

Minnesota

Campaign Finance and Public Disclosure Board Meeting

Friday, January 3, 2020
10:30 A.M.
St. Croix Room
Centennial Office Building

REGULAR SESSION AGENDA

1. Approval of Minutes
 - a. December 4, 2019
2. Chair's Report
 - a. 2020 Meeting schedule
3. Executive director report
4. Advisory Opinion 451 – Gift Prohibition
5. Review of Relevant Court Decisions
 - a. Thompson v. Hebdon, (individual contribution limit)
 - b. Calzone v. Summers, (lobbyist registration and reporting)
6. Enforcement report
7. Review of legislative recommendations
 - a. 2019 recommendations
 - b. Lobbyist registration and reporting
 - c. Political contribution refund program
8. Legal report
9. Other business

EXECUTIVE SESSION

Immediately following regular session

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

.....
**December 4, 2019
St Croix Room
Centennial Office Building**
.....

MINUTES

The meeting was called to order by Chair Leppik.

Members present: Flynn, Haugen, Leppik, Moilanen, Rosen (arrived during chair's report), Swanson

Others present: Sigurdson, Engelhardt, Olson, Pope, staff; Hartshorn, counsel

MINUTES (November 6, 2019)

After discussion, the following motion was made:

Member Moilanen's motion: To approve the November 6, 2019, minutes as drafted.

Vote on motion: Unanimously passed (Rosen absent).

CHAIR'S REPORT

A. 2019 Meeting schedule

The next Board meeting is scheduled for 10:30 a.m. on Friday, January 3, 2020.

B. Verbal report from nomination committee

C. Vote for 2020 Board officers

Chair Leppik reported that the nomination committee, consisting of herself and Member Flynn, had met. Member Flynn said that the committee recommended that for 2020, Member Moilanen be named as chair of the Board and Member Haugen be named as vice-chair.

After discussion, the following motion was made:

Member Leppik's motion: To approve the nomination committee's recommendation that for 2020, Member Moilanen be named as chair of the Board and Member Haugen be named as vice-chair.

Vote on motion: Unanimously passed.

EXECUTIVE DIRECTOR REPORT

Mr. Sigurdson told members that special elections had been scheduled in early 2020 to fill two vacant house seats. Mr. Sigurdson said that staff would be making public subsidy payments and receiving reports for those elections. Mr. Sigurdson also said that demand for training continued to be strong and that staff had held or would hold several compliance and software classes in the coming months. Mr. Sigurdson stated that he and Assistant Director Engelhardt had increased the Board's profile in another way by presenting to groups at Metro State University and the American Bar Association. Finally, Mr. Sigurdson said that staff was busy preparing for January when reports would be due in all three programs administered by the Board.

REPORT ON 2018 RECONCILIATION OF CONTRIBUTIONS

Mr. Sigurdson presented members with a memorandum regarding this matter that is attached to and made a part of these minutes. Mr. Sigurdson reviewed the history of the Board's reconciliation efforts and highlighted the fact that 99.98% of the contributions between registered entities in 2018 now had been reconciled. Mr. Sigurdson acknowledged the efforts of the Board's compliance officer, Melissa Stevens, in achieving this benchmark. Mr. Sigurdson said that Ms. Stevens had worked with 539 committees to ensure that the reports filed with the Board correctly disclosed the contributions that they had made to each other.

ENFORCEMENT REPORT

A. Consent Item

1. Administrative termination of lobbyist Ross Hougham (4469)

Mr. Olson told members that Prison Fellowship Ministries had asked for the administrative termination of Mr. Hougham's lobbyist registration because the principal had severed its relationship with Mr. Hougham on June 28, 2019. Mr. Olson stated that Mr. Hougham had filed a lobbyist disbursement report covering the period through May 31, 2019, and that the principal had stated that Mr. Hougham had not had any lobbying disbursements to report after that date. Mr. Olson said that Board staff had administratively terminated Mr. Hougham's lobbyist registration effective May 31, 2019.

After discussion, the following motion was made:

Member Haugen's motion:	To confirm the administrative termination of lobbyist Ross Hougham.
Vote on motion:	Unanimously passed.

