

MINNESOTA
CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD

LOBBYING HANDBOOK



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Campaign Finance and Public Disclosure Board
Suite 190, Centennial Building
658 Cedar Street
St. Paul MN 55155-1603
Telephone: 651-539-1187 or 800-657-3889
Fax: 651-539-1196
Email: cf.board@state.mn.us
Website: <https://cfb.mn.gov/>

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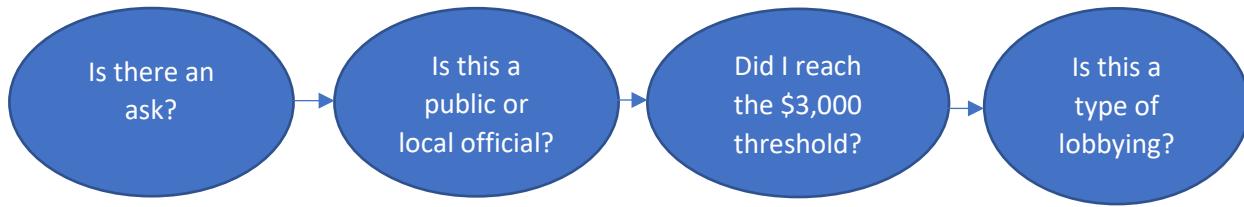
Am I a Lobbyist?

So, you have a new job, and one of the duties of the job requires talking to government employees. Does that make you a lobbyist? How about if you ask for something from the government employees? How about if you only spend 10% of your work time lobbying? As is so often the case when dealing with the government, the answers to these questions starts with “It depends....”.

It depends on whether your communication is with a public or local official. It depends on whether the purpose of the communication is an “ask”, or request, for an official action by the public or local official. It depends on whether your compensation for lobbying, or your expenditure of personal funds to support lobbying, exceeds a set threshold. And finally, it depends on what type of official action you are requesting. Are you lobbying for legislative action? How about administrative action? An action by the Minnesota Public Utilities Commission? Are you lobbying for action by a local political subdivision? The type of government action you are seeking might change the answer on whether you need to register as a lobbyist. Additionally, there are a lot of exceptions to the rules on lobbying, carveouts if you will, that exclude certain types of requests to public and local officials from the definition of lobbying. So, that’s a lot of “it depends”.

The first part of this handbook has been laid out as a type of decision tree to help guide you through the process of answering these “it depends” questions to determine if you need to register as a lobbyist. If the answer is yes, then there are sections on registration, reporting, and other topics that you will need to know about as a lobbyist.

This is how the decision tree is laid out. Note that the answer has to be “yes” for each decision before registration is required.



The type of lobbying question requires consideration of the standards that apply for legislative lobbying, administrative lobbying, lobbying the Minnesota Public Utilities Commission, and lobbying political subdivisions. If you know you are only going to be communicating on state legislation, then focus on the section on legislative lobbying. Communicating with local government? Then just focus on the section covering lobbying of political subdivisions. If you are still not sure, then give the Board a call; we are glad to help.

I know I'm a Lobbyist!

If you already are a registered lobbyist then your questions are probably a lot different. Your questions are probably specific, and you want to find an answer quickly. Hopefully the handbook is laid out in a way that will satisfy your needs as well. There are sections on the new requirements for expert witnesses and financial professionals, lobbying political subdivisions, the gift prohibition, and specific information on filing lobbyist activity reports.

Am I asking for something?

What is the purpose of the communication By definition, a lobbyist is someone who is attempting to influence an official action in one of the lobbying areas; legislative action, administrative action, an action by the Minnesota Public Utilities Commission, or an action by a political subdivision. This section will focus on the attempting to influence portion of the definition to better understand when communication with a government official may be lobbying.

No magic words Its best to get this out of the way. There is no list of magic words that must be used before a communication is considered lobbying. No bright red line to cross over before you are lobbying. Instead, there is a question. Are you asking for something? Are you asking for a funding increase, or for the official to vote for or against something, or for the official to help fix a problem, or...to do something? If there is a clear “ask”, and assuming that all of the other factors are in play (you are communicating with a public or local official, the government action is of the type covered by the lobbying statutes, etc.), then it is a fair assumption that you are lobbying.

Communication that is educational, and which is provided without a request for action, is not lobbying. That applies even if the educational material is clearly illustrating a problem, or the information provided is not balanced. If the point of the communication is to solely raise awareness of an issue, then the communication is probably educational, and not lobbying. If the point of the communication is to raise awareness of an issue and to have the government take action on that issue, then that is probably lobbying.

But remember, even if there is an “ask” in your communication, the communication must still be directed to public or local officials, the compensation for lobbying or personal funds spent on lobbying must exceed the \$3,000 threshold, and the action requested must be the type of government action covered by the lobbying statutes, before registration as a lobbyist is required.

And before we cover those steps in the decision tree as to whether you need to register as a lobbyist, we should first take a look at a number of exceptions, or carveouts, for types of communication that do not require registration as a lobbyist.

You are not a lobbyist if....

There are a number of exceptions, or carveouts, to the definition of lobbyist. Some of the activities in this section may have the characteristics of lobbying, but they are not lobbying, and do not require registration as a lobbyist.

Applying for a Grant – Responding to an RFP – Selling Goods and Services

- ✓ You are not lobbying while selling goods or services that will be paid for with public funds. The term “public funds” includes purchases by both state and local government.

- ✓ The exception for selling goods and service does not apply to the extent the government entity you are selling to must adopt or change an ordinance, statute, or administrative rule in order to use or buy the product you are selling.
- ✓ Responding to a government request for proposals (RFP) is not lobbying.
- ✓ Applying for a government grant is not lobbying.
- ✓ Communication with local officials about administrative or technical issues or providing information needed to respond to an RFP or a grant application, is not lobbying.

A city's grant application form is confusing, and you ask a local official questions on the steps needed to complete the application and the type of information that the city is requesting from applicants. **That conversation is not lobbying.**

However, explaining to the local official all the reasons why the city should award the grant to your organization and asking for the official's support **is lobbying**, and registration as a lobbyist may be required if the \$3,000 threshold is reached.

Definitions

\$3,000 threshold - this is shorthand for the amount of compensation you may receive from all sources, or personal funds you may spend, in aggregate for lobbying in a year before you are required to register as a lobbyist.

Citizen Lobbyist - An individual who is not compensated for their work as a lobbyist.

Day at the Capitol - An event where members of a trade or business group, labor union, or other association, meet with legislators at the Capitol.

Principal - An association that spends more than \$3,000 in a year to be represented by a lobbyist, or an association that spends more than \$50,000 in a year to lobby the government.

Grass Roots Lobbying - Asking the public to contact a public or local official and ask the official to take a specified action.

Citizen Lobbyist – Day at the Capitol – Serving on a Board

Citizen lobbyist is not required to register as a lobbyist if they are volunteering their time to work on an issue, and they don't spend more than \$3,000 of their personal funds supporting their lobbying efforts. The \$3,000 threshold regarding personal funds does not include any personal funds spent on travel, lodging, or meals to lobby in person, or the cost of membership dues to join an organization that does lobby. Citizen lobbyists sometimes register as a lobbyist with the Board because they believe that registration provides credibility, and because a registered lobbyist has greater access to the State Capitol.

- ✓ Participating in a **Day at the Capitol** event is very unlikely to create a need to register as a lobbyist. If you are not being paid for the time you spend at the Capitol, then you will not pass the \$3,000 threshold for compensation. If you are being paid for attending the event, were you paid over \$3,000 for your time spent at the Capitol? If not, and you are not paid for other lobbying events during the year that in aggregate compensate you more than the \$3,000 threshold, then registration is not required.
- ✓ Sometimes the Day at the Capitol is organized to make legislators aware that they have constituents that are members of an association, but no request is made to the legislators by the individuals who participate. In that case, the event is not creating the type of communication, **or “ask”**, that requires registration as a lobbyist regardless of the amount that a participant in the Day at the Capitol event was paid.
- ✓ Serving on the board of an association that is a lobbyist **principal** does not by itself make you a lobbyist. If you are compensated for serving on the board, and your duties as a board member include communication with public or local officials that constitutes lobbying, then the \$3,000 threshold applies.

Grass Roots Lobbying

Grass roots lobbying is when the communication asking for government action is not directed to a public or local official; instead, the communication asks the public to contact their public or local official to influence a decision. An example would be a billboard that asks the reader to contact their legislator and demand funding for better highways. Or, an individual who is collecting signatures on a petition that asks the county board to close a garbage incinerator. An individual hired to conduct grass roots lobbying **is not required register as a lobbyist**. However, a principal will need to include the cost of grass roots lobbying efforts in their annual report of lobbying expenditures.

An individual is paid more than \$3,000 by association ABC to canvass a city and ask residents to contact the Mayor and ask her to veto a proposed ordinance. That individual is carrying out a type of grass roots lobbying, and **does not need to register as a lobbyist**.

Association ABC spent more than \$50,000 on canvassers and media buys asking residents to contact the Mayor about the ordinance. The association is now a **principal** and will need to report the cost of the media buy and the cost of hiring canvassers as expenditures for lobbying of a political subdivision.

Elected Official – State Employee – College and University Employee

Some government employees are specifically excluded from the definition of lobbyist and do not need to register even when they are asking a public or local official for a statutory change, or a change to an agency budget, or any other official action that would normally be considered lobbying. The exception

for the positions listed below only apply when the individual is acting in their official capacity as a representative of a governmental entity. The individual may need to register as a lobbyist if they are representing a private interest.

- ✓ An **elected** government official.
- ✓ A **state employee**.
- ✓ An employee of a **public college or university**.
- ✓ A **public official** that is not a state employee.

Collective Bargaining Labor Contracts and Administrative Support for a Lobbyist

The last two carveouts that have wide application are:

- ✓ An individual providing information or advice to members of a **collective bargaining unit** when the unit is actively engaged in the collective bargaining process with a state agency or a political subdivision is not lobbying. Please note that attempting to convince public or local officials to approve a labor contract is lobbying.
- ✓ An individual who provides **administrative support** to a lobbyist, but who does not communicate with public or local officials, does not need to register as a lobbyist.

There are other carveouts from the definition of lobbyist, but the other exceptions have more limited application or conditions. Carveouts that are only available for certain types of lobbying will be discussed in detail in the section for that particular type of lobbying.

There is another carveout for individuals who participate in the lobbying process in order to provide information to the public or local officials being lobbied, and the exception for an **expert witness or financial professional** is covered next.

Expert Witness and Financial Professional

Expert Witness

A lobbyist or principal may decide that their efforts to influence public or local officials will be more effective if they bring in the opinions of experts to support their position. The **expert witness does not need to register with the Board** as a lobbyist as long as they meet these requirements:

- ✓ The testimony or report they provide to public or local officials is done at a public hearing, or is made available to the general public. An individual who accompanies a lobbyist to private meetings with public or local officials cannot claim they are providing information as an “expert witness”.
- ✓ The testimony or report provided by an expert witness will consist of information, data, or professional opinions on which the individual has particular expertise gained through formal education, professional or occupational training, or experience in a field in which the individual is or has been employed.

- ✓ The use of an expert witness is disclosed on the periodic reports of lobbyist activity.

A key distinction between the lobbyist and an expert witness is that the lobbyist is providing **the ask**, the request of action, to the public or local officials. The expert witness is providing information on an issue that the lobbyist uses to support that request. If the expert witness is going beyond providing information, and is also advocating for a specific outcome, then it becomes hard to distinguish the expert witness from the lobbyist.

A developer is trying to win city council approval of a housing development. The developer has registered as a lobbyist. The city council is concerned about how the development will be supported by the city's water supply. To answer those concerns, the developer hires a civil engineer to study how the city could provide water to the development. At the request of the developer the engineer presents a report on the options available at a city council meeting. The information in the report supports the developer's contention that the city can supply the water needed for the development. Is the engineer required to register as a lobbyist? **No**, the engineer is providing information based on his education and experience, and is an **expert witness who is not required to register as a lobbyist**.

The report from the engineer contains three options that the city could take to provide water to the development. At the city council meeting the engineer is asked which of the options is the best for the city. Based on his expertise, the engineer recommends a specific option to the city council. Will answering that question make the engineer a lobbyist? No, the **answer provided is in response to a question on the information provided as an expert witness**, and an expert witness may offer their professional opinion at a public meeting without registering as a lobbyist.

An expert witness may of course be asked questions by public or local officials after testifying. The answers from the expert witness may support a particular outcome based by the information provided.

Disclosure of an expert witness An expert witness does not register with the Board, or file any report with the Board. The lobbyist that requested that the expert witness testify or provide a report to support their lobbying effort must disclose the expert witness on the periodic reports of lobbyist activity. If the expert witness was requested to testify by the association, and not a lobbyist, then the designated lobbyist for the association discloses the expert witness.

Information disclosed about the expert witness includes:

- ✓ Name of the expert witness.
- ✓ The employer of the expert witness (may be left blank if the expert is self-employed).
- ✓ The government entity that received the testimony or report. For example, the name of a city for lobbying a political subdivision, the state agency for lobbying on administrative rules, or the legislative committee if the expert witness was used for legislative lobbying.

- ✓ The general lobbying category on which the expert witness provided information.
- ✓ The specific subject on which the expert witness provided information.

