both subject to late filing fees and potential civil penalties. However, in an apparent oversight when the statute was drafted, ballot question committees

and funds were not included in the statute providing a penalty for failure to file the underlying disclosure statement. The amendment will correct the oversight.

Minnesota Statutes 2024, section 10A.27, subdivision 17, is amended to read:

**Subd. 17. Penalty.** (a) An association that makes a contribution under subdivision 15 and fails to provide the required statement within the time specified is subject to a late filing fee of \$100 a day not to exceed \$1,000, commencing the day after the statement was due. The board must send notice by certified mail that the individual or association may be subject to a civil penalty for failure to file the statement. An association that fails to provide the required statement within seven days after the certified mail notice was sent by the board is subject to a civil penalty of up to four times the amount of the contribution, but not to exceed \$25,000.

(b) An independent expenditure political committee or ~~an independent expenditure political fund or ballot question political committee or fund~~ that files a report without including the statement required under subdivision 15 is subject to a late filing fee of \$100 a day not to exceed \$1,000, commencing the day after the report was due. The board must send notice by certified mail that the independent expenditure political committee or ~~independent expenditure fund or ballot question political committee or fund~~ may be subject to a civil penalty for failure to file the statement. An association that fails to provide the required statement within seven days after the certified mail notice was sent by the board is subject to a civil penalty of up to four times the amount of the contribution for which disclosure was not filed, but not to exceed \$25,000.

(c) If an independent expenditure political committee or ~~an independent expenditure political fund or ballot question political committee or fund~~ has been assessed a late filing fee under this subdivision during the prior four years, the board may impose a late filing fee of up to twice the amount otherwise authorized by this subdivision. If an independent expenditure political committee or ~~an independent expenditure political fund or ballot question political committee or fund~~ has been assessed a late filing fee under this subdivision more than two times during the prior four years, the board may impose a late filing fee of up to three times the amount otherwise authorized by this subdivision.

(d) No other penalty provided in law may be imposed for conduct that is subject to a civil penalty under this section.

### **Reporting for Special Election Candidates**

A special election creates a new election cycle with its own contribution and expenditure limits, and a specific calendar of report deadlines that vary depending on the timing of when the writ calling the special election was issued, and when the primary and general election are held.

A special election cycle can, and for some reason often does, span calendar years. The current statutes for filing special election reports are inadequate to account for the possible variables of when the special election will occur, and frankly are unworkable for a special election cycle that spans more than one calendar year. The recommendation is to amend two subdivisions of Minnesota Statutes section 10A.20 to provide clarity on the periods covered by special election reports and when they are due.

Minnesota Statutes 2024, section 10A.20, subdivision 2, is amended to read:

...

(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. Notwithstanding those deadlines, if a special primary election is held on the second Tuesday in August the report of the principal campaign committee must be filed 15 days before the special primary election, and if a special general election is held on the first Tuesday after the first Monday in November, the report of the principal campaign committee must be filed ten days before the special general election. Additionally, the principal campaign committee of a special election candidate must file a report seven days after the close of the filing period for the special election for which the candidate filed if the committee received contributions or made expenditures or noncampaign disbursements prior to the start of the special election cycle.

...

(f) Notwithstanding paragraphs (a) to (e):

(1) the principal campaign committee of a candidate who did not file for office is not required to file the report due June 14, the report due 15 days before the primary election, or the report due ~~seven days~~ before a special primary election; and

(2) 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.

Minnesota Statutes 2024, section 10A.20, subdivision 4, is amended to read:

Subd. 4. Period of report. (a) A report must cover the period from January 1 of the reporting year to seven days before the filing date, except that the report due on January 31 must cover the period from January 1 to December 31 of the reporting year.

(b) Notwithstanding paragraph (a), the report of the principal campaign committee of a special election candidate due seven days after the close of the filing period must cover the period from January 1 of the reporting year to the day prior to the start of the special election cycle.

(c) Notwithstanding paragraph (a), the reports of the principal campaign committee of a special election candidate due seven days before a special primary election and seven days

before a special general election must cover the period from the start of the special election cycle to seven days before the filing date.