B. Discussion Items

1. Retroactive administrative termination of lobbyist Walid Issa (4187)

Mr. Olson told members that Mr. Issa's former employer, Solomon Strategies Group (SSG), had asked for the administrative termination of Mr. Issa's registrations as a lobbyist for five principals. SSG asked that the terminations be retroactive to June 30, 2017. Mr. Olson said that a reporting lobbyist for four of the principals had filed lobbyist disbursement reports inclusive of Mr. Issa that covered each reporting period through May 31, 2019, and that a former reporting lobbyist for the remaining principal had filed lobbyist disbursement reports inclusive of Mr. Issa that covered each reporting period through May 31, 2018. Mr. Olson stated that SSG had asked Mr. Issa to file termination statements but that Mr. Issa had not done so. Mr. Olson said that Board staff was requesting that Mr. Issa's termination date be June 30, 2017. Member Haugen then noted that the SSG website still listed Mr. Issa as a lobbyist working for that group.

After discussion, the following motion was made:

Member Rosen's motion: To lay the request for the retroactive administrative termination of lobbyist Walid Issa over to the next meeting.

Vote on motion: Unanimously passed.

2. Balance adjustment request - MN Clean PAC (fka MN Wind PAC) (41143)

Mr. Olson told members that starting in 2016, the MN Clean PAC's reported ending cash balance was \$500 lower than the balance in the political committee's bank account. The committee believed it had received a contribution of \$500 in 2016 that was never entered into the Campaign Finance Reporter software. Mr. Olson said that the committee had been unable to ascertain the exact cause of the discrepancy and felt that it had exhausted its means of researching the issue. Mr. Olson stated that the committee was asking that its ending cash balance be adjusted upward by \$500. Mr. Olson said that the committee intended to terminate shortly after the balance discrepancy was resolved.

After discussion, the following motion was made:

Member Leppik's motion: To grant the balance adjustment request of MN Clean PAC (fka MN Wind PAC).

Vote on motion: Unanimously passed.

3. Balance adjustment request - Anselmo (Dario) 4 House (17699)

Mr. Olson told members that in 2018, the Anselmo (Dario) 4 House committee's reported ending cash balance was \$2,552.30 lower than the total balance in the political committee's bank accounts, after accounting for a \$218.39 debit that cleared in early January of 2019. Mr. Olson said that the committee

believed it had received refunds from a media outlet from which it had purchased advertising which might account for a substantial portion of the discrepancy. However, the committee had been unable to ascertain the exact cause of the discrepancy and was asking that its 2018 ending cash balance be adjusted upward by \$2,552.30 from \$1,463.60 to \$4,015.90. Mr. Olson stated that the committee had provided bank statements to Board staff for review and intended to terminate after the balance discrepancy was resolved.

After discussion, the following motion was made:

Member Swanson's motion: To grant Anselmo (Dario) House's balance adjustment request.

Vote on motion: Unanimously passed.

4. Request for a payment plan - Minnesota Gun Owners Political Action Committee (41109)

Mr. Olson told members that the Minnesota Gun Owners Political Action Committee (MNGOPAC) had incurred a total of \$7,000 in late filing fees for seven reports of receipts and expenditures covering 2017 and 2018. Those reports were filed in July 2019 following service of an administrative subpoena upon MNGOPAC's treasurer, Bryan Strawser. Mr. Olson said that the Board had issued findings on October 2, 2019, resolving the investigation of the failure to timely file those reports and had ordered MNGOPAC to pay the late filing fees within 30 days. Mr. Olson stated that \$800 in civil penalties imposed via the same order had been paid and that MNGOPAC had paid \$1,500 of the amount owed for the late filing fees. Mr. Olson said that MNGOPAC was requesting the following payment plan with respect to the remaining balance of \$5,500:

- \$1,500 due 12/31/2019
- \$1,500 due 1/31/2020
- \$1,500 due 2/28/2020
- \$1,000 due 3/31/2020

After discussion, the following motion was made:

Member Moilanen's motion: To grant the Minnesota Gun Owners Political Action Committee's request for a payment plan.

Vote on motion: Unanimously passed.

C. Informational Items

1. Payment of civil penalty for disclaimer violations

Faith in Minnesota Fund, \$6,000

2. Payment of civil penalty for contribution from unregistered association without required disclosure

Minnesota Gun Owners Political Action Committee, \$400
Minnesota Gun Owners Support Fund, \$400