This is what the schedule looks like in the online lobbyist report application.

FirstName	LastName	Employer	Government Entity	Category	Subject
John	Smith	ABC Corporation	House - Agriculture Policy	Agriculture *	Avian Flu *
				Select a general c...	Choose or type a subject
				Select a general c...	Choose or type a subject
				Select a general c...	Choose or type a subject
				Select a general c...	Choose or type a subject

Financial Professional

The exception from registering as a lobbyist for a finance professional is narrower than that provided for an expert witness. The exception only applies when a lobbyist is attempting to influence a political subdivision to provide conduit financing to the association represented by the lobbyist, and uses the services of a financial professional to secure the financing. The **financial professional does not need to register with the Board** as a lobbyist as long as they meet these requirements:

- ✓ The financial professional is subject to Securities and Exchange Commission regulation.
- ✓ The financial professional is working with a lobbyist to secure conduit financing through a political subdivision.

A nonprofit is lobbying a city to provide conduit financing that will be used to acquire bonds to build an apartment building that will provide housing at below market rates. A lobbyist represents the nonprofit, but a finance professional will work with the city on the technical details of how the conduit financing will be structured. During the course of securing the conduit financing the finance professional will **work with local officials** in private meetings and phone calls, and **will advocate that the city takes certain actions** to move the project forward.

Is the finance professional required to register as a lobbyist? **No**, the lobbyist for the nonprofit will need to report the use of a finance professional in the lobbying effort, but **registration as a lobbyist is not required**.

A significant difference between the role of a financial professional and an expert witness is that the financial professional does not need to provide information in a public setting, or make the work product available to the general public.

Disclosure of a Financial Professional A financial professional does not register with the Board, or provide any report to the Board. The lobbyist that requested that the financial professional work to secure the conduit financing will disclose the financial professional's work on the periodic reports of lobbyist activity. If the financial professional was contracted by the association requesting the conduit financing, then the designated lobbyist for the association discloses the financial professional.

Information disclosed about the financial professional includes:

- ✓ The name of the finance professional.
- ✓ The employer of the finance professional (may be left blank if the professional is self-employed).
- ✓ The political subdivision that was lobbied for conduit financing.
- ✓ The name of the conduit financing project.

This is an example of the what the financial professional schedule looks like in the online lobbyist reporting application:

FirstName	John	LastName	Smith	Employer	ABC Securities	Government Entity	Bemidji	Conduit Financing Project	Southend Housing Project

So that covers the exceptions to the definition of lobbyist. Now its time for the next decision, are you communicating with a public or local official?

Is this a Public or Local Official?

For your communication to be lobbying, it must be directed to public or local officials. The large majority of government employees are neither a public or local official. So, the majority of conversations with government employees, even if the conversation contains an ask for a service or action, is not lobbying. However, communication with a public or local official does not require an in-person conversation. The communication could also be in writing, and may be initially delivered to someone who will pass the request to the public official.

A state agency is adopting administrative rules on a subject that is important to your association. As part of the rulemaking process the agency has identified the staff attorney as the contact point for the administrative rules. All public comments and testimony in support or opposition to the proposed rules are submitted to the staff attorney, **who is not a public or local official**.

You submit comments in support of the proposed rules; is that lobbying? **Yes**, the staff attorney is not a public or local official, **but she is collecting comments that will be provided to the agency's public officials** for their use as the rules are developed and finalized. You can't claim that a communication is not to a public or local official just because it is first received by a staff member on behalf of the public or local official.

Public Officials Identifying public officials is fairly straight forward because their positions are identified in statute. Public officials include:

- Members of the legislature.
- The secretary of the senate, legislative auditor, director of the Legislative Budget Office, chief clerk of the house of representatives, revisor of statutes, and a researcher, legislative analyst, fiscal analyst, or attorney in the Office of Senate Counsel, Research and Fiscal Analysis, House Research, or the House Fiscal Analysis Department.
- The constitutional officers (governor, lieutenant governor, attorney general, secretary of state, and state auditor) and each officer's chief administrative deputy.
- The solicitor general and deputy, assistant, and special assistant attorneys general.
- The commissioner, deputy commissioner, and assistant commissioner of any state department or agency, and the state chief information officer.
- The members, chief administrative officer, and deputy chief administrative officer of a state board or commission that has either the power to adopt, amend, or repeal administrative rules under Chapter 14, or the power to adjudicate contested cases or appeals under Chapter 14.
- Individuals employed in the executive branch, and the deputies of those individuals, who are authorized to adopt, amend, or repeal rules under Chapter 14, or adjudicate contested cases under Chapter 14.
- The executive director and deputy director of the State Board of Investment.
- Workers' Compensation Court of Appeals judges;
- Administrative law judges and compensation judges in the Court of Administrative Hearings, and unemployment law judges in the Department of Employment and Economic Development.
- A member, regional administrator, division director, general counsel, or operations manager of the Metropolitan Council.
- Members and the chief administrators of the Metropolitan Parks and Open Space Commission, Metropolitan Airports Commission, and Minnesota Sports Facilities Authority.
- The director of the Division of Alcohol and Gambling Enforcement in the Department of Public Safety.

- Members and the executive director of the Health and Education Facilities Authority.
- Members of the board of directors and the president of Enterprise Minnesota, Inc.
- Members of the board of directors and the executive director of the Minnesota State High School League.
- Members of the Minnesota Ballpark Authority.
- Citizen members of the Legislative-Citizen Commission on Minnesota Resources.
- Managers of watershed districts and watershed management organizations.
- Soil and water conservation district supervisors.
- The director of Explore Minnesota Tourism.
- Citizen members of the Lessard-Sams Outdoor Heritage Council.
- Citizen members of the Clean Water Council.
- Members and the chief executive of the Minnesota Sports Facilities Authority.
- District court judges, appeals court judges, and supreme court justices.
- County commissioners.
- Members of the Greater Minnesota Regional Parks and Trails Commission.
- Members of the Destination Medical Center Corporation.
- The chancellor and members of the Board of Trustees of the Minnesota State Colleges and Universities.

You may have noted that the majority of public officials are either elected to a state office or are employed by a state agency, board, council, or commission. These are the positions to consider if you are trying to influence legislative action, administrative action, or an action by the Minnesota Public Utilities Commission.

There are exceptions where public officials serve in local or regional government. That list includes county commissioners, supervisors of soil and water conservation districts, managers of watershed districts, members of watershed management organizations, members and certain staff of the Metropolitan Council, and the members and chief administrators of the Metropolitan Parks and Open Space Commission, Metropolitan Airports Commission, and Minnesota Sports Facilities Authority. You need to keep these positions in mind if you are trying to influence the action of a political subdivision.

Local Officials If you are trying to influence a political subdivision you are concerned with the question of who is a local official. In the section on lobbying political subdivisions there is a lengthy discussion about local officials, and how those officials may be identified. For now, just know that all individuals who hold an elected office in a political subdivision are local officials, but so are those appointees and employees of a political subdivision who have the authority to vote on or make, or the responsibility to make recommendations on, major decisions regarding the expenditure or investment of public funds. Again, if you are communicating with local government, review the section on lobbying political subdivisions to see if your activity is lobbying.

The \$3,000 Threshold for Lobbyist Registration

Even if you are lobbying public or local officials, you will not need to register as a lobbyist until your **compensation for lobbying, or personal expenses** spent on lobbying, exceed a given threshold. With

the exception of political subdivision employees (which will be discussed below), registration is required at the “**\$3,000 threshold**”.

Compensation for lobbying includes every kind of payment for labor or personal services. It includes the amount withheld by an employer for the payment of income tax. But it does not include the amount withheld for:

- FICA taxes
- Unemployment taxes, insurance, or benefits
- Workers compensation insurance or benefits
- Disability insurance or benefits
- Life insurance
- Health care insurance or benefits
- Retirement or pension benefits

Contract Lobbying

If you are being compensated specifically for lobbying here are the things to consider.

- ✓ The \$3,000 in compensation for lobbying threshold is the aggregate amount received from all clients during a calendar year.
- ✓ Once the \$3,000 threshold is reached, you will need to register for all current and subsequent clients regardless of how much they compensate you to lobby.

You are just starting out as a contract lobbyist. Your first client pays you \$2,000 to lobby a political subdivision during the year. Registration as a lobbyist is **not required**. Later in the same year a second client pays you \$1,500 to lobby a state agency on an administrative rule. Total compensation is now over \$3,000 which requires you to **register as a lobbyist for both clients**.

You also take on a nonprofit as a client and agree to lobby for them on a pro bono basis because their issue is personally important to you. You need to register **as a lobbyist for the nonprofit** even though they are not paying you to lobby because your aggregate compensation for lobbying is already over \$3,000.

Lobbying is only a part of your job

Many employees of businesses and nonprofit organizations have job descriptions that include lobbying, but are also responsible for other job duties unrelated to lobbying. How do you calculate the \$3,000 threshold for compensation when lobbying is only a small percentage of your job?

- ✓ First, determine the amount you are “compensated” for your job using the definition above.

- ✓ Multiply your compensation by the percentage of your work time spent lobbying in the calendar year. The amount calculated is your compensation for lobbying.
- ✓ A lobbyist registration may be terminated if the \$3,000 threshold is not exceeded in a subsequent year.

The executive director of a nonprofit receives \$125,000 in yearly compensation for her job. The executive director is required to lobby for the nonprofit when required. In 2026 the nonprofit has a legislative initiative that will require the executive director to spend about 25% of her time lobbying during three months of the legislative session, and she won't engage in lobbying during the rest of the year.

The calculation of the compensation received for lobbying could look like this:

\$125,000 divided by 12 = \$10,416 (monthly compensation).

\$10,416 multiplied by 3 for the months spent lobbying = \$31,248.

\$31,248 multiplied by 25% (for the percentage of time spent lobbying) = \$7,812.

Compensation for lobbying exceeded \$3,000, so **registration as a lobbyist is required**.

Note that the \$3,000 compensation level was reached during the second month of lobbying, so registration should occur at that time, not after the full amount of compensation for lobbying is earned at the end of the third month.

The next year the nonprofit does not have a legislative initiative, and the executive director spends no time lobbying. The lobbyist registration **may be terminated** at the discretion of the executive director.

Contingent fees are not allowed

Your compensation as a lobbyist cannot be tied to your success as a lobbyist. You cannot be paid more depending on the outcome of your lobbying on any legislative action, administrative action, action by the Minnesota Public Utilities Commission, or action by a political subdivision. This prohibition does not apply to an attorney or financial professional that is part of an effort to secure conduit financing through a political subdivision. Violation of this provision is a gross misdemeanor.

Employment with a business that facilitates government affairs services or government relations.

Registration as a lobbyist is also required if you receive compensation that exceeds the \$3,000 threshold:

- ✓ From a business whose primary source of revenue is derived from facilitating government relations or government affairs services **and**,

- ✓ Your job duties with the business **include offering direct or indirect consulting or advice** that helps the business provide those services to clients.
- ✓ Note that consulting and advice to clients does not require communication with a public or local official.

Citizen Lobbyist

An individual who is not compensated for lobbying does not need to register as a lobbyist unless they spend over \$3,000 of their personal funds in a calendar year to support their lobbying efforts. The following uses of personal funds for lobbying do not count toward the \$3,000 threshold:

- ✓ Membership dues.
- ✓ Expenses for the individual's own transportation, lodging, and meals consumed while lobbying.
- ✓ Government service application, license, or permit fees.

If a registered lobbyist decides to lobby on their own behalf on an issue, then the registered lobbyist does not need to register to represent themselves unless the lobbyist spends more than \$3,000 of their own money on the lobbying effort.

A registered lobbyist makes more than the \$3,000 threshold representing a business. The lobbyist's children attend a public school that is considering a major change to the curriculum of classes offered. The lobbyist is opposed to the change, and contacts school board members (who are local officials) and asks them to vote against the change. The communication with school board members is lobbying, but the lobbyist is representing only herself on this issue, and there is no real cost to the lobbying, so registration for lobbying the school district **is not required**.

Unless, the lobbyist decides to spend over \$3,000 of her own money on research that she then uses to support her lobbying against the curriculum change. Having spent more than \$3,000 of her personal funds on lobbying, the lobbyist will now need to register as a lobbyist identifying herself as the individual represented.

An individual whose job responsibilities do not include lobbying, and who has not been directed or requested to lobby on an issue by their employer, does not receive compensation for lobbying they undertake on their own initiative. That individual would only need to register as a lobbyist if they spent more than \$3,000 of their personal funds to support their lobbying efforts.

Local Government Employees

A nonelected local official, or an employee of a political subdivision, acting in their official capacity is not lobbying if they attempt to influence an official action of the political subdivision they serve. However, a nonelected local official or political subdivision employee may need to register as a lobbyist for their

political subdivision in certain circumstances. There is a two-part test to determine if the nonelected official or employee needs to register as a lobbyist.

- ✓ First, is the nonelected local official or employee compensated over \$3,000 for lobbying?
- ✓ Second, did the local official or employee spend more than 50 hours of their time in any month attempting to influence **legislative or administrative action, or the official action of a metropolitan governmental unit?**
- ✓ Both conditions need to be true before registration as a lobbyist for the political subdivision is required.