(d) Notwithstanding paragraph (a), the report of the principal campaign committee of a special election candidate due 10 days after a special election cycle must cover the period from the start of the special election cycle to the end of the special election cycle.

### **Consistency for Local Candidates**

In 2024, the legislature amended Chapter 10A to define “local candidate” as an individual who seeks election to any county, city, school district, township, or special district office. Candidates for local office do not file with the Board. However, party units and political committee and funds that spend over \$200 to influence local candidate elections are required to file up to six reports with the Board disclosing that activity within each odd-numbered year. In even-numbered years, the \$200 spending threshold does not apply and up to six reports are generally required, but party units other than state central committees and legislative party units are only required to file three reports. For clarity and consistency, staff recommends that several of the provisions in Chapter 10A that regulate how party units and political committees and funds interact with state-level candidates should be amended to include local candidates as well.

The prohibition on earmarking contributions for state-level candidates should be extended to local candidates because local candidates also have contribution limits. The definition of coordinated and noncoordinated expenditures should be amended to include local candidates so that the guidance in Minnesota Statutes sections 10A.175 through 10A.177 on what is, and what is not, an approved expenditure or an independent expenditure, will apply when the expenditure concerns a local candidate. The list of activities that may be classified as a multicandidate political party expenditure already includes candidates for local office when a party unit produces a sample ballot, provides space at a fair booth, or uses a phone bank or other mass communication to support three or more candidates. The recommended changes would allow party units to include local candidates when providing staff support or fundraising events for three or more candidates.

Minnesota Statutes 2024, section 10A.16, is amended to read:

### **10A.16 EARMARKING CONTRIBUTIONS PROHIBITED.**

An individual, political committee, political fund, principal campaign committee, or party unit may not solicit or accept a contribution from any source with the express or implied condition that the contribution or any part of it be directed to a particular candidate or local candidate other than the initial recipient. An individual, political committee, political fund, principal campaign committee, or party unit that knowingly accepts any earmarked contribution is subject to a civil penalty imposed by the board of up to \$3,000. Knowingly accepting any earmarked contribution is a gross misdemeanor.

Minnesota Statutes 2024, section 10A.175, is amended to read:

**10A.175 COORDINATED AND NONCOORDINATED EXPENDITURES; DEFINITIONS.**

...

Subd. 2. **Agent.** "Agent" means a person serving during an election segment as a candidate's or local candidate's chairperson, deputy chairperson, treasurer, deputy treasurer, or any other person whose actions are coordinated.

Minnesota Statutes 2024, section 10A.175, subdivision 3, is amended to read:

Subd. 3. **Candidate.** "Candidate" means a candidate or local candidate as defined in section 10A.01, subdivisions 10 and 10d, ~~the candidate's~~ a principal campaign committee, or the candidate's or local candidate's agent.

...

Subd. 5. **Coordinated.** "Coordinated" means with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of the candidate or local candidate. A coordinated expenditure is an approved expenditure under section 10A.01, subdivision 4.

...

Minnesota Statutes 2024, section 10A.275, subdivision 1, is amended to read:

Subdivision. 1. **Exceptions.** Notwithstanding other provisions of this chapter, the following expenditures by a party unit, or two or more party units acting together are not considered contributions to or expenditures on behalf of a candidate or local candidate for the purposes of sections 10A.25, or 10A.27, or 211A.12 and must not be allocated to candidates or local candidates under section 10A.20, subdivision 3, paragraphs (h), (k), or (l):

(1) expenditures on behalf of candidates or local candidates of that party generally without referring to any of them specifically in a published, posted, or broadcast advertisement;

(2) expenditures for the preparation, display, mailing, or other distribution of an official party sample ballot listing the names of three or more individuals whose names are to appear on the ballot;

(3) expenditures for a telephone call, voice mail, text message, multimedia message, Internet chat message, or email when the communication includes the names of three or more individuals whose names are to appear on the ballot;

(4) expenditures for a booth at a community event, county fair, or state fair that benefits three or more individuals whose names are to appear on the ballot;

(5) expenditures for a political party fundraising effort on behalf of three or more candidates or local candidates; or

(6) expenditures for party committee staff services that benefit three or more candidates or local candidates.

