



MINNESOTA

CAMPAIGN FINANCE BOARD

Date: November 27, 2024

To: Board members
Nathan Hartshorn, counsel

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

Subject: Rulemaking update and draft resolution approving final proposed rule language

A notice regarding the Board's proposed administrative rules and the formal comment period was published in the State Register on October 7, 2024. The comment period ended on November 6, 2024. The Board received four comments and no requests for a public hearing.¹ As a result, the hearing before an administrative law judge, tentatively scheduled for December 17, 2024, has been canceled.

Now the Board needs to consider, and vote on a resolution approving, the final proposed rule language. After that occurs, the proposed rule language will be submitted to the Governor's Office for final review and the Revisor's Office will be asked to incorporate any modifications to the language. Then, the final language, the comments received during the 30-day comment period, the Board's responses to those comments, and other documents listed within Minnesota Rules 1400.2310 will be submitted to the administrative law judge overseeing the rulemaking process. Once that occurs, the administrative law judge will approve or disapprove the proposed rules within 14 days pursuant to Minnesota Statutes section 14.26, subdivision 3.

Board staff has drafted detailed responses to the comments received during the 30-day comment period, and has drafted four modifications to the proposed rule language based on those comments. The proposed modifications are as follows:

- Additional changes to the definition of "compensation" under Minnesota Rules 4501.0100, subpart 4, to clarify that the term does not include payments related to FICA taxes, disability insurance or benefits, or life insurance. This modification is based on a comment submitted by the Minnesota Council of Nonprofits.
- Changing the term "gross compensation" to "compensation" within the definition of the phrase "pay or consideration for lobbying" to be codified at Minnesota Rules 4511.0100, subpart 5a. This modification is based on a comment submitted by the Minnesota Council of Nonprofits.

¹ The comments are available at cfb.mn.gov/citizen-resources/the-board/statutes-and-rules/rulemaking-docket.

- Changing the term “gross compensation” to “compensation” within a rule regarding the lobbyist registration threshold to be codified at Minnesota Rules 4511.0200, subpart 2a. This modification is based on a comment submitted by the Minnesota Council of Nonprofits and is directly related to the proposed modification to the definition of the phrase “pay or consideration for lobbying.”
- Adding tax abatement and tax increment financing, used to support private housing or business developments, to the list of decisions that are categorically defined as major decisions regarding the expenditure or investment of public money within the proposed rule to be codified at Minnesota Rules 4511.1100, subpart 2. This modification is based on a comment submitted by Representative Nathan Coulter and was outlined during the November Board meeting.

Redlined versions of the four rule subparts to potentially be modified are attached.² Also attached are copies of the comments received by the Board during the 30-day comment period and a draft document responding to those comments, which explains the need for the proposed modifications. Lastly, a draft resolution approving the final proposed rule language is attached.

A motion is needed to approve the proposed modifications to the draft rules, and the draft resolution. If Board members have concerns regarding the draft responses to comments received during the 30-day comment period, those will need to be addressed during the December Board meeting.

Attachments:

Redlined rule language to potentially be modified

Comments received during 30-day comment period

Draft responses to comments received during 30-day comment period

Draft resolution approving final proposed rule language

² The complete proposed rule language approved by the Board in June 2024, with minor changes made by the Revisor’s Office, is available at cfb.mn.gov/pdf/legal/rulemaking/2023/Revisor_draft.pdf.