Note that the 50-hour threshold generally **does not apply** when the lobbying is to influence the action of another political subdivision. However, the 50-hour threshold does apply when the lobbying is to influence the official action of a **metropolitan governmental unit**.

Two cities in St. Louis County are negotiating a joint powers agreement for a fire protection district. Employees of both cities are asking the elected local officials of both cities to take official action to put the joint powers agreement in place. Some of the employees have spent over 50 hours in the last month on the project, and were compensated over \$3,000 for trying to influence an official action of another political subdivision. Do the employees need to register as lobbyists?

No, while the time and compensation tests were met, **the lobbying did not include a metropolitan governmental unit**, so registration as a lobbyist is not required.

The Four Types of Lobbying

The question of what you can say to a public or local official before it is lobbying depends on the type of action you hope to affect. There are four types of government action that come under the rules on lobbying; they are:

- ✓ Lobbying on administrative action

Definitions

Employee of a political subdivision

- An individual hired or appointed to a position by the political subdivision.
- An individual hired to provide the political subdivision services as a consultant or independent contractor.
- An individual employed by a business that has contracted to provide legal counsel, professional services, or policy recommendations to the political subdivision.

Metropolitan Governmental Unit

includes

- Metropolitan Council
- Metropolitan Airports Commission
- Minnesota Sports Facilities Authority
- Metropolitan Parks and Open Space Commission
- The seven counties in the metropolitan area (Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington), including their regional railroad authorities
- Cities with a population of over 50,000 in the metropolitan area

- ✓ Lobbying on specific types of action by the MN Public Utilities Commission
- ✓ Lobbying on legislative action
- ✓ Lobbying on official actions of political subdivisions

Let's go through them one at a time.

Lobbying on Administrative Action

Administrative action is when a state agency adopts, amends, or repeals an administrative rule using the authority in Minnesota Statutes Chapter 14. Attempting to influence administrative action is the type of communication, or ask, that is usually lobbying and may require registration depending again on the \$3,000 threshold. It is important to note that many state agencies do not have the authority to adopt administrative rules under Chapter 14. Attempting to influence a state agency developing a policy or procedure created outside of the administrative rule process in Chapter 14 is not an attempt to influence administrative action, and therefore is not lobbying.

It's also important to understand that, **with one major exception**, administrative action does not include the application of an existing administrative rule. Once the administrative rule is in place, an attempt to influence how the state agency applies the rule is not lobbying. The major exception is the **MN Public Utilities Commission**. In some situations, trying to affect that Commission's application of existing rules is lobbying, which is covered in detail in the section on lobbying the MN Public Utilities Commission.

There are two carveouts from lobbying that apply when communicating with state agencies.

- ✓ First, the definition of lobbyist excludes you, or your representative, when appearing in a proceeding before a state agency for an action unrelated to administrative rules. This is true even if the proceeding will directly affect you.

Definitions

Administrative rules include only rules that are adopted, repealed, or amended pursuant to Minnesota Statutes Chapter 14. Administrative rules do not include a policy or procedure created by a state agency outside of Chapter 14.

State agency means a constitutional office, department, division, bureau, board, commission, district, or agency of the state of Minnesota.

\$3,000 threshold - this is shorthand for the amount of compensation you may receive from all sources, or personal funds you may spend, in aggregate for lobbying in a year before you are required to register as a lobbyist.

- ✓ Second, there is also a carveout that exempts individuals from registration as a lobbyist for participating in an **advisory committee** established by a state agency to discuss possible subjects for administrative rules. The carveout is limited because the advisory committee must finish its work prior to the state agency's publication of a notice of intent to adopt rules, or the publication of a notice to hold a hearing on possible administrative rules. A member of an advisory committee that continues to work on influencing the administrative rules after the advisory committee has finished its work is lobbying, and may need to register as a lobbyist if the \$3,000 threshold is exceeded.

A state agency has the authority to issue and revoke a certain type of business license, and uses existing administrative rules when it determines if a business license should be revoked. You hold a business license from the agency. The agency is holding a hearing on whether your license should be revoked. Appearing before the agency to explain why you should not lose your license **is not lobbying**.

A month later the same agency publishes a notice that it is considering amendments to existing administrative rules that regulate how licenses are issued. The rules will impact you, so you participate in the agency's hearings and advocate on what the proposed rules should provide. Your participation **is administrative lobbying**, and may require registration if the \$3,000 threshold is exceeded.

Additionally, the **expert witness** exception to registration as a lobbyist applies for administrative lobbying. Remember that the expert witness must provide testimony at a public hearing, or provide a report or other written information that is available to the public.

Reporting Administrative Lobbying

For purposes of reporting, an administrative action starts when the state agency takes its first formal action required to begin the rulemaking process. An administrative action ends when the rule becomes effective, or when the state agency drops the rulemaking effort. As mentioned above, the work of an advisory committee established by the state agency prior to formally starting the rule making process is not included in the timeline for the administrative action. The information provided by a lobbyist to disclose their administrative lobbying focuses on identifying the administrative rules, and then what specific topic or topics within the rules they were attempting to influence.

To complete the lobbying report schedule on administrative action you will need the following information:

- ✓ The **name of the state agency** that is adopting, amending, or repealing administrative rules. The online lobbyist reporting application provides state agencies in a drop-down list.
- ✓ The Revisor of Statutes **rule draft number** assigned to the administrative rulemaking. Each set of draft administrative rules is sent to the Revisor of Statutes, which provides the draft language in the proper format. The Revisor of Statutes assigns a number to the draft rules that is used to

identify the rules for the Governor's office and the Court of Administrative Hearings. There may be a period of time between when a state agency has started administrative rulemaking and when the Revisor of Statutes issues the identifying number. If the number has not yet been issued when you are reporting your lobbying on administrative action use "Not Currently Assigned". The Revisor's ID number is usually on the upper right-hand corner of the draft rules. If you are not sure of the number contact the state agency adopting the rules or search within the [Revisor's website](#).

- ✓ The **general lobbying category** that includes the issues addressed in the administrative rules. The lobbyist identifies the general lobbying categories that will be of interest to the entity they represent when they register for that association. The general lobbying categories from the registration are prefilled into the online lobbyist reporting application. If the administrative rules are in a general lobbying category that you did not anticipate when you registered you can add a new category from a drop-down list provided in the online reporting application.
- ✓ The **specific subjects of interest** in the administrative rules. A specific subject of interest is a topic within the broader lobbying category. For example, Housing is a general lobbying category you identified at registration, and the client is interested in proposed administrative rules on the building code. Within the proposed rules, which may cover many topics, your client wants you to advocate for a change in the proposed rules on fire alarms and sprinklers. So, fire alarms and sprinklers would be the specific subject of interest disclosed on the report.

The online application has a drop-down list of specific subjects that have been reported by lobbyists within a general lobbying category in the past. They are provided so that there can be some consistency in how subjects of interest are described. However, if you don't find a specific subject on the drop-down list that describes what you attempted to influence in the administrative rules, then you can add a new subject. If you are interested in more than one specific subject in the rules – let's say that you were interested in fire alarms and sprinklers, but also a section in the rules on boiler inspections – then you would enter two lines on the report.

- ✓ In the example below, Health Care is the general lobbying category of interest to the association for which you are lobbying, the Dept. of Health is the state agency adopting administrative rules, 4996 is the Revisor of Statutes number assigned to the rules, and there are two subjects within the rules that you are attempting to influence, Biotechnology Regulation and Acupuncture Regulation. That's it, you've completed the section of the report disclosing your lobbying on administrative action.

Definitions

General Lobbying Category - an area of interest for lobbying for the association that the lobbyist represents. These are broad groupings, for example: Agriculture. See a full list on page 36.

Specific Subjects of Interest – a particular topic or area within a general lobbying category. Subjects of interest are much narrower, for example: Feedlot Regulation.

Delete Selected Rows Add Rows		
Health Care		
State Agency, Board, or Commission	Revisor Number	Specific Subject of Interest
<input type="checkbox"/> Health, Department of	4996	Biotechnology Regulation
<input type="checkbox"/> Health, Department of	4996	Acupuncture Regulation
<input type="checkbox"/> Select an agency	Please enter number	Select a subject

- ✓ Lobbyists do not report how much they were paid, or how much they spent, to influence administrative action. However, on the lobbyist principal annual report, the principal will need to report the total spent to influence all administrative actions within the prior calendar year. The number may be rounded to the nearest \$5,000 increment. The number reported by the principal includes the portion of compensation paid to lobbyists for administrative lobbying, expenditures for consulting, studies, reports, and analysis to support that lobbying, and a good faith estimate of the portion of all salaries and administrative overhead used to support administrative lobbying. If lobbying on administrative action is the only type of lobbying you are doing for the principal, then the calculation is fairly straight forward. But if you are also performing other types of lobbying for the principal – let's say you also did legislative lobbying for this association – then the principal will need to provide a reasonable estimate of how much of your compensation and related lobbying expenses was for administrative lobbying, and how much was for legislative lobbying.

- ✓ If you, or the association you represent, asked an expert witness to provide information on the proposed administrative rules to the state agency, then the section in the lobbyist report on expert witnesses will include the following information: the name of the expert witness, the employer of the expert witness (this may be left blank if the expert witness is self-employed), the name of the state agency that received the testimony or report of the expert witness, and the general lobbying category and specific subject that the testimony or report covered. For example, the disclosure for the expert witness might look like, Jane Smith, ABC Engineering, Dept. of Agriculture, Agriculture, Feedlot waste water disposal.

Lobbying the MN Public Utilities Commission

The MN Public Utilities Commission (PUC) has the authority to adopt administrative rules, and has done so on a wide range of subjects. When the PUC adopts, amends, or repeals administrative rules it is an administrative action. Attempting to influence the provisions of the PUC's administrative rules is reported as administrative lobbying.

But, **unlike every other state agency**, attempting to influence a PUC decision when the commission applies existing administrative rules in **cases of rate setting, power plant and powerline siting, and certificates of need for a large energy facility, is lobbying**. This difference reflects the fact that requests to the PUC for a rate increase, or for energy infrastructure, are almost always contested.

There are other unique differences to consider when attempting to influence a PUC action. First, the PUC commissioners cannot receive an "ex parte communication" regarding a decision before the commission. In discussing this issue, the PUC provides that:

By definition, an "ex parte communication" means an oral or written, off-the-record communication made to or by commissioners or commission decision-making personnel, without notice to parties or participants, that is directed to the merits or outcome of an on-the-record proceeding. Ex parte communications with Commissioners are prohibited. This means that individual Commissioners will hear from people on-the-record, either through written filings or at agenda meetings that are open to the public, but will not communicate orally or in writing with people in a manner that is private, or off-the-record...

There are, however, certain communications that do not fall under this definition. These include items such as procedural, scheduling, and status inquiries, or other inquiries or requests for information that have no bearing on the merits or the outcome of the proceeding. Generally, this means that Commissioners and Commission staff may discuss the procedural matters of an open docket, such as when a public meeting will be held or when to file a comment.

Second, **the expert witness** exception for registration as a lobbyist is **not available for individuals who appear before the PUC**. A significant portion of individuals who testify at PUC hearings are engineers, or are providing technical information based on their education and professional experience. The legislature was not comfortable extending the expert witness provision to lobbying the PUC because that might lead to significantly less disclosure of the individuals and organizations lobbying for or against rate setting, power plant and powerline siting, and certificates of need for a large energy facility.

The Board has distinguished between an expert who directly communicates with the PUC, and an expert who provides information that is used to complete an application needed to request an action by the PUC. Assuming that the \$3,000 threshold for compensation is met, an expert will need to register as a lobbyist if they testify, in person or in writing, directly to the PUC on the application of administrative rules for or against rate setting, power plant and powerline siting, or certificates of need for a large energy facility. Conversely, a consultant who is compensated over \$3,000 to provide a technical report or other information to an association in order to complete a certificate of need application (for example, an environmental impact statement), but who never testifies at any evidentiary, public, or PUC

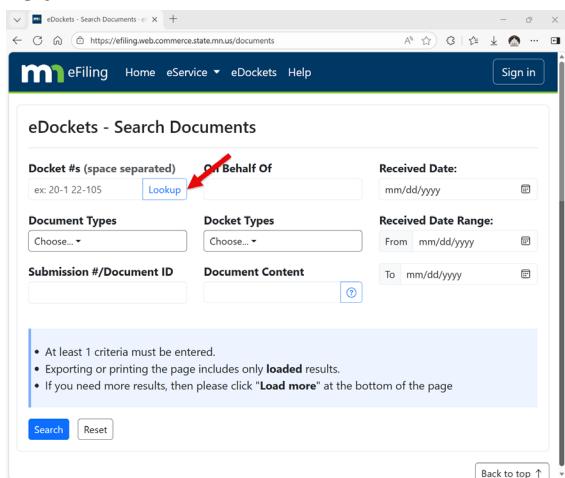
hearing on the report, does not need to register as a lobbyist. The compensation paid to the consultant for the report is a cost for lobbying the PUC that is included in the total amount spent on lobbying by the lobbyist principal.

Reporting Lobbying of the PUC

For purposes of reporting lobbying of the PUC you first need to determine the type of lobbying that is occurring. If the lobbying is to influence the adoption, amendment, or repeal of administrative rules, then the activity is reported as lobbying on administrative action and you should review the section in this handbook on administrative lobbying.