3. Payment of late filing fee for 2017 year-end report of receipts and expenditures

Minnesota Gun Owners Political Action Committee, \$1,000

4. Partial payment of late filing fee for 2018 first quarter report of receipts and expenditures

Minnesota Gun Owners Political Action Committee, \$500

5. Payment of civil penalty for exceeding party unit aggregate limit

Friends for Karla (Scapanski), \$50

6. Payment of civil penalty for exceeding individual contribution limit

AFSCME Council 15 People Fund, \$125

7. Payment of late filing fee for lobbyist disbursement report due 6/17/19

Ashley Gray, \$25

REVIEW OF LEGISLATIVE RECOMMENDATIONS

Mr. Sigurdson presented members with a memorandum regarding this issue that is attached to and made a part of these minutes. Mr. Sigurdson said that he and Member Moilanen had met with the Department of Revenue about the proposal to increase the amount of the political contribution refund (PCR). Mr. Sigurdson stated that the Department had expressed some concerns about the administrative cost of the proposal but also had offered ideas for mitigating those expenses, such as moving to an electronic filing system for the program. Mr. Sigurdson then said that members would need to finalize the proposals by the January meeting at the latest. Mr. Sigurdson stated that he had not met with any legislators yet because the Board had asked him not to do so until there was more consensus on the proposals. Mr. Sigurdson reiterated that any proposals would need bipartisan support to succeed.

Members then discussed the proposals and whether to pursue the technical and policy provisions separately. It was the consensus of the Board to wait until January to decide on the final proposals and course of action. Members did not object to Mr. Sigurdson meeting with legislators to begin general discussions of the potential proposals.

LEGAL COUNSEL'S REPORT

Mr. Hartshorn presented members with a legal report that is attached to and made a part of these minutes. Mr. Hartshorn told members that motions for default judgment soon would be served in the Meyer and Ellingboe matters. Mr. Hartshorn had nothing else to add to the legal report.

OTHER BUSINESS

There was no other business to report.

EXECUTIVE SESSION

The chair recessed the regular session of the meeting and called to order the executive session. Upon recess of the executive session, the chair had the following to report into regular session:

Order denying request for modification of findings, conclusions, and order in the matter of People PAC (MN), The People PAC, and 15 Principal Campaign Committees

Order extending deadline for completion of 2019 audit in the matter of the staff review of the House Republican Campaign Committee (HRCC)

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

Respectfully submitted,

Jeff Sigurdson
Executive Director

Attachments:

Report on 2018 reconciliation of contributions

Memorandum regarding legislative recommendations

Legal report

Order denying request for modification of findings, conclusions, and order in the matter of People PAC (MN), The People PAC, and 15 Principal Campaign Committees

Order extending deadline for completion of 2019 audit in the matter of the staff review of the House Republican Campaign Committee (HRCC)



MINNESOTA

CAMPAIGN FINANCE BOARD

Board Meeting Dates for Calendar Year 2020

Meetings are at **10:30 A.M.** unless otherwise noted.

2020

Wednesday, February 5
(Members Moilanen and Haugen by phone)

Wednesday, March 4

Wednesday, April 1

Wednesday, May 6

Wednesday, June 3

Wednesday, July 1

Wednesday, August 5

Wednesday, September 2

Wednesday, October 7

Wednesday, November 4

Wednesday, December 2



MINNESOTA

CAMPAIGN FINANCE BOARD

Date: December 27, 2019

To: Board Members

From: Jeff Sigurdson, Executive Director

Telephone: 651-539-1189

Re: Executive Director's Report

Personnel

Kevin Lochner has tendered his resignation from the Board's staff, effective January 7, 2020. Mr. Lochner has administered the economic interest statement (EIS) program, and through his hard work the accuracy of the EIS program database and the overall procedures used for the program have improved. Kevin was also instrumental in developing online training videos for all three Board programs.

I am evaluating the current position description to see if there are changes or updates needed before posting the job opening. I anticipate hiring a replacement in February or early March.

Status of Year-end Reports and Annual Certification

Notices of the need to file the 2019 year-end Report of Receipts and Expenditures, the June – July Lobbyist Disbursement Report, and the EIS Annual Certification were all mailed at the end of December. I will be updating the following table in February and March to keep the Board apprised of compliance with the reporting periods.

Program	Notifications Mailed	Due Date	Filed Electronically	Number of Late Reports
Lobbyist	824	1/15/2020		
EIS	2,899	1/27/2020		
Campaign Finance	1,062	1/31/2020		



MINNESOTA

CAMPAIGN FINANCE BOARD

Date: December 23, 2019

To: Board members

From: Jeff Sigurdson, Executive Director

Telephone: 651-539-1189

Re: Advisory Opinion 451 – Gift of Meal to Public Officials

This advisory opinion was requested on December 10, 2019, by Dr. Kathryn Pearson, Associate Professor of Political Science, at the University of Minnesota. Dr. Pearson signed a release making her request and the resulting opinion public data. The request asks if members of the legislature may be provided meals as part of an academic research study that will be conducted by Dr. Pearson and other political scientists. The cost of the study, including the meals, will be paid through a grant from the University of California, San Diego. Additional funding has been requested from other universities and a charitable foundation not located in Minnesota. The current and potential sources of funding for the study are not represented by lobbyists in Minnesota, and do not otherwise meet the definition of a lobbyist principal.