### **Updating Reporting Requirements**

The general reporting requirements in Minnesota Statutes section 10A.20 are reasonably clear, but there are some areas that could be “cleaned up” to provide greater clarity and consistency. Briefly, by paragraph within subdivision 3, the recommended language would do the following:

(c) Aggregate contributions of over \$200 must be itemized by all reporting entities, the reference to legislative and statewide candidates is not needed.

(e) Ballot question committee and funds have a \$500 itemization threshold for loans, the statute does not currently reflect that fact. The amended language will also provide that a loan that is forgiven is then a contribution from the entity that forgave the loan, and that applies to all types of committees and funds, not just principal campaign committees.

(f) Provide the \$500 threshold for ballot question committees and funds.

(h) Clarify that independent expenditures are reported if the expenditure is in support or opposition to a candidate or local candidate.

(j) Provide clarity that unpaid bills are reported only when the amount exceeds \$200. Also provide that an unpaid bill that is forgiven becomes a contribution for all types of reporting entities, not just principal campaign committees.

(m) and (n) Clarify that the reporting of noncampaign disbursements is limited to principal campaign committees.

(p) and (q) The reporting requirements in these two paragraphs apply to all types of reporting entities, there is no reason to list each type of entity in the paragraph.

Minnesota Statutes 2024, section 10A.20, subdivision 3, is amended to read:

**Subd. 3. Contents of report.** (a) The report required by this section must include each of the items listed in paragraphs (b) to (q) 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.

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

(c) The report must disclose the name, address, employer, or occupation if self-employed, and registration number if registered with the board, of each individual or association that has made one or more contributions to the reporting entity, including the purchase of tickets for a fundraising effort, that in aggregate within the year exceed \$200 for legislative or statewide candidates, or more than \$500 for if the reporting entity is a ballot question political committee or fund, 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.

(d) The report must disclose the sum of contributions to the reporting entity during the reporting period.

(e) The report must disclose each loan made or received by the reporting entity within the year in aggregate in excess of \$200, or \$500 if the reporting entity is a ballot question political committee or fund, continuously reported until repaid or forgiven, together with the name, address, occupation, principal place of business, if any, and registration number if registered with the board 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 the borrower that principal campaign committee, it must be reported as a contribution for the year in which the loan was made.

(f) The report must disclose each receipt over \$200, or \$500 if the reporting entity is a ballot question political committee or fund, during the reporting period not otherwise listed under paragraphs (c) to (e).

(g) The report must disclose the sum of all receipts of the reporting entity during the reporting period.

(h) The report must disclose the name, address, and registration number if registered with the board of each individual or association to whom aggregate expenditures, approved expenditures, independent expenditures, and ballot question expenditures 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, including an explanation of how the expenditure was used, and the name and address of, and office sought by, each candidate or local candidate on whose behalf the expenditure was made, 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 support of or opposition to a candidate or local candidate, the candidate's or local candidate's name, address, and office sought. A reporting entity making an expenditure on behalf of more than one candidate or local candidate must allocate the expenditure among the candidates and local candidates on a reasonable cost basis and report the allocation for each candidate or local candidate. The report must list on separate schedules any independent expenditures made on behalf of local candidates and any expenditures made for ballot questions as defined in section 10A.01, subdivision 7, clause (2), (3), or (4).

(i) The report must disclose the sum of all expenditures made by or on behalf of the reporting entity during the reporting period.

(j) 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 the advance of credit was required to be itemized as an expenditure in the period in which it was incurred. 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 ~~the debtor that principal campaign committee~~, it must be reported as a donation in kind for the year-in which the advance of credit was made.

(k) The report must disclose the name, address, and registration number if registered with the board of each political committee, political fund, principal campaign committee, local candidate, 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. The report must list on separate schedules any contributions made to state candidates' principal campaign committees and any contributions made to local candidates.