Reporting your lobbying of the PUC to influence decisions on rate setting, power plant and powerline siting, and certificates of need for a large energy facility focuses on identifying the project and using the official description of that project.

- ✓ The PUC assigns a **docket number** for each rate setting, power plant and power line siting, or granting of a certificate of need. You will need to disclose the docket number of the project on which you are lobbying. Typically, the format of a docket number is two numbers, a dash and then up to four more numbers. For example, 25-116. The first two digits are the year the docket was established. The number after the dash is assigned by the PUC. In some cases there may be letters in front of the year number that the PUC uses to identify the status of the docket or the docket type. For the lobbyist report, please do not include the leading letters; only include the numbers.
- ✓ The PUC also establishes a brief **description** of the rate case or project related to the docket number. For example, the description for docket number 25-116 is *In the Matter of the Application for a Certificate of Need for the Bison to Alexandria Second Circuit 345 kV High Voltage Transmission Line Project*. The official description is needed to complete the lobbyist report. Please do not abbreviate the description of the report. You may be required to amend your report if the description is not complete.
- ✓ If you are not sure of the docket number, or the exact description of the project, then visit the PUC website efiling.web.commerce.state.mn.us/documents. On this site click the “Lookup” button by the Docket #s field.



The screenshot shows the 'eDockets - Search Documents' page. At the top, there is a search bar labeled 'Docket #'s (space separated) with an example 'ex: 20-1 22-105' and a 'Lookup' button. To the right of the search bar are fields for 'Received Date' (mm/dd/yyyy) and 'Received Date Range' (From mm/dd/yyyy to mm/dd/yyyy). Below the search bar are sections for 'Document Types' (Choose...), 'Docket Types' (Choose...), 'Submission #/Document ID', and 'Document Content'. A note at the bottom of the page states: 'At least 1 criteria must be entered. Exporting or printing the page includes only loaded results. If you need more results, then please click "Load more" at the bottom of the page'. At the bottom left are 'Search' and 'Reset' buttons, and at the bottom right is a 'Back to top ↑' link.

- ✓ Clicking the Lookup button opens a new search screen. Let's say that you know that the docket is about a certificate of need filed by Xcel Energy in 2025, but you don't have the docket number at hand, and you don't know the official description. Using the three pieces of information you do have, you search the database for the information you are missing.

Regulated Utility Name
Docket Type
Docket Description

xcel	CN - Certificate of Nee		
Received Month	Received Year	Docket Year	Docket Number
▼	▼	25	▼
<input type="button" value="Search"/> <input type="button" value="Reset"/>			

Docket
Document
Choos
Subm

#	Full Docket #	Type	Description	Regulated Utilities
25-116	E002,ET2,E015, E017,ET6135/C	Certificate of Need	In the Matter of the Application for a Certificate of Need for the Bison to Alexandria Second Circuit 345 kV High Voltage Transmission Line Project.	<ul style="list-style-type: none"> • Great River Energy • Minnesota Power • Northern States Power Company dba Xcel Energy-Elec • Otter Tail Power Company • Western Minnesota Municipal Power Agency
N-25-116				

If you are filing a lobbyist report using the online application you can copy and paste the description from the PUC search screen into the lobbyist report application. The online reporting application initially provides five rows to report your lobbying of the PUC, but you can add additional rows if needed.

Project name	Docket number
In the Matter of the Application for a Certificate of Need for the Bison to Alexandria Second Circuit 345 kV High Voltage Transmission Line Project.	25-116
In the Matter of the Application of Otter Tail Power Company for a Site Permit for the up to 66MW Solway Solar Project in Beltrami County, MN.	24-309

- ✓ Lobbyists do not report how much they were paid, or how much they spent, to influence the PUC. However, on the lobbyist principal annual report, the principal will need to report the total spent to influence the PUC actions related to rate setting, power plant and power line siting, and certificates of need for a large energy facility, within the prior calendar year. The total number may be rounded to the nearest \$5,000. The number reported by the principal includes the portion of all compensation paid to lobbyists for lobbying the PUC, expenditures for consulting,

studies, reports, and analysis to support the lobbying, and a good faith estimate of the portion of all salaries and administrative overhead used to support lobbying of the PUC. If lobbying the PUC is the only type of lobbying you are doing for the principal, then the calculation is fairly straight forward. But if you are also performing other types of lobbying for the principal – for example you are also lobbying the legislature – then the principal will need to provide a reasonable estimate of how much of your compensation and related lobbying expenses were for each type of lobbying you performed.

Lobbying on Legislative Action

Attempting to lobby on legislative action probably seems pretty straight forward. It's when you try to get a legislator to vote for or against a bill right? Well, yes in part, but attempting to influence the following items is also legislative lobbying:

- ✓ All bills and amendments to bills.
- ✓ A legislative resolution.
- ✓ A report issued by the legislature.
- ✓ Confirmation of a public official by the legislature.
- ✓ The action of the **Governor** to sign or veto any act of the legislature, or to line-item veto a portion of an act of the legislature.
- ✓ Requesting a **constitutional officer** to work with you in the development of prospective legislation, or asking a constitutional officer to support or oppose legislation **after it is introduced**.

Definitions

Constitutional Officer –

Includes:

- Governor
- Lt. Governor
- Attorney General
- Secretary of State
- State Auditor

\$3,000 threshold - this is shorthand for the amount of compensation you may receive from all sources, or personal funds you may spend, in aggregate for lobbying in a calendar year before you are required to register as a lobbyist.

Development of prospective legislation – lobbying to secure legislative action that occurs before a bill is introduced.

When does legislative lobbying start? A common misconception is the belief that there can't be lobbying on legislation until a bill has been introduced. Not true. Legislative action includes the development of prospective legislation, and the development of amendments to prospective legislation. This makes sense because bills just don't appear out of thin air. They often represent the culmination of a multi-year lobbying effort to build up support and identify authors for proposed legislation. The introduction of a bill is often one of the last steps in the process to get legislation passed. So what actions are considered lobbying for prospective legislation? Generally, the term means a communication made with the goal of having the legislature address an issue, either through funding or a statutory change. More specifically, communications that are a request for development of prospective legislation include:

- ✓ **Providing language, or comments on language**, that will be used in drafting a bill.
- ✓ **Actions that facilitate the drafting of language** that will be used in legislation that has not been introduced in a bill. For example, an association that provides model legislation to public officials for use in drafting a bill in Minnesota, or providing the association's staff attorney to work on drafting language for a bill, are facilitating the drafting of legislation.

However, there are also carveouts that exclude some communication and actions from the definition of lobbying on legislative action, including the development of prospective legislation. Specifically, the following **are not lobbying on legislative action**:

- ✓ **Responding to a request** for information by a public official. If the public official contacts you for information to be used in drafting legislation, then your response to the request is not lobbying.
- ✓ **Sending a survey** to public officials to determine their support for or opposition to an issue.
- ✓ Providing information to public officials in order to **raise awareness and educate on an issue** is not lobbying. As covered earlier, lobbying requires an ask for action by the official receiving the communication.
- ✓ Advocating for an issue **without requesting action by** the public official. This is very similar to educating on an issue, with the additional step of including a statement on why the issue is important. Frankly, this carveout is a slippery slope. There are no magic words that must be used before a communication is lobbying. If it is clear from an individual's advocating for an issue what action the public official is being asked to take, then the communication can be seen as lobbying, even if there is no specific reference to legislation.

You are the executive director of a nonprofit that provides mentoring and intervention programs for troubled youth. The nonprofit has put together a report on the number of youths who need access to these type of assistance programs, the scope of problems that programs in this area try to address, and the success that the nonprofit has had with its programs. As part of your job, you deliver copies of the report to each of the legislators who serve on committees with human services oversight. Are you lobbying? No, **providing information to raise awareness and educate on an issue is not, by itself, lobbying**. What if during the process of dropping off the report you have conversations with legislators in which you explain the importance of the work your nonprofit does, and advocate for intervention programs for youth in trouble. Is that lobbying? No, **advocating on the importance of the work done by the nonprofit, and youth programs in general, without more, is not lobbying**.

A representative calls you to ask questions about the report, and to ask for more information. Is this lobbying? No, **responding to a request for information from a legislator is not lobbying**.

During the legislative session you learn that there may be additional state funding available to support programs for troubled youth. You are asked by the legislator to help draft language for a possible amendment to an appropriation bill that would provide more funding. Is that lobbying? Yes, **working on the amendment is facilitating the development of prospective legislation, and is lobbying**. Now the question is whether the compensation you receive from the nonprofit while developing legislation, and any subsequent work to get the amendment passed, exceeds \$3,000. If yes, you need to register as a lobbyist.

Reporting Legislative Lobbying

Reporting your lobbying for legislative action is based on the general lobbying categories that you identified as being of interest to the association you represent. There is no limit on the number of general lobbying categories associated with an association, and the categories may change from those identified when a lobbyist registers with the Board.

- ✓ The legislative lobbying schedule lists the general lobbying categories for the lobbyist and provides four lines for entering specific subjects of interest related to that general category.
- ✓ For each general lobbying category, the maximum number of specific subjects that

Definitions

General Lobbying Category - an area of interest for lobbying for the association that the lobbyist represents. These are broad groupings, for example: Agriculture. See a full list on page 36.

Specific Subjects of Interest – a particular topic or area within a general lobbying category. Subjects of interest are much narrower, for example: Feedlot Regulation.

can be reported is four. If you lobbied on more than four specific subjects within the general category, then you would list the four subjects that were the most important, or of highest priority, to the association. Note that most important is not necessarily the issues that you spent the most time on. It may be that a relatively minor issue ended up taking more of your time than a critical issue that did not have serious opposition. You probably know the issues that were most critical to the association, but if there is doubt in your mind then the statute on reporting legislative lobbying requires you to consult with the association so that there is agreement on the four most important specific subjects during the reporting period.

- ✓ For example, E-12 Education is a general lobbying category. For the association you represent that is the only general category on which you lobby. There are of course a lot of specific subjects within a category as broad as E-12 education. Let's assume that during the reporting period the association's four most important legislative priorities were regulation of home schooling, school choice, STEM curriculum, and after-school programs. The association had other issues it was following, maybe even lobbied on, but those four were the most important. In the example below, the general lobbying category E-12 Education is listed with four drop-down lists of suggested specific subjects for that category. The drop-down lists are searchable by keyword; just start typing in the specific subject and the application will try to match.

E- 12 Education

Specific subject of interest

<input type="checkbox"/>	Home Schooling - Regulation	x
<input type="checkbox"/>	School Choice	x
<input type="checkbox"/>	STEM Curriculum	x
<input type="checkbox"/>	After School Program Funding	x

- ✓ If none of the specific subjects provided in the drop-down describe the issue you lobbied on, then you can type in a new subject then click the blue "Click here to update subject" bar, which will save the new subject for your report.

E- 12 Education

Reading Standards

Type subject and click update button below

[Click here to update subject](#)

Choose or type a subject

- ✓ Four is the maximum number of specific subjects for a general category, but you can report less than four if the association had a limited agenda during the reporting period.
- ✓ Lobbyist do not report how much they were paid, or how much they spent, to influence legislative action. However, on the lobbyist principal annual report, the principal will need to

report the total spent to influence legislative action that occurred in the prior calendar year. The number may be rounded to the nearest \$5,000. The number reported by the principal includes the portion of all compensation paid to lobbyists for legislative action, expenditures for consulting, studies, reports, and analysis to support the lobbying, and a good faith estimate of the portion of all salaries and administrative overhead used to support lobbying on legislative action. If legislative lobbying is the only type of lobbying you are doing for the principal, then the calculation is fairly straight forward. But if you are also performing other types of lobbying for the principal, for example administrative lobbying, the principal will need to provide a reasonable estimate of how much of your compensation and related lobbying expenses were for each type of lobbying you performed.

- ✓ If you, or the association you represent, asked an expert witness to provide information on the proposed legislative action, then the section in the lobbyist report on expert witnesses will include the following information: the name of the expert witness, the employer of the expert witness (this may be left blank if the expert witness is self-employed), the name of the committee or constitutional officer that received the testimony or report of the expert witness, and the general lobbying category and specific subject that the testimony or report covered. For example, the disclosure for the expert witness might look like, Jane Smith, ABC Engineering, House – Agriculture Policy, Agriculture, Avian Flu.

	FirstName	LastName	Employer	Government Entity	Category	Subject
<input type="checkbox"/>	John	Smith	ABC Corporation	House - Agriculture Polic	Agriculture x	Avian Flu x
<input type="checkbox"/>					Select a general c...	Choose or type a subject
<input type="checkbox"/>					Select a general c...	Choose or type a subject
<input type="checkbox"/>					Select a general c...	Choose or type a subject
<input type="checkbox"/>					Select a general c...	Choose or type a subject

Lobbying Political Subdivisions

For purposes of lobbying, the term “political subdivision” is very broad and inclusive. The term includes all counties, cities, townships, and school districts, regardless of population and location in Minnesota. The term also includes the metropolitan government units. The term includes regional railroad authorities, soil and water conservation districts, port authorities, special districts, an entity created by two or more governmental units using the Joint Powers Act, and other government entities that have authority by state law to enter into contracts. In the end, there is not much in the way of local government that is not covered by the term political subdivision.