The opinion as drafted states that the gift prohibition in Minnesota Statutes section 10A.071 applies only if the giver is a lobbyist or a lobbyist principal, or if the gift is given at the request of a lobbyist or a lobbyist principal. The draft opinion concludes that because the funding for the study is not derived from a lobbyist or a lobbyist principal, the meals provided to legislators for the study will not violate the gift prohibition in Chapter 10A.

Attachments:

Advisory opinion request

Draft advisory opinion

December 10, 2019

Minnesota Campaign Finance and Public Disclosure Board
Executive Director Jeff Sigurdson

Dear Executive Director Sigurdson:

I am writing to seek an advisory opinion on a research study, “Can Breaking Bread Build Bipartisanship? Social Interactions and Cosponsorship Behavior?” that I am conducting with other political scientists to analyze how social interactions affect how legislators do their jobs. Despite facing important problems, like improving economic conditions and energy security, legislatures in the United States have increasingly been locked in gridlock. Many factors contribute to this deadlock, including polarization, fear of retribution from their voters for compromising, and the legislative schedule; all of these have led to few social interactions between the parties that can humanize the other side and allow members to find common ground. This study assesses whether facilitating social interaction can produce bipartisan collaboration.

I am inviting all members of the Minnesota state legislature to participate. A subset of interested legislators will be randomly selected. This research has been reviewed and approved by an IRB within the Human Research Protections Program (HRPP) at the University of Minnesota.

Legislators who agree will be paired with a legislator or two from the other party and asked to have lunch 3 times during the first month of the legislative session. The records of this study will be kept private. In any sort of report we might publish, we will not include any information that will make it possible to identify a subject. Research records will be stored securely and only researchers will have access to the records. Participation in this study is voluntary. Legislators’ decisions whether or not to participate will not affect their current or future relations with the University of Minnesota.

This study is being funded by a research grant from the University of California, San Diego. With my collaborators, I have applied for additional funding from “Understanding Legislative Negotiation Research Grants” funded by American University and the Hewlett Foundation. My collaborators are also seeking funding from their home universities: Northwestern University and University of California Santa Barbara.

Thank you for providing an opinion in writing so that we can assure legislators that they will not be violating any rules by participating. Please do not hesitate to contact me with any questions at 612-250-9775 or kpearson@umn.edu.

Sincerely,

Kathryn Pearson

Kathryn Pearson
Associate Professor of Political Science
Associate Department Chair
University of Minnesota

State of Minnesota
Campaign Finance and Public Disclosure Board
Suite 190, Centennial Building. 658 Cedar Street. St. Paul, MN 55155-1603

THIS ADVISORY OPINION IS PUBLIC DATA
pursuant to a consent for release of information
provided by the requester

Issued to: Dr. Kathryn Pearson
University of Minnesota
1414 Social Sciences Building
267 – 19th Ave. S.
Minneapolis, MN 55455

RE: Gift of meal to public officials

ADVISORY OPINION 451

SUMMARY

Providing meals to public officials is not a prohibited gift as long as the funding for the meals is from an association that is not a principal in Minnesota, and the meals were not provided to the public officials at the request of a lobbyist or principal.

FACTS

As a professor at the University of Minnesota, Department of Political Science, you request an advisory opinion from the Campaign Finance and Public Disclosure Board based on the following facts which were provided to the Board in a written request and through conversations with Board staff.

1. You and other political scientists are preparing to conduct a research study entitled, "Can Breaking Bread Build Bipartisanship? Social Interactions and Cosponsorship Behavior?" All Minnesota state legislators will be invited to participate in the study. Participation in the study is voluntary.
2. The political scientists who are conducting the study will select legislators to pair with one or more legislators from the opposing party. The paired legislators will be asked to have lunch together three times during the first month of the legislative session. The study will pay for the cost of the meals.
3. The research records generated from the study will be stored securely, and any report that results from the study will not identify legislators who participated. A legislator's decision to participate, or not to participate, in the study will not affect a legislator's relationship with the University of Minnesota.
4. The study is currently funded by a research grant from the University of California, San Diego. Additional funding has been applied for from other universities and a charitable foundation. The current and potential sources of funding for the study are not lobbyist principals in Minnesota.

ISSUE ONE

May the study provide meals to Minnesota legislators without violating the gift prohibition in Minnesota Statutes section 10A.071?