(l) The report must disclose the sum of all contributions made by the reporting entity during the reporting period and must separately disclose the sum of all contributions made to local candidates by the reporting entity during the reporting period.

(m) The report of a principal campaign committee must disclose the name, address, and registration number if registered with the board 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, including an explanation of how the expenditure was used.

(n) The report of a principal campaign committee must disclose the sum of all noncampaign disbursements made within the year by or on behalf of the reporting entity.

(o) 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.

(p) ~~Legislative, statewide, and judicial candidates, party units, and political committees and funds must itemize contributions that in aggregate within the year exceed \$200 for legislative or statewide candidates, or more than \$500 if the reporting entity is a for ballot questions political committee or fund, must be itemized~~ on reports submitted to the board. The itemization must include the date on which the contribution was received, the individual or association that provided the contribution, and the address of the contributor. Additionally, the itemization for a donation in kind must provide a description of the item or service received. Contributions that are less than the itemization amount must be reported as an aggregate total.

(q) ~~Legislative, statewide, and judicial candidates, party units, political committees and funds, and committees to promote or defeat a ballot question must itemize expenditures and noncampaign disbursements that in aggregate exceed \$200 in a calendar year~~ must be itemized on reports submitted to the board. The itemization must include the date on which the committee made or became obligated to make the expenditure or disbursement, the name and address of the vendor that provided the service or item purchased, and a description of the service or item purchased, including an explanation of how the expenditure was used. Expenditures and noncampaign disbursements must be listed on the report alphabetically by vendor.

#### **Penalty for Failure to Provide Notice of Exceeding Limits in Minn. Stat. § 10A.25**

A candidate that signs the public subsidy agreement is limited in the amount of campaign expenditures their committee may make during the election cycle for the candidate's office. However, a candidate may be released from the spending limit under certain circumstances. The candidate may be released from the spending limit if the candidate's opponent(s) did not sign the public subsidy agreement, and has received contributions or made or become obligated to make expenditures that (1) equal 20% of the spending limit for the office by the close of the reporting period for the pre-primary election report, or (2) equal to 50% of their spending limit after the close of the reporting period for the pre-primary election report. A candidate that did not sign the public subsidy agreement and has reached the contribution or spending thresholds must notify their opponents who did sign the public subsidy agreement, and the Board, of that fact within 24 hours. After receiving the notification, the candidate who did sign the agreement may choose to be released from the spending limit.

The problem is that the statute does not provide a penalty if the candidate that did not sign the public subsidy agreement fails to provide the required notice. Staff recommends providing a penalty for failure to file the notice. Additionally, the recommendation also provides that a candidate may be released from the spending limit if their opponent's campaign finance report shows that the opponent has reached the 20% or 50% threshold, regardless of whether a notice is filed as required by statute.

Minnesota Statutes section 10A.25, subdivision 10, is amended to read:

...

(c) Upon receipt of the notice, a candidate who had agreed to be bound by the limits may file with the board a notice that the candidate chooses to be no longer bound by the expenditure limits. A candidate who had agreed to be bound by the limits may also file a notice with the Board that the candidate chooses to be no longer bound by the expenditure limit if an opponent that did not agree to be bound by the expenditure limit files a report of receipts and expenditures required under section 10A.20 that discloses that the candidate has reached one of the thresholds in paragraph (a). A notice of a candidate's choice not to be bound by the expenditure limits that is based on the conduct of an opponent in the state primary election may not be filed more than one day after the State Canvassing Board has declared the results of the state primary.

(d) A candidate who has agreed to be bound by the expenditure limits imposed by this section and whose opponent in the general election has chosen, as provided in paragraph (c), not to be bound by the expenditure limits because of the conduct of an opponent in the primary election is no longer bound by the limits but remains eligible to receive a public subsidy.

(e) A candidate who fails to provide the notice required in paragraph (b) within the time specified is subject to a late filing fee of \$100 per day, not to exceed \$1,000, commencing on the day after the notice was due.