

**Date:** May 29, 2024

To: Board members

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**Subject:** Rulemaking update

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

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

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

<sup>&</sup>lt;sup>1</sup> Laws 2024, ch. 112 (H.F. 4772), art. 4, sec. 1-3.

<sup>&</sup>lt;sup>2</sup> All of the draft rule language is available at <u>cfb.mn.gov/pdf/legal/rulemaking/2023/</u> <u>All\_draft\_rule\_language\_5.29.24.pdf</u>.

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

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

## Attachments:

Revised draft rule language for part 4503.0100, subpart 4, and part 4511.0100, subparts 4-11 Statement of Need and Reasonableness

Draft resolution authorizing dual notice of proposed rules