OPINION ONE

Minnesota Statutes section 10A.071 generally prohibits a principal or lobbyist from giving a gift to a public official. A meal is included within the definition of a prohibited gift.¹ However, the prohibition is limited to situations where the gift is provided by a principal or a lobbyist, or at the request of a principal or a lobbyist.

The current source of funding for the study, and the additional potential sources of funding, are not represented by any registered lobbyists in Minnesota, and do not otherwise meet the definition of “principal” as provided in Minnesota Statutes section 10A.01, subdivision 33. Further, the meals are not being provided at the request of any lobbyist or principal. Therefore, providing meals to legislators as a part of the study described in this opinion is not a prohibited gift under Minnesota Statutes section 10A.071.

The Board notes that the University of Minnesota is not listed as a current or potential source of funding for the study. If circumstances change, and the University of Minnesota does provide funding for the study, the meal provided in the study is still not a prohibited gift because the University of Minnesota, as a public higher education system, is not a principal even though it is represented by registered lobbyists.²

Issued: January 3, 2020

Robert Moilanen, Chair
Campaign Finance and Public Disclosure Board

¹ Minnesota Rules 4512.0100, subpart 3.

² Advisory Opinion 224 (January 26, 1996). https://cfb.mn.gov/pdf/advisory_opinions/AO224.pdf



MINNESOTA CAMPAIGN FINANCE BOARD

Date: December 27, 2019

To: Board members

From: Andrew Olson, Legal/Management Analyst

Telephone: 651-539-1190

Re: *Thompson v. Hebdon*, [140 S. Ct. 348](#) (2019) (individual contribution limit)

Alaska's Individual Contribution Limit

Alaska prohibits individuals from giving contributions in excess of \$500 per calendar year to any particular state candidate, or any political group aside from political parties.¹ The limit is the same with respect to candidates for governor, state legislature, judicial office, etc. Individuals who wished to give contributions in excess of that limit filed a lawsuit asserting, in part, that the limit is so low that it violates the First Amendment by preventing candidates, particularly non-incumbents, from waging competitive campaigns. A federal district court upheld the \$500 limit² as did the Ninth Circuit Court of Appeals³.

United States Supreme Court Decision

In November 2019 the United States Supreme Court granted the plaintiffs' petition for a writ of certiorari. Rather than add to the case to its docket, the Court ordered the Ninth Circuit Court of Appeals to reconsider its decision in light of *Randall v. Sorrell*⁴. In *Randall* the United States Supreme Court invalidated Vermont's individual contribution limits as violative of the First Amendment. The Ninth Circuit panel felt that it wasn't bound by *Randall* because that case resulted in highly fractured opinions and only three justices joined the plurality opinion. However, in *Randall* six justices agreed that Vermont's contribution limits violated the First Amendment and five of them joined opinions that explicitly stated that part of the reason the contribution limits were constitutionally infirm is because the dollar amounts were simply too low under *Buckley v. Valeo*⁵.

The individual contribution limits struck down in *Randall* applied to two-year cycles and were \$400 for statewide candidates, \$300 for state senate candidates, and \$200 for state representative candidates. The \$400 limit for statewide candidates, even if increased by 25% to account for inflation, is still effectively about half the size of Alaska's \$500 limit because Alaska's limit applies to each calendar year while Vermont's limits applied to a two-year cycle. Because Alaska's limit is significantly higher than the limits considered in *Randall*, the Ninth Circuit may

¹ Alaska Stat. § 15.13.070 (b).

² *Thompson v. Dauphinais*, 217 F. Supp. 3d 1023 (D. Alaska 2016).

³ *Thompson v. Hebdon*, 909 F.3d 1027 (9th Cir. 2018).

⁴ *Randall v. Sorrell*, 548 U.S. 230 (2006).

⁵ *Buckley v. Valeo*, 424 U.S. 1 (1976).

again uphold Alaska's individual contribution limit upon remand, which may prompt further review by the United States Supreme Court. If the Ninth Circuit instead changes course and strikes down Alaska's \$500 individual contribution limit, the case is much less likely to be revisited by the United States Supreme Court.

Potential Impact on Chapter 10A

There is no immediate impact on the validity of Chapter 10A's individual contribution limits. However, the Court issued a brief per curiam opinion explaining its decision, a couple aspects of which are notable in light of similarities to Chapter 10A.