But of course, not all communication with a political subdivision is lobbying. Let’s review the factors that have to fall into place before communication with a political subdivision becomes lobbying.

Who are you communicating with?

As with all types of lobbying, your communication has to be intended to influence an official action of a public or local official in the political subdivision. So how do you identify a “**public official**” or a “**local official**”?

Public/Local Officials When lobbying political subdivisions, you will typically be dealing with individuals who are defined as local officials and not as public officials, but there are instances in which officials are defined as both public and local officials:

- ✓ **County commissioners.**
- ✓ **Soil and Water Conservation District supervisors.**
- ✓ **Watershed district managers and watershed management organization members.**
- ✓ The metropolitan governmental units do not have elected members, but **the appointed members and chief administrator of each entity are public officials**. Additionally, for the Metropolitan Council, the regional administrator, division director, general counsel, and operations manager are both public and local officials.

Classifying these positions as public officials is not just an academic distinction. Generally, any attempt to influence the official action of a **public official** who serves in a political subdivision is lobbying. There are exceptions, for example asking a public official to buy goods or services is not lobbying. But outside of the broad carve-outs listed on page 2, attempts to influence an official decision of a public official is lobbying, period.

Definitions

Local Officials Local officials include two types of individuals; those who hold elected office for the political subdivision, and those who have authority through employment or appointment to have significant impact on major financial decisions of the political subdivision.

Elected Local Official An “elected local official” is exactly who you would expect: county commissioners, sheriffs, and attorneys, mayors, city council members, school board members, township board members, etc.

- ✓ Attempting to **influence an elected local official’s vote in the political subdivision’s governing body** is lobbying on an official action of the political subdivision.
- ✓ Elected local officials often have authority to make decisions **without a vote** by the political subdivision’s governing body. Attempting to influence the decision of an elected local official is lobbying if the elected local official **has the discretion to approve or deny** a government service or action on their own, without a vote of the governing body of the political subdivision, with the exceptions listed below.

Metropolitan Governmental Unit includes

- Metropolitan Council
- Metropolitan Airports Commission
- Minnesota Sports Facilities Authority
- Metropolitan Parks and Open Space Commission
- The seven counties in the metropolitan area (Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington), including their regional railroad authorities
- Cities with a population over 50,000 in the metropolitan area.

✓ The following actions **are not considered lobbying** of an **elected** local official:

- Applying for a government license, permit, or variance that is routinely provided when the applicant has complied with the requirements of existing state code or local ordinances.
- Requesting any action which is preformed **by the office** of the elected local official and **does not require** the elected official's **personal approval**.
- Prosecutorial discretion exercised by a county attorney.
- Participating in **discussions about litigation** involving the political subdivision.

Nonelected Local Officials An individual who is not elected, but who has been appointed or employed by a political subdivision, may also be a local official. However, most employees of a political subdivision are not local officials. There are two things to remember when determining if an employee of a political subdivision is a local official. First, the group of individuals who are "employees" of a political subdivision is defined broadly for purposes of lobbying, and includes individuals who would not usually be considered an employee. For the purposes of lobbying the definition of "employee of a political subdivision" includes:

- ✓ An individual hired or appointed to a position by the political subdivision.
- ✓ An individual hired to provide the political subdivision services **as a consultant or independent contractor**.
- ✓ An individual **employed by a business that has contracted with the political subdivision** to provide legal counsel, professional services, or policy recommendations to the political subdivision.

So that is an inclusive definition; not many people working for a political subdivision are outside of that list. However, the second factor to consider excludes most of those individuals from being classified as a local official. To be a nonelected local official the employee must also have authority or responsibility regarding the **expenditures or investment of public money** by the political subdivision. To be a nonelected local official the employee must have at least one of the following:

- ✓ The **authority to make major decisions** regarding the expenditure or investment of public money.
- ✓ The **responsibility to make recommendations** on major decisions regarding expenditures or investment of public money **to the chief executive** or the governing body of a political subdivision.
- ✓ The **authority to vote as a member of the governing body** of the political subdivision on major decisions regarding expenditures or investment of public money.

Even if the political subdivision employee has the needed fiscal authority to be classified as a local official, there is another limitation on when communicating with that local official is lobbying.

Attempting to influence an action by a nonelected local official **is not lobbying** if the requested action **does not relate** to a **major decision** on the expenditure or investment of public funds.

What is a major decision?

Determining what is a “**major decision**” regarding the use of public funds can present a challenge. A major expenditure decision for a city of 2,000 residents might not be viewed as a major financial decision in Minneapolis. There is no hard-monetary threshold to define a major decision for all political subdivisions. Generally, a little common sense will go a long way in identifying major decisions. Asking the city engineer to put up a stop sign at an intersection is not a major financial decision. Asking that the city build a new water tower to support a new housing development most certainly is.

Some political subdivisions in the metropolitan area, including metropolitan governmental units, the regional railroad authorities, the seven counties in the metropolitan area, and cities with a population of over 50,000 in the metropolitan area, are required to identify the positions within the political subdivision that are public or local officials (elected or employed). A list of the positions identified by these political subdivisions is available on the Board’s [website](#). To be clear, this list is not inclusive of all local officials in the metropolitan area, much less the state, but the list may give you an idea of the types of positions that have the authority to make major financial decisions. Typically, the lists include nonelected executives (city manager and county administrator), department heads (fire chief, chief of police, public works director, parks and recreation director), and individuals with jobs tied directly to the fiscal operation of the political subdivision (finance director, director of purchasing, director of assessments). The lists do vary depending on the level of authority given to a position by the political subdivision, and should be referenced by the metropolitan political subdivisions that provide the list.

To more broadly identify positions that are local officials because of the position’s relation to major financial decisions, Chapter 10A provides that major decisions include but are not limited to:

- ✓ The **development and ratification of operating and capital budgets** of a political subdivision, including development of the **budget request for an office or department** within the political subdivision.
- ✓ A decision on whether to apply for or accept state, federal, or private grant funding.
- ✓ Selecting recipients for government grants from the political subdivision.
- ✓ A decision on tax abatement, tax increment financing, or expenditures on public infrastructure used to support private housing or business developments.

Some decisions are identified **as not representing** a major financial decision for a nonelected local official. That list includes:

- ✓ The purchase of goods or services with public funds in the operating or capital budget of a political subdivision.
- ✓ Collective bargaining of a labor contract on behalf of a political subdivision.

- ✓ Participating in discussions with a party or a party's representative regarding litigation between the party and the political subdivision of the local official.

The carveout from lobbying for **applying for a grant, or responding to a request for proposals**, applies to communication with local officials. Also, communication of a purely ministerial or technical nature regarding the submission of a grant application or a request for proposals is not lobbying.

Another carveout regarding the official decisions of political subdivisions is provided to certain membership associations. An association whose membership **consists of political subdivisions** (examples include the League of Minnesota Cities, and the Minnesota School Boards Association) is **not lobbying** the local officials of its member political subdivisions when the association communicates with its membership on lobbying efforts done by the association, or when the association recommends or asks that membership take action to support the association's lobbying effort.

Expert Witness and Finance Professional

Lobbying a political subdivision may involve providing information to public and local officials by an expert witness, or applying for conduit financing with the help of a finance professional. A brief definition of expert witness and finance professional is found on this page; a deeper dive into the two positions is provided in the expert witness – financial professional section of this handbook.

Reporting on Lobbying of Political Subdivisions

Reporting your lobbying of political subdivisions is once again based on the general lobbying categories that you identified as being of interest to the association you represent. If you specified that you lobbied a political subdivision on the subject of a general lobbying category, then you will need to complete the schedule for political subdivision lobbying.

- ✓ First select the **type of political subdivision** you lobbied (county, city, etc.) and then select the **specific political subdivision** in the drop-down list of political subdivisions. The list of political subdivisions is narrowed by your first selection. In the example below, the political subdivision type is city, which limits the drop-down list to cities in the state.

Definitions

Expert Witness – is an individual who provides testimony or a report based on their education, training, or experience. The expert witness is asked to testify by a lobbyist, and the testimony is used to support a lobbying effort, but is not in itself a request for action. The testimony must be provided at a public hearing, or if provided in writing, made a part of the public record.

Finance professional - is an individual who is subject to Securities and Exchange Commission regulation and who is working to secure conduit financing from a political subdivision. Unlike an "expert witness" the work done by a finance professional on conduit financing does not need to occur at a public hearing or be made part of the public record.

Technology and Communications			
□	Political Subdivision Type City	Political Subdivision Select a political subdivision	Specific Subject of Interest Choose or type a subject
□	Select a subdivision type	Audubon	Choose or type a subject
□	Select a subdivision type	Aurora	Choose or type a subject
□	Select a subdivision type	Austin	Choose or type a subject
□	Select a subdivision type	Avoca	Choose or type a subject
□	Select a subdivision type	Avon	Choose or type a subject

- ✓ There are lists for all counties, cities, metropolitan agencies, townships, and regional railroad authorities. If you lobbied a type of political subdivision not listed in the drop-down, then select “Other” and type in the name of the political subdivision.

Environment and Natural Resources			
□	Political Subdivision Type Other	Political Subdivision ISD 271 Bloomington School District	Specific Subject of Interest Choose or type a subject
□	Select a subdivision type	Select a political subdivision	Choose or type a subject
□	Select a subdivision type	Select a political subdivision	Choose or type a subject

- ✓ Then select the **specific subject** you lobbied on from the drop-down list that is available for that general lobbying category. In this example, environment and natural resources is the general lobbying category, the political subdivision type is city, the specific city is Burnsville, and the specific subject of interest is Landfill and Disposal.

Environment and Natural Resources			
□	Political Subdivision Type City	Political Subdivision Burnsville	Specific Subject of Interest Landfill and Disposal
□	Select a subdivision type	Select a political subdivision	Choose or type a subject
□	Select a subdivision type	Select a political subdivision	Choose or type a subject

- ✓ If there is not a match on the drop-down list for the subject you lobbied on, then add a new specific subject by typing it in the drop-down search field, then selecting the blue “**Click here to update subject**” button.

Delete Selected Rows		Add Rows	
Environment and Natural Resources			
□	Political Subdivision Type City	Political Subdivision Minneapolis	<input type="text" value="Plastic Bag Recycling"/> Type subject and click update button below <input type="button" value="Click here to update subject"/> Choose or type a subject

- ✓ If you, or the association you represent, asked an **expert witness** to provide information to the political subdivision to support a lobbying effort, then the section in the lobbyist report on expert witnesses will include the following information: the name of the expert witness, the employer of the expert witness (this may be left blank if the expert witness is self-employed), the name of the political subdivision that received the testimony or report of the expert witness, and the general lobbying category and specific subject that the testimony or report covered. For example, the disclosure for the expert witness might look like, Mary Anderson, ABC Engineering, St. Paul, Environment and Natural Resources, Water purification plant.

FirstName <input type="text" value="Mary"/>	LastName <input type="text" value="Anderson"/>	Employer <input type="text" value="ABC Engineering"/>	Government Entity <input type="text" value="St. Paul"/>	Category <input type="text" value="Environment and Nat..."/> <input type="button" value="x"/>	Subject <input type="text" value="Water purification plant"/> <input type="button" value="x"/>
			<input type="button" value="Select a general category"/> <input type="button" value="Choose or type a subject"/> <input type="button" value="Select a general category"/> <input type="button" value="Choose or type a subject"/>		

Some political subdivisions are lobbied to enter into **conduit financing agreements**. Conduit financing refers to a financing mechanism that allows nonprofits and other entities to raise capital through tax-exempt municipal bonds. This type of financing is typically used for substantial projects, such as low-cost housing, where the conduit borrower, rather than the political subdivision, is responsible for repaying the debt. If you are lobbying a political subdivision for conduit financing, you need to complete the political subdivision schedule **and** the schedule for disclosing financial professionals who worked to secure the conduit financing.

- ✓ In this example the city of Bemidji was lobbied to provide conduit financing for an affordable housing project.

Housing		
Political Subdivision Type <input type="text" value="City"/> <input type="button" value="x"/>	Political Subdivision <input type="text" value="Bemidji"/> <input type="button" value="x"/>	Specific Subject of Interest <input type="text" value="Affordable Housing"/> <input type="button" value="x"/>
<input type="button" value="Select a subdivision type"/>	<input type="button" value="Select a political subdivision"/>	<input type="button" value="Choose or type a subject"/>

A finance professional is an individual who is subject to Securities and Exchange Commission regulation. Unlike an expert witness, the work done by a finance professional on conduit financing does not need to occur at a public hearing or be made part of the public record. However, a finance professional needs to be disclosed by a lobbyist working on the conduit project. If there is not a lobbyist reporting the conduit financing request, then the actions of the finance professional are probably lobbying, and registration as a lobbyist will be required if the compensation is greater than the \$3,000 threshold. To disclose the finance professionals working on the conduit project you provide:

- ✓ The name of the finance professional.
- ✓ The employer of the finance professional (this field may be left blank if the professional is self-employed).
- ✓ The political subdivision that is being lobbied for conduit financing.
- ✓ The name of the conduit financing project.