First, the Court noted that "[t]he lowest campaign contribution limit this Court has upheld remains the limit of \$1,075 per two-year election cycle for candidates for Missouri state auditor in 1998." "That limit translates to over \$1,600 in today's dollars." The Court is referring to *Nixon v. Shrink Missouri Government PAC*⁶ in which the Court considered a limit for a statewide candidate with a two-year election cycle. While Minnesota lacks statewide candidates with a two-year election cycle, the individual contribution limits applicable to state auditor candidates in Minnesota is somewhat similar in that those candidates are limited to a total of \$3,000 per contributor over the course of a four-year cycle, combining the two-year non-election segment and election segment limits of \$1,000 and \$2,000, respectively.

Second, the Court stated that "Alaska's contribution limit is not adjusted for inflation. We observed in *Randall* that Vermont's 'failure to index limits means that limits which are already suspiciously low' will 'almost inevitably become too low over time.'" "The failure to index 'imposes the burden of preventing the decline upon incumbent legislators who may not diligently police the need for changes in limit levels to ensure the adequate financing of electoral challenges.'" While Chapter 10A's aggregate special source contribution limits are indexed to inflation,⁷ the individual contribution limits⁸ and party unit and dissolving principal campaign committee aggregate contribution limits⁹ are static. Alaska's \$500 limit is unique in that the amount is the same as it was in 1996. On the other hand, Chapter 10A's individual contribution limits and party unit and dissolving principal campaign committee aggregate contribution limits were increased considerably in 2013.¹⁰

⁶ *Nixon v. Shrink Missouri Government PAC*, 528 U. S. 377 (2000).

⁷ Minn. Stat. § 10A.27, subd. 11 (the aggregate special source limits are indexed to inflation because they are calculated as a percentage of the expenditure limits codified at [Minnesota Statutes section 10A.25, subdivision 2](#), which are indexed to the Consumer Price Index pursuant to [Minnesota Statutes section 10A.255, subdivision 1](#)).

⁸ Minn. Stat. § 10A.27, subd. 1.

⁹ Minn. Stat. § 10A.27, subd. 2.

¹⁰ [2013 Minnesota Laws Ch. 138, Sec. 44 \(S.F. 661\)](#).



MINNESOTA CAMPAIGN FINANCE BOARD

Date: December 27, 2019

To: Board members

From: Andrew Olson, Legal/Management Analyst

Telephone: 651-539-1190

Re: *Calzone v. Summers*, [942 F.3d 415](#) (8th Cir. 2019) (lobbyist registration and reporting)

Missouri's Lobbyist Registration and Reporting Requirements

Missouri defines lobbyists to include, in relevant part, an individual that attempts to influence any official action of that state's legislature who "[i]s designated to act as a lobbyist by any person ... or other entity."¹ There is no exception for individuals that are designated as lobbyists but do not receive compensation or make lobbying expenditures. Complaints were filed with the Missouri Ethics Commission regarding Ron Calzone, who regularly identified himself as a lobbyist for a nonprofit organization but did not register as a lobbyist. Mr. Calzone filed a lawsuit asserting, in part, that Missouri's definition of lobbyist violates the First Amendment with respect to individuals who do not receive compensation or make any expenditures as part of their lobbyist efforts. A federal district court upheld Missouri's definition, stating that "Missouri's interest in transparency is a sufficiently important governmental interest to justify this statute. Knowing who is operating in the political arena is a valid governmental interest regardless of whether someone volunteers on behalf of a third party or is paid by the third party."²

Eight Circuit Court of Appeals Decisions

On appeal to the Eight Circuit Court of Appeals, the State of Missouri asserted two interests in compelling lobbyist disclosures from the plaintiff. First, it argued that there is an anticorruption interest because non-compensated lobbyists may nonetheless offer things of value to legislators. Second, it argued that there is a transparency interest "in knowing who is pressuring and attempting to influence legislators." An Eighth Circuit Court of Appeals panel initially affirmed the district court 2-1.³ However, the Eight Circuit subsequently vacated that decision and granted rehearing en banc.

In November 2019, the full court applied exacting scrutiny⁴ and held 6-5 that Missouri's definition of lobbyist violates the First Amendment when applied to an individual whose "political

¹ Mo. Stat. § 105.470 (5) (c).

² *Calzone v. Hagan*, No. 2:16-CV-04278, 2017 WL 2772129 (W.D. Mo. June 26, 2017).

³ *Calzone v. Summers*, 909 F.3d 940 (8th Cir. 2018).

⁴ The court noted that there is disagreement as to whether to apply exacting or strict scrutiny to lobbyist disclosure requirements and declined to decide the issue because the as-applied challenge before the court would succeed regardless of which standard was applied.

activities do not involve the transfer of money or anything of value.” The majority concluded that with respect to corruption, the government may only target quid pro quo corruption and the plaintiff’s “political activities do not raise the specter of ‘corruption or its appearance’ ... because Calzone does not spend or receive money, nor offer anything of value to legislators.”

The majority considered the argument that “legislators need to know who is speaking to determine how much weight to give the speech” and that “the public has a right to know who is speaking so that it can hold legislators accountable for their votes and other actions.” The majority rejected those rationales with respect to the plaintiff, stating they “are not ‘sufficiently important’ to justify the burdens placed on Calzone’s speech,” and that “speakers ordinarily have the right to keep their identities private.” The court held that “Missouri’s ‘simple interest in providing voters with additional relevant information does not justify a state requirement that Calzone make statements or disclosures he would otherwise omit’ ... [n]or does legislative curiosity justify upfront disclosure of information that legislators can presumably find out on their own” (internal citations and brackets omitted). The majority stated that the government has a greater transparency interest “when money changes hands,” but because “Calzone’s political activities do not involve the transfer of money or anything of value, either to him or to anyone else, Missouri’s interest in transparency does not ‘reflect the seriousness of the actual burden on his First Amendment rights’” (internal brackets omitted).

Potential Impact on Chapter 10A

There is no direct impact on Chapter 10A because its definition of lobbyist is limited to individuals who, within a calendar year, receive compensation in excess of \$3,000 for, or make expenditures in excess of \$250 (excluding travel expenses and membership dues) on, lobbying efforts.⁵ Another distinguishing factor is that Missouri’s lobbyist registration and reporting requirements are more burdensome than those imposed by Chapter 10A as Missouri requires lobbyists to register and pay a \$10 fee on an annual basis, then file monthly reports.⁶

The majority’s rejection of the argument that lobbyist registration and disclosure requirements are justified by the need of legislators to know who is a lobbyist and what entities are paying for lobbying efforts appears to be limited to instances where those requirements are applied to unpaid individuals who make no lobbying expenditures. The majority cited *United States v. Harriss*, a 1954 United States Supreme Court case in which the Court held that lobbyist registration and reporting requirements did not violate the First Amendment in seeking a “modicum of information from those who for hire attempt to influence legislation or who collect or spend funds for that purpose,” namely, “who is being hired, who is putting up the money, and how much.”⁷ Moreover, a broader version of Chapter 10A’s current definition of lobbyist was upheld by the Eighth Circuit Court of Appeals under *Harriss* following a First Amendment challenge in 1985.⁸

The majority also reached the conclusion that in imposing lobbyist registration and reporting requirements justified by an anticorruption interest, “[t]he government ‘may target only a specific type of corruption—‘quid pro quo’ corruption’—and Calzone’s political activities do not raise the

⁵ [Minn. Stat. § 10A.01, subd. 21.](#)

⁶ [Mo. Stat. § 105.473.](#)

⁷ [United States v. Harriss, 347 U.S. 612, 625 \(1954\).](#)

⁸ [Minnesota State Ethical Practices Bd. v. Nat’l Rifle Ass’n of Am., 761 F.2d 509, 512 \(8th Cir. 1985\)](#) (the definition of lobbyist was broader at that time as it included individuals who were paid any amount to lobby or were authorized by another to spend any amount on lobbying, who also spent in excess of \$250 in a year, or spent in excess of five hours in a month, on lobbying efforts).

specter of ‘corruption or its appearance.’”⁹ In doing so the majority relied on *McCutcheon* which in turn relied on *Davis v. Federal Election Commission*¹⁰ and *Federal Election Commission v. National Conservative Political Action Committee*¹¹. None of those three United States Supreme Court cases dealt with lobbying. Instead, each case dealt with contribution or expenditure limits and the only case that dealt with disclosure was *Davis*, in which the Court struck down a provision that required greater disclosure from self-financed candidates that crossed a specific threshold amount than from other candidates. In *McCutcheon* the majority stated that the “Court has identified only one legitimate governmental interest for restricting campaign finances: preventing corruption or the appearance of corruption.” However, lobbyist registration and reporting requirements do not restrict campaign finances, so it is unclear why *McCutcheon* was construed as limiting the government’s anticorruption interest to quid pro corruption when imposing disclosure requirements rather than restrictions on campaign contributions and expenditures.

Regardless, the Eighth Circuit Court of Appeals noted that its focus on corruption was prompted by Missouri’s reliance on its anticorruption interest in justifying its lobbyist registration and reporting requirements. The court stated that it does not “question that there are other interests that can justify compelled-disclosure laws.” There are indications that the State of Missouri will appeal this decision.