FirstName <input type="text" value="John"/>	LastName <input type="text" value="Smith"/>	Employer <input type="text" value="ABC Securities"/>	Government Entity <input type="text" value="Bemidji"/>	Conduit Financing Project <input type="text" value="Southend Housing Project"/>
<input type="button" value=""/>	<input type="button" value=""/>	<input type="button" value=""/>	<input type="button" value=""/>	<input type="button" value=""/>

Registration, Amendments, and Termination

You have worked your way through the decision tree and determined that you need to register as a lobbyist. Congratulations? The good news is that **there is no registration fee to become a lobbyist**. But, there is a form to fill out, and reporting decisions to be made if the association has more than one lobbyist. This section will walk through the registration form and explain the options you have. But first, here are a few basics to know:

- ✓ A separate registration form must be submitted for each individual, principal, political subdivision, or public higher education institution you represent.
- ✓ You must submit a new registration **within five days after becoming engaged** to represent a new client. There is a **late filing fee of \$25 per day**, not to exceed \$1,000, which starts immediately after the 5th day.
- ✓ When the registration is processed by the Board you will be assigned a lobbyist registration number, which will be used for any subsequent registrations you submit for other clients. A letter will be sent to you confirming that the registration was processed, and providing your registration number.

Completing the registration form The registration form is available as a PDF on the Board's website at: cfb.mn.gov/filer-resources/complete-a-filing/lobbying-filings/lobbyist-registration/. Currently you can enter information into the form on your computer, but you will need to print the completed form and either mail, email, or fax the form to the Board.

Your Information The first part of the form contains your contact information. This is pretty standard information, but note that the Board sends report notifications and other reminders to the addresses listed. If you list a PO Box number, or an email, that is not routinely checked you may miss important, time-sensitive information.

- ✓ The lobbyist employer field contains the name of your employer if you are an in-house lobbyist, or the name of the lobbying/legal firm if you are contract lobbyist, or the name of the government relations/government affairs business if you are an employee of a business that needs to register. Leave the field blank if you are registering to represent yourself.

Lobbyist information (Required)	
Name of lobbyist*	
Address (Line 1)*	
Address (Line 2)	
City, state, and zip*	
Telephone*	Email address*
Lobbyist employer (if any)	

Information for the entity you will represent The second portion of the form provides information on the entity you will represent. If you are representing a principal this information will be used to send out notifications for the annual report required by a principal, and is used to display lobbyists by the entities they represent on the Board's website. It's important to note that the association represented does not register with the Board. Your registration identifies the entities that are lobbying in Minnesota, which is why the contact information for the association is critical.

- ✓ Many associations are known by the initials of their full name, or some other abbreviation, of the association's actual name. For example, AARP is actually the American Association of Retired Persons. Please provide both the common name and the full name in the name of association field.
- ✓ The address field provides a mailing address for the association contact. This is not the lobbyist, it is the individual at the association who is responsible for the lobbying effort in Minnesota.
- ✓ The telephone of association field may contain a general information line for the association.
- ✓ If the association does not have a website, please write in "none" in the website field.
- ✓ The name and title of the association contact is the individual at the entity who is responsible for lobbying in Minnesota. It might be the CEO, it might be a director of government relations; it depends on the size and nature of the entity you represent. This is the individual we will contact for the annual principal report, unless you provide a filing agent for the principal later in the form. It **should not** be the name of the lobbyist.

Association or person lobbyist represents (Required)	
Name of association* (Include explanation of initials)	
Address of* association	
City, state, and zip* of association	Telephone of* association
Website of association*	
Name and title of * association contact	
Email address of * association contact	Telephone of* association contact person

Lobbyist reporting status A lobbyist has some options as to how their disclosure of lobbying activity will be reported to the Board. This section of the form is where the responsibility for filing reports is established.

- ✓ If you are the only lobbyist for the association or individual you represent, then your only choice on the next portion of the form is to select the checkbox for “I will be reporting my lobbying activity directly to the Board”. Notification of the need to file the periodic lobbyist activity reports will be sent to directly to you.
- ✓ If the association you represent has more than one lobbyist you have the option to delegate the authority to report for you to another lobbyist. Many associations with multiple lobbyists find it easier to have a “reporting lobbyist” who collects information from the other lobbyists for the association and then files one report on behalf of themselves and other lobbyists for the association. If that approach makes sense for the association you represent and your reporting obligation is being delegated to the reporting lobbyist, then select the box for “I authorize the following lobbyist to report my lobbying activity for this association.” Then provide the name and lobbyist registration number of the reporting lobbyist.
- ✓ If you select the option to authorize another lobbyist to report for you, then you are obligated to provide information on your activity no later than five days before the report is due. If you don’t provide the information to the reporting lobbyist, then the obligation to report falls back on you, and your registration will be changed to self-reporting.
- ✓ If you are going to be the reporting lobbyist for the association then select the box for “I am authorized to report the lobbying activity for the following registered lobbyist(s) for this association.” You then identify the lobbyists that will be included in your report.
- ✓ It is possible for an association to have more than one reporting lobbyist. This sometimes occurs when the association has both in-house and contract lobbyists.
- ✓ If the reporting lobbyist terminates their registration for the association all of the lobbyists that have delegated reporting authority to that individual will have their reporting status changed to self-reporting until a new reporting lobbyist is identified to the Board.

Lobbyist reporting status (Required)

You must select only one of the following three reporting options

I will be reporting my lobbying activity directly to the Board.

I authorize the following lobbyist to report my lobbying activity for this association:

Name of lobbyist: _____

Lobbyist registration #: _____

I am authorized to report the lobbying activity for the following registered lobbyist(s) for this association:

Name(s) of lobbyist(s) I will be reporting for:

Lobbyist(s) registration number(s):

Designated lobbyist Each entity represented by one or more lobbyists must have one, and only one, designated lobbyist. The designated lobbyist reports certain activity by the association that was made independent of registered lobbyists during the reporting period. The designated lobbyist reports:

- ✓ The **original source of funds** given to the association to support lobbying during the reporting period.
- ✓ **All gifts given** to officials by lobbyists or directly by the association during the reporting period.
- ✓ **An updated list of officers and directors** for the association that was provided when the lobbyist registered.

A detailed description of the disclosure provided by the designated lobbyist is provided in the reporting section of this handbook.

If you are the only lobbyist registered for the association, then by default you are also the designated lobbyist. Typically, the reporting lobbyist is also the designated lobbyist because it is the easiest approach to consolidating the reporting in one person. If a lobbyist other than a reporting lobbyist is selected to be the designated lobbyist, then the designated lobbyist will need to self-report.

If you are the designated lobbyist simply check the box by “I am also the designated lobbyist for this association”.

Designated lobbyist status

I am also the designated lobbyist for this association

General lobbying categories – At the time of registration you identify the general lobbying categories that describe the interests of the association you represent. The general lobbying categories **are broad areas of interest**, for example Agriculture, which are important to the association. The list of general lobbying categories was set by the Board in consultation with the lobbying community and one of the categories should be inclusive of the subjects you will lobby on. Currently the list includes:

- Agriculture
- Arts and Culture
- Bonding
- Business Regulation
- Cannabis, Tobacco, Alcohol
- Civil – Criminal Law
- E-12 Education
- Elections and Campaign Finance
- Energy
- Environment and Natural Resources
- Food and Beverage Industry
- Gambling
- Health Care
- Higher Education
- Housing
- Human Services
- Insurance
- Labor and Workforce Development
- Local Government
- Public Safety
- Public Utilities Commission
- Sports
- State Government
- Taxes
- Technology and Communications
- Transportation
- Veteran Affairs

You cannot make up your own general lobbying category! The registration will not be processed if you list a category that is not on the above list. The list of general lobbying categories may be modified in the future based on comments from the lobbying community. If you believe that your association is interested in a subject that is not a part of any the listed categories, then contact the Board for assistance.

After listing the general lobbying categories for the association, you then check the type of lobbying the association is likely to participate in; legislative action, administrative action, action by a political subdivision, or an action of the Minnesota Public Utilities Commission.

It is important to note that you are providing this information based on the best information you have at the time of registration. If an **unexpected issue comes up** during a legislative session, for example, **you are able to add general lobbying categories on the lobbyist activity report**. You don't need to amend your registration if you end up lobbying in an area you did not anticipate at the time of registration. You can also add and subtract lobbying types on the lobbyist activity report. Below is an example of what the general lobbying category section of the lobbyist registration form might look like.

General lobbying categories on which lobbyist expects to lobby and kind of action seeking to influence (Required)

Check the kind of action for each category listed*

General lobbying categories* (Please use the provided list to select the appropriate category)	Legislative action	Administrative action	Political Subdivision action	MN Public Utilities Commission
Agriculture	✓	✓	✓	
Energy	✓			✓
Taxes	✓			

Officers and directors of association represented If you register to represent an individual then his section of the registration form may be left blank. You may attach a list of the officers and directors to the registration form if that is easier. The address for the officers and directors may be the address of the association; personal addresses are not required. The form only provides two lines because of space limitations, but you should provide a list of the top executives and board members for the association. The term "officers" is not defined. It certainly does not include every manager in the association, but it would include high ranking executives like the CEO and CFO.

Officers and directors of association represented

Name and title of officers*	Address*

Filing agent for lobbyist principal Remember that only principals need to file the annual report of lobbyist principal. The notice that the report needs to be filed will be sent to the contact person for the principal you identified in the registration unless you complete this section of the registration. The association may delegate the responsibility to file the principal report to a lobbyist, or to a business that

provides administrative services for associations that lobby. One warning: if the filing agent fails to timely file the principal report the principal is still liable for any late fees or civil penalties.

The name and title of filing agent may be the name of the company that is responsible for filing the report for the principal. Please be sure to provide a telephone number and email for the filing agent if possible as the Board will send the original notice by USPS, but reminders on report deadlines are sent by email, or phone if possible.

Filing agent for lobbyist principal (Optional)

Alternative person authorized to file the Annual Principal Report on behalf of the lobbyist principal.

Name and title of filing agent	
Mailing address of filing agent	
City, state, and zip of filing agent	Telephone of filing agent
Email address of filing agent	

Certification Last step to complete the registration! The signature of the lobbyist may be either an actual signature or an electronic signature.

Certification (Required)

I, _____, certify that the information contained on this form is complete, true, and correct.
Print or type name*

Signature of lobbyist*

Date*

Any person who signs and certifies to be true a report or statement which the person knows contains false information, or who knowingly omits required information, is subject to a civil penalty imposed by the Board of up to \$3,000 and is subject to criminal prosecution for a gross misdemeanor.

Amendments

You need to amend your registration when your contact information changes, or your method of reporting changes. The lobbyist registration form should be used for amendments by checking the amendment box.

Registration

New Registration

Amendment: Lobbyist Registration No. _____

- ✓ For an amendment you only need to complete enough of the form for staff to identify you as the lobbyist (registration number and name), the registration you are amending (name of the association), and then the information that has changed. For example, if you have become the designated lobbyist for the association, then just check the designated lobbyist box. You don't need to provide information again that has not changed from the initial registration.

- ✓ For a reporting lobbyist, an addition or subtraction in the list of lobbyists you will report for is provided by the lobbyists who authorized you to report for them. In other words, if a new lobbyist registration is submitted that designated you as their reporting lobbyist, then you do not need to amend your registration to reflect that change. A letter will be sent to you as the reporting lobbyist confirming that a new lobbyist has designated you to report on their behalf. Similarly, if a lobbyist you reported for terminates their registration you do not need to amend your registration to show that change.
- ✓ An amendment to a lobbyist registration should occur within 10 days of when the lobbyist becomes aware that an amendment is needed.

Terminations

A lobbyist can terminate their registration with the Board at any time. The termination form is available on the Board's website at: cfb.mn.gov/pdf/forms/lobbyist/lob_termination_statement.pdf.

- ✓ The first section of the form just identifies the lobbyist, and the association that the lobbyist represented.
- ✓ The date of termination field is of course the last date that the lobbyist represented the association. The termination date may be retroactive. For example, you are submitting the termination form in January, but the date you stopped representing the association was December 31st.
- ✓ There will be a last report required for a terminating lobbyist, even if no activity occurred during the period. However, the termination form can be used to serve as a last report if no lobbying activity occurred.
- ✓ If the terminating lobbyist self-reported the lobbyist activity, they can indicate on the form that no activity occurred during the current reporting period. In that case, no other disclosure report is required. If the lobbyist did lobby in the current period, then the lobbyist should contact the Board to have a paper lobbyist activity report sent to them so that they can file and be done with the Board! The online reporting system is not available all of the time, which is why a paper report is usually required.

Lobbyist reporting status

I

Complete one of the following three sections



I was a self-reporting lobbyist and I have enclosed a Lobbyist Report disclosing my lobbying activity for the current reporting period.

No lobbying efforts were made by me during this reporting period.

OR

I have included a Lobbyist Report disclosing my lobbying activity for the current reporting period.

- ✓ A terminating lobbyist who had authorized a reporting lobbyist report their activity is in luck. All that is required is for the terminating lobbyist to confirm that their activity is being reported by another lobbyist.

My lobbying activity for the current reporting period is being reported by:
Name of lobbyist: Jim Smith Lobbyist registration #: 9999

✓ If the terminating lobbyist was a reporting lobbyist for other lobbyists it gets a little more complicated. If the terminating lobbyist and the lobbyist they reported for had no lobbying activity during the current period, then the lobbyist can indicate that on the form. But if there was lobbying activity to report, the terminating lobbyist can either file a last report that includes the activity of the lobbyist they were authorized to report for, or file a last report that includes only their activity during the current period. This last option is typically used when the reporting lobbyist stops representing the association in less than congenial circumstances.

No lobbying efforts were made by me or the lobbyist(s) I am authorized to report for during this reporting period.

OR

I have included a Lobbyist Report disclosing my lobbying activity for the current reporting period.

The enclosed Lobbyist Report includes the lobbying activity for the lobbyist(s) I am authorized to report for.

OR

The enclosed Lobbyist Report does not include the lobbying activity for the lobbyists I am authorized to report for.

✓ If the enclosed report does not include the lobbying activity of other lobbyists, then the authorizing lobbyists will need to file their own report.

✓ It's important to note that all lobbyists must submit their own termination statement; a reporting lobbyist cannot terminate other lobbyists.

Reporting Lobbyist Activity

If you are a self-reporting lobbyist, or a reporting lobbyist you will need to file a report of lobbyist activity with the Board two times a year.

Even if you have delegated the authority to file your lobbyist activity to a reporting lobbyist you will need to collect the information on your lobbying activity during the reporting period, so you may want to review this section so that you are collecting the information needed. The information needed by the reporting lobbyist to file on your behalf must be provided at least five days before the deadline to file the report.

So that you are better prepared to file a report this section will go through most segments of the lobbyist activity report. However, a review of the information needed to complete the schedules for the four types of lobbying is provided in the section of the handbook for that type of lobbying. For example, a review of how to complete the disclosure schedule for lobbying a political subdivision is provided in the section on political subdivision lobbying.

The first time you need to file a lobbyist activity report you will be sent instructions on how to use the online reporting application, your username, and a one-time use password for the reporting system.

After you log on to the reporting application you will be shown a screen with your contact information as submitted on your lobbyist registration. This information can be updated if needed, which will amend your registration information.

Lobbyist Information

Please verify the lobbyist information below is correct.

Lobbyist name: Smith, James
Association: Good Nonprofit

Registration number: 9999

Address:	Lobbying Firm		
	1000 Main Street		
City:	St Paul	State:	MN
Daytime Telephone:	612	000	0000
E-mail Address:	jim@lobbyfirm.com (E-mail Required)		
Association Website:	www.nonprofit.com (Website Address Required)		

Definitions

Report of Lobbyist Activity –

Lobbyists file two reports disclosing their activity in a year. The dates on which the reports are due are the same each year, **so you can mark them on your calendar now!** (If the due date falls on a weekend, then the due date rolls to the next Monday.)

June 15 – Covering the period from January 1 through May 31.

January 15 – Covering the period June 1 through December 31 of the previous year.

Designated lobbyist – Each entity represented by lobbyist(s) must designate one lobbyist who will report the original source of funds received by the entity for lobbying, and all gifts given to officials by lobbyists, or directly by the entity represented by lobbyists.

- ✓ If you are a self-reporting lobbyist, the next screen will show the general lobbying categories you identified as being areas of interest for the association you represent when you registered as a lobbyist. This list can be modified by either adding or subtracting categories to reflect the areas that were actually lobbied on during the reporting period.

		Delete Selected Rows	Add 5 Empty Rows	Select All Rows	Unselect All Rows
(For each general category check the box for the types of lobbying activity that occurred during this reporting period.)					
Delete	General category	Legislative Action	Administrative Action	Political Subdivision	Public Utilities Commission
<input type="checkbox"/>	Energy x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Environment and Natural Res... x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Select a general category ▼	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Select a general category ▼	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Select a general category ▼	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- ✓ Next to each general lobbying category are check boxes used to identify the types of lobbying you did for that general category during the reporting period. By default, none of the boxes are checked. By checking a box for a type of lobbying you activate a reporting schedule to report that lobbying. In the example below, the lobbyist indicates that for the category of Energy they lobbied the MN Public Utilities Commission, and for the category of Environment and Natural Resources, lobbying occurred on legislative action and administrative action. The reporting application will now provide schedules to report the lobbying activity in those three areas, but will not provide a schedule for reporting the lobbying of political subdivisions because that type of lobbying was not selected.

		Delete Selected Rows	Add 5 Empty Rows	Select All Rows	Unselect All Rows
(For each general category check the box for the types of lobbying activity that occurred during this reporting period.)					
Delete	General category	Legislative Action	Administrative Action	Political Subdivision	Public Utilities Commission
<input type="checkbox"/>	Energy x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	Environment and Natural Res... x	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Select a general category ▼	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Select a general category ▼	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Select a general category ▼	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- ✓ If you are a reporting lobbyist, this screen will also show you the lobbyists that have authorized you to report on their behalf. If this list is incorrect, or you have not received report information from a lobbyist on the list, you will need to contact Board staff who will correct the database before you file the report. Based on the information provided by the authoring lobbyists, the reporting lobbyist will add general lobbying categories and indicate lobbying done by each lobbyist listed.

- ✓ The next screen confirms the selections for the type of lobbying that was selected, and provides the ability to indicate that the lobbyist needs to report the use of an expert witness, or financial professional. If the checkboxes are not selected for these disclosure schedules, then the application will skip that schedule for the lobbyist.
- ✓ The **designated lobbyist** for the association will also have the option of selecting the schedule to disclose gifts to officials, and original sources of funds for lobbying.

Lobbyist Report

Period Covered: June 1 through December 31, 2025
Due Date: 01/15/2026

[Previous](#) [Save report now and certify later](#) [Begin Schedules](#)

Check appropriate box(es) below

No lobbying activity by me, my entity, and/or the lobbyists I am reporting for during this reporting period.

Legislative Lobbying I, and/or the lobbyists I am reporting for, lobbied the legislature on behalf of this entity during this reporting period.

Administrative Lobbying I, and/or the lobbyists I am reporting for, lobbied administrative action on behalf of this entity during this reporting period.

Political Subdivision Lobbying I, and/or the lobbyists I am reporting for, lobbied Political Subdivision on behalf of this entity during this reporting period.

Public Utilities Commission Lobbying I, and/or the lobbyists I am reporting for, lobbied the Public Utilities Commission on behalf of this entity during this reporting period.

Expert Witness Disclosure Lobbying I, and/or the lobbyists I am reporting for, or the entity I am lobbying on behalf of, asked an expert witness to testify or supply a report that was used to support a lobbying effort.

Finance Professional Disclosure Lobbying I, and/or the lobbyists I am reporting for, or the entity I am lobbying on behalf of, asked a finance professional to work on securing conduit financing from a political subdivision.

Gift's and Honoraria The entity that I represent paid for a gift or benefit equal in value to \$5 or more to an official or the lobbyists I report for used personal funds to pay for a gift or benefit equal in value to \$5 or more to an official.

Other Sources of Funding The entity that I represent received more than \$500 from another entity in this calendar year to influence legislative action, administrative action, or the official action of a Metropolitan Government Unit.

I am terminating my lobbyist registration and will send to the Campaign Finance and Public Disclosure Board a Lobbyist Termination Statement. Termination Date (MM/DD/YYYY)

The reporting application next provides the schedules to **report legislative lobbying, administrative lobbying, political subdivision lobbying, and lobbying of the Minnesota Public Utilities Commission**. Because these schedules require information specific to the type of lobbying you did, the schedules are reviewed in the handbook's sections for each type of lobbying.

The designated lobbyist (and only the designated lobbyist) also reports:

- ✓ The **original source of funds** given to the entity represented by the lobbyist. An original source of funds is money given specifically to support a lobbying effort. An original source of funds must be disclosed if the amount given for lobbying exceeds \$500 in a calendar year.
- ✓ For example, Company XYZ hires three lobbyists to influence action on some issue before the legislature. ABC Corp. wants the same result in the legislature as Company XYZ, but does not

want to go the effort of hiring lobbyists. Instead, ABC Corp. gives \$10,000 to Company XYZ to support that company's lobbying. The disclosure by the designated lobbyist of the original source of funds provides the name of the source of funds, the address of the source of funds, and if the source of the funds is an individual, the individual's employer or occupation.

- ✓ The designated lobbyist is responsible to contact the association represented to ensure that they have this information for the reporting period.

Other sources of funds
Definitions for Schedule

You must disclose the name and address of the source of the funds, from other than the entity, that paid more than \$500 in this calendar year to the individual, association, Metropolitan Government Unit, or public higher education system you represent to be used for lobbying purposes.

Do not list the amounts paid by the other source of funds.

If the source is an individual list last name, first name, and list the employer, or if self-employed, the occupation and principal place of business.

Delete Selected Rows	Add 5 Empty Rows	Select All Rows	Unselect All Rows
Name of Source <input type="text" value="ABC Corp"/> <input type="checkbox"/> Address Line 1 Address Line 2 <input type="text" value="2443 Fair Oaks Blvd. #1177"/>		Employer/Occupation/Principal Place of Business <input type="text" value="Sacramento CA"/> City State Zip <input type="text" value="Sacramento"/> <input type="text" value="CA"/> <input type="text" value="95825"/>	

- ✓ The designated lobbyist reports all gifts given to public officials, local officials, an employee of the legislature, a member of a charter school board, or a charter school director or chief administrator. This includes a gift by any lobbyist registered for the association, or any gift given directly by the association.
- ✓ The disclosure of allowable gifts includes:
 - The date during the reporting period on which the gift was given.
 - The name of the public or local official that received the gift.
 - The office or position held by the official.
 - A description of the item given.
 - The value of the item given.
 - The exception to the gift prohibition used to give the gift. The exceptions to the gift prohibition are provided in a drop-down list in the reporting application, and are discussed in more depth in this handbook in the section on the gift prohibition.

Date (MM/DD/YYYY)	First Name	Last Name	Office Held by Recipient	Item Given	Cost of Item
<input type="text" value="12/10/2025"/>	<input type="text" value="Tim"/>	<input type="text" value="Smith"/>	<input type="text" value="Burnsville City Council"/>	<input type="text" value="Meal"/>	<input type="text" value="\$25.00"/>
Exemption Number: <input type="text" value="6. Food or beverage at a reception, or meal provided when the official makes a speech or answers questions as part of a program."/>					

Filing the Report After you have completed the schedules, the application displays the information entered as it will appear on the report when submitted to the Board. If you wish to change any section of the report, you just need to select the edit button in that section.

When you have completed your data entry for the report, you have two options.

- ✓ You can either select the check box for "I certify that this report is complete, true, and correct" and click to the blue button to submit the report.

- ✓ Or you can click the “Save now and certify later” button. If you choose to save the report please realize that the report has not been submitted to the Board, and you will need to come back and certify and submit the report in order to complete the reporting obligation.

Certification

I certify that this report is complete, true, and correct.
[Click here to submit your report now.](#)

Any person who signs and certifies to be true a report or statement which the person knows contains false information, who knowingly omits required information, is subject to a civil penalty imposed by the Board of up to \$3,000 and is subject to criminal prosecution for a gross misdemeanor.

Save report and return later

Notice: You will need to return to the reporting system to certify and file your report prior to the due date.

[Save report now and certify later](#)

- ✓ After you certify and submit the report the application will confirm that the report was successfully sent to the Board, and provide you with the opportunity to print off a copy of the report for your records.

Your report has been successfully submitted to the Board.

Submission date: January 9, 2026

[Click here to print this page for your records](#)

[Return to Association Selection Page](#)

- ✓ All lobbyist activity reports are available on the Board’s website starting at 8:00 AM on the day following the report due date.

Principals, Political Subdivisions, and Public Higher Education

A lobbyist registers to represent an association, or occasionally an individual, or maybe even themselves. Typically, but not always, an individual or association represented by a lobbyist is a “principal”. But, not all associations that are represented by a lobbyist are principals, and not all principals are represented by a lobbyist. Not only is that a little confusing, it matters because an association that is not a principal does not need to file the annual report of lobbyist principal. So, lets review the various types of entities that are represented by a lobbyist.

Principal A principal (also referred to as a lobbyist principal) is an individual or association that spends more than \$3,000 a year in compensation for a lobbyist, or that authorizes a lobbyist to spend more than \$3,000 in a calendar year on lobbying. In other words, if the entity pays an individual for lobbying an amount greater than the \$3,000 threshold for lobbyist registration, they are a principal, usually.

An individual or association is also a principal even if they do not hire a lobbyist, if they spend at least \$50,000 in a calendar year attempting to influence legislative action, administrative action, the

Minnesota Public Utilities Commission, or the action of a political subdivision. How would you spend over \$50,000 if you're not represented by a lobbyist? Usually the answer is grass roots lobbying; the cost of media buys that encourage the viewer to contact their public or local officials on an issue could require an individual or association to file a principal report even if they are not represented by a lobbyist.

Political Subdivisions Political subdivisions (counties, cities, school districts, etc.) often hire contract lobbyists, or have an employee that must register as a lobbyist because their compensation for lobbying exceeded the \$3,000 threshold. But, political subdivisions are not associations for the purposes of lobbying, and do not file the annual principal report with the Board. Local governments do provide information on the amount spent annually to influence legislative or administrative action to the Office of the State Auditor. Information on the amount spent by local government on lobbying is available online at: osa.state.mn.us/reports-data-analysis/reports/local-government-lobbying-services/.

Public Higher Education Public colleges and universities are also excluded from the definition of association for the purposes of lobbying. So, the University of Minnesota and many other state colleges and universities are represented by lobbyists, but do not file the annual principal report. Please note that a private college or university represented by a lobbyist is a principal.

Gift Prohibition Principals and the lobbyists that represent them are prohibited from providing gifts (with limited exceptions) to public or local officials. A lobbyist representing a political subdivision or institution of public higher education cannot provide a gift to a public or local official, and cannot request that a gift be given to a public or local official. However, the gift prohibition does not apply to a gift given by a political subdivision or institution of public higher education.

Reporting for Principals

If an association or individual is a principal they will need to **file an annual report** with the Board by **March 15 each year** (if March 15 falls a weekend the report deadline rolls to the following Monday). The annual report provides the amount spent by the principal in the preceding calendar year on the four types of lobbying; legislative action, administrative action, lobbying the Minnesota Public Utilities Commission, and lobbying political subdivisions.

The total amount spent by the principal on a type of lobbying includes:

- ✓ The portion of **compensation paid to lobbyists** for that type of lobbying.
- ✓ The **portion of all expenditures** for advertising, mailing, research, consulting, surveys, expert testimony, studies, reports, analysis, compilation and dissemination of information used to support that type of lobbying.
- ✓ **Grass roots lobbying** costs for that type of lobbying.

- ✓ The cost of **legal counsel** used to support that type of lobbying.
- ✓ Reasonable, good faith estimates of the portion of all salaries paid to individuals who are not lobbyists, **office space, transportation costs, and website operations** paid by the principal to support that type of lobbying.
- ✓ If the actual cost of a lobbying activity or administrative overhead expenses incurred by the principal to support lobbying cannot be obtained or calculated through reasonable means, those costs **must be reasonably approximated**.

When reporting the amount spent to influence each of the four types of lobbying the principal may round the amount **to the nearest \$5,000**. Alternatively, some principals prefer to report **the actual amount spent**, and that is also acceptable. The Board provides an online reporting application for principals, the screen for reporting the amount spent on lobbying is shown below. The report screen is simple, but calculating the amount spent for each lobbying type will take some time and undoubtably require input from the lobbyists that represent the principal.

Definitions

March 15 – The deadline for a principal to file the annual report of expenditures on lobbying.

Grass roots lobbying - is when the communication asking for action is not directed to a public or local official; instead the communication asks the public to contact their public or local official to influence a decision by public or local officials.

Amount Spent

1. Amount spent to influence legislative action in Minnesota.

\$5,000

2. Amount spent to influence the actions of the Minnesota Public Utilities Commission in cases of rate setting, power plant and powerline siting, and granting of certificates of need:

\$0.00

3. Amount spent to influence the adoption, modification, or repeal of administrative rules by Minnesota state agencies, boards, and commissions.

\$15,000

4. Amount spent to influence the official actions of Minnesota Political Subdivisions.

\$20,000

If the principal did grass roots lobbying in the report year the principal may also need to report the cost of advertising that urged the public to contact public and local officials if the cost with a vendor exceeded \$2,000. If the cost with a vendor exceeds \$2,000 then the report requires:

- The name of the vendor.
- The business address of the vendor.
- The cost of the advertisement.
- A description of the item purchased.
- A brief description of the subject(s) in the advertisement.

Below is an example of what that report screen may look like.

Paid Advertising					
<input type="button" value="Delete Selected Rows"/>	<input type="button" value="Add 5 Empty Rows"/>	<input type="button" value="Select All Rows"/>	<input type="button" value="Unselect All Rows"/>		
Vendor Name ABC Billboards	Address Line 1 PO Box 2400	Address Line 2	City St. Paul	State MN	Zip 55555
Cost \$15,000.00	Purchase Date 03/20/2024	Description Billboard on HWY 35W		Subjects Property tax freeze	

Gift Prohibition

The Minnesota prohibition on gifts from lobbyists and principals to officials is one of, if not the most, comprehensive gift bans in the country. There are exceptions to the gift prohibition, but if the proposed gift does not fit into one of the exceptions, then **NO** you can't do that.

When does the gift prohibition apply? The gift prohibition applies when the gift is provided to an official by a lobbyist or a principal, and also applies if the lobbyist or principal asks someone else to give a gift to the official.

- ✓ A lobbyist or principal that provides funding to an association that is not a principal with the knowledge that the association will then use the funding to provide a gift to one or more officials, has violated the gift prohibition.

A nonprofit that is not a principal in Minnesota is holding a conference on issues of concern in all fifty states. Legislators from Minnesota are invited to attend, and the nonprofit offers to pay the travel and lodging expenses for the legislators. To pay for the conference, including the travel and lodging costs of the legislators invited to attend, the nonprofit receives funding from other associations, including principals in Minnesota. Those associations will also attend the conference.

Can the nonprofit pay for the travel and lodging costs of the Minnesota legislators? **No.** At least some part of the funding used to pay for the gift of travel and lodging is coming from principals. The principals are providing funding with the knowledge that it will be used to pay for the conference.

The gift prohibition applies to gifts to the following people:

- ✓ Legislative employees. This includes legislative aids and committee staff.

- ✓ Public officials, which includes legislators, constitutional officers, agency commissioners, assistant or deputy commissioners, members and the chief administrative officer of a state board or commission that has the authority to adopt administrative rules, members of a metropolitan agency, county commissioners, and other persons designated in statute.
- ✓ Local officials, which is a person who holds elective office in any political subdivision, or who is appointed to or employed in a public position by a political subdivision if the person has authority to make, to recommend, or to vote on major decisions regarding the expenditure or investment of public money.

What is included in the gift prohibition? Potentially, a gift is anything given to an official when the lobbyist or principal does not receive consideration of equal or greater value in return. It's important to note the "consideration of equal value" because it's not a gift if the official paid for the item. It's a common misconception that the gift prohibition means that lobbyists cannot socialize with officials. It does not mean that at all. It does mean that if a lobbyist meets an official for a drink, then the official has to buy their own beer. The following things can be gifts:

- Money or personal property.
- A service.
- Travel costs, including lodging.
- Paying a loan, providing a loan without interest or interest that is below market rate, or forgiving or not collecting a loan.
- A promise of future employment.
- Meals, even snacks or coffee are prohibited unless provided at the events listed as exceptions to the gift prohibition.
- Entertainment.
- Providing the use of personal property for less than payment of fair market value.
- Giving preferential treatment for purchases. This includes providing access to tickets, including access to corporate suites, that are not available to the public.
- Honoraria. There is sometimes confusion as to what honoraria means. For the purposes of the gift prohibition, honoraria means paying an official for a speech or article when there is no obligation to make that payment.

Exceptions There are exceptions to the gift prohibition. The exceptions provided in statute have been modified over time, but are still fairly limited. They include:

- ✓ A political contribution to an elected official's campaign committee.
- ✓ Services to help an official in the performance of official duties, including providing advice, consultation, information, and communication in connection with legislation. In other words, giving officials reports or other information that supports your lobbying, and their decision making, is not a gift.
- ✓ Services of insignificant monetary value. Heavy emphasis on **insignificant value**.

- ✓ A plaque with a resale value of \$5 or less. Typically, a plaque has zero resale value. If that's not the case you should contact Board staff to verify that the item provided as a "plaque" is not a problem.
- ✓ A trinket or memento **costing \$5 or less**. For example, a coffee cup with the principal's logo, or a pen with a principal's logo. Please note, food is not a trinket or memento; **there is no \$5 exception for providing food or beverage to an official**.
- ✓ Informational material with a resale value of \$5 or less.
- ✓ Food or beverage given to the official at a reception, meal, or meeting away from the recipient's workplace if the official appears to make a speech or answer questions as part of a program. This is the most commonly used exception to the gift prohibition. For this exception to apply, **the official must be formally on the agenda** to present or take part in the event.
- ✓ Food and beverage provided to a legislator or employee of the legislature at a reception, meal, or meeting, if an invitation to attend the reception, meal, or meeting was provided to **all members of the legislature at least five days prior to the date of the event**.
- ✓ A gift given by a member of the official's family, unless the gift is given on behalf of someone who is not a member of the official's family.
- ✓ The gift ban also does not apply if the gift is given because of the official's membership in a formal group, if a majority of the members are not officials, and if an equivalent gift is given to the other members of the group. There are a lot of conditions in this exception; it may be advisable to contact Board staff to discuss a potential gift given using this exception.

Is there a social expectation exception to the gift prohibition? No, unless the lobbyist or principal is a family member of the official. This means that lobbyists cannot give an official a wedding gift, baby shower present, birthday gift, or holiday gift.

Record keeping You must keep records of all permissible gifts given by you to officials, and provide that information to the designated lobbyist. The designated lobbyist reports all gifts on the periodic report of lobbyist activity.

More information Over the years the Board has issued a large number of advisory opinions on the gift prohibition. The opinions are available online at cfb.mn.gov/citizen-resources/the-board/board-decisions/advisory-opinions/. The Board also provides a gift ban primer, which summarizes the advisory opinions issued on the gift prohibition. This document is available at cfb.mn.gov/pdf/publications/general/giftprim.pdf.

Campaign Finance Regulations for Lobbyists

Lobbyists have the same limits on the size of their contribution to state and local campaign committees as any other individual. However, a lobbyist that gives a contribution to a candidate running for state office needs to be aware of additional requirements and limitations that apply.

Contributions limits The contribution limit for state office is based on a two-year segment. A contribution given the year before the candidate's office is on the ballot and a contribution given the year the candidate is on the ballot, are counted together towards the limit. For a constitutional office, which have four-year terms, the contribution limit is higher for the two-year segment that includes when the candidate is on the ballot, and lower for the two-year segment when the constitutional candidate is not on the ballot either year.

Office	Two-year segment when the office is not on the ballot	Two-year segment when the office is on the ballot
Governor	\$2,000	\$4,000
Attorney General	\$1,500	\$2,500
Secretary of State	\$1,000	\$2,000
State Auditor	\$1,000	\$2,000
State Senate	\$1,000	\$1,000
State Representative	NA	\$1,000

Local office contribution limits are not within the Board's jurisdiction; the limits for local office are found in Minnesota Statutes [Chapter 211A](#).

Lobbyist registration number on checks A contribution made to a candidate or local candidate by a lobbyist must show the name of the lobbyist and the number under which it is registered with the Board. The registration number may be provided in the memo field. An online contribution must also be identified with the registration number. If the online contribution portal does not have a lobbyist identification number field, then you should either make the contribution in another way or contact the treasurer of the committee so that they are aware that your contribution is from a lobbyist.

Lobbyists must give their registration numbers with contributions to state candidates so that those committees can properly report lobbyist contributions on their campaign finance reports, and identify contributions from lobbyists that violate the sessional prohibition or take the committee over the special source limit. It may be that the candidate that you handed the check to knows that you are a lobbyist, but their treasurer might not know that, and that can lead to problem for both you and the candidate.

Contributions during the legislative session When the legislature is in regular session, candidates for the state legislature or for constitutional offices cannot accept contributions from lobbyists. The legislative caucuses also are prohibited from taking contributions from lobbyists during regular session.

- ✓ The sessional prohibition applies to all candidates for state legislative or constitutional office; not just to the incumbents who currently hold office.
- ✓ The ban applies to the entire first day of session even though the session usually begins at noon.

- ✓ A contribution from a lobbyist that is mailed to a candidate before the session starts, but is not received until after the session has begun, is received during the session and cannot be accepted.
- ✓ A contribution from a lobbyist that is submitted electronically before the day the session starts is received before the session and can be accepted.
- ✓ The ban **does not apply to special legislative sessions**.
- ✓ The sessional ban does not apply to contributions to a candidate that is in a **special election** to fill a vacancy.

What is the special source limit? There also is a limit on the total amount that a candidate can receive from certain types of donors. This limit is called the "special source limit". The donors included in this limit are often called "special sources" and that include lobbyists.

The special source limit caps the total amount that a candidate may accept from all special sources over the course of a two-year segment. You may hear the term "PAC'd out" to explain why a candidate may not accept your contribution. You are not responsible to know when a candidate has reached the special source limit, but the candidate faces a civil penalty if that occurs and they fail to quickly return the excess contribution. The special source limit is why it is very important for a lobbyist to include their registration number with a contribution. A candidate who is fined for going over the special source limit may not be particularly pleased with you if the violation occurred because you didn't provide your registration number.

Bundled contributions are contributions delivered to the candidate or the candidate's committee by someone other than the original contributor. A candidate's committee may not accept contributions delivered by a person if the total of contributions made and delivered by that person exceeds the individual contribution limit for that office.

Will my contribution to a candidate be public knowledge? That depends on the size of the contribution. If the aggregate contributions you make to a state office candidate exceed \$200 in a calendar year, then you will be itemized on the candidate's report as a contributor. A contribution of \$200 or less will not be itemized.

More Questions?

Hard to believe, but you may still have questions that this handbook did not address. When in doubt, please call or email staff for assistance. Contact information for staff is listed on the website at: cfb.mn.gov/contact-us/. This handbook will also be modified periodically to reflect any statutory change, or to incorporate additions or clarification suggested by the lobbying community. Please feel free to email suggestions to the Board's executive director.