⁹ *Calzone v. Summers*, 942 F.3d 415, 424 (8th Cir. 2019) (quoting *McCutcheon v. Fed. Election Comm’n*, 572 U.S. 185, 206–07 (2014)).

¹⁰ *Davis v. Fed. Election Comm’n*, 554 U.S. 724, 741 (2008).

¹¹ *Fed. Election Comm’n v. Nat’l Conservative Political Action Comm.*, 470 U.S. 480, 496–97 (1985).



MINNESOTA

CAMPAIGN FINANCE BOARD

Date: December 27, 2019

To: Board members
Counsel Hartshorn

From: Andrew Olson, Legal/Management Analyst

Subject: Enforcement report for consideration at the January 3, 2020 Board meeting

A. Discussion Items

1. Retroactive administrative termination of lobbyist Walid Issa (4187)

Mr. Issa's former employer, Solomon Strategies Group (SSG), requested the administrative termination of Mr. Issa's registrations as a lobbyist for five principals. SSG requested that the terminations be retroactive to June 30, 2017. A reporting lobbyist for four of the principals filed lobbyist disbursement reports inclusive of Mr. Issa covering each reporting period through May 31, 2019, and a former reporting lobbyist for the remaining principal filed lobbyist disbursement reports inclusive of Mr. Issa covering each reporting period through May 31, 2018. SSG has asked Mr. Issa to file termination statements but he has not done so. In December 2018 the Board laid over this request and directed staff to ask SSG to remove references to Mr. Issa from its website. SSG's website has since been updated to remove references to Mr. Issa. Board staff is requesting that Mr. Issa's termination date be June 30, 2017.

B. Waiver Requests

#	Committee/ Entity	Late Fee/ Civil Penalty	Report Due	Factors	Most Recent Balance	Prior Waivers
1	Together Minnesota	\$1,300 LFFs	3 2018 pre- primary 24-hour notices (2 were late, 1 was never received)	<p>IE committee registered during the pre-primary 24-hour notice period on 8/7/2018, one day after it received a contribution of \$15,000, so it was required to file a 24-hour notice the same day it registered. Treasurer filed an underlying source disclosure statement on 8/10/2018 for the contribution received 8/6/2018 and thought that the statement satisfied the 24-hour notice requirement. Treasurer thought a contribution of \$3,000 received 8/9/2018 did not necessitate a 24-hour notice because unregistered associations are only required to provide underlying source disclosure statements to IE committees and funds if they give \$5,000 or more within a calendar year. Two contributions in excess of \$1,000 were deposited 8/13/2018, the last day of the pre-primary 24-hour notice period. Treasurer states that he should have reported those contributions as having been received 8/14/2018, as that was the date the funds became available in the committee's bank account, and that would have prevented the committee from having to file 24-hour notices for those contributions. However, Minnesota Statutes section 10A.15, subdivision 2a, states that a contribution not made through electronic means is received for reporting purposes when the contribution is physically received, not when it is deposited, and the definition of contribution includes negotiable instruments, so the contributions had to have been received on or before 8/13/2018. Treasurer uses an Apple computer and thus files paper reports of receipts and expenditures. He apparently didn't realize until 8/13/2018 that 24-hour notices may be filed electronically via the Board's website and 24-hour notices were filed for three of the contributions in excess of \$1,000 received during the 24-hour notice period on that day. One of those notices was timely filed while the other two resulted in LFFs of \$200 and \$100 based on the date the contributions were received. No 24-hour notice was received regarding one of the contributions dated 8/13/2018, resulting in an LFF of \$1,000.</p> <p>The Board typically reduces \$1,000 24-hour notice late fees for first-time violations to \$250.</p>	\$360	No

C. Informational Items

1. Payment of late filing fee for 2018 pre-general report of receipts and expenditures

People PAC, \$800

2. Payment of late filing fee for lobbyist disbursement report due 6/17/2019

Robert Doar, \$100

Bob Carney Jr., \$75

Martin McDonough, \$100

Christopher Parsons, \$25

Waller, Marcia (CFB)

From: Jim Erickson <jim@solomonssg.com>
Sent: Tuesday, November 05, 2019 2:53 PM
To: Waller, Marcia (CFB)
Subject: Walid Issa Termination

Importance: High

Marcia,

As we discussed during my recent visit to your office, WALID ISSA no longer works with me at SSG. He returned to Palestine in 2018. Although I have had a few conversations since, he is very hard to communicate with. He has assured me more than once that he would file Termination reports on the five SSG clients that he registered for. As you know, he has not done so. I am submitting this request to terminate all Walid Issa filings on his behalf. He has authorized me to do so. At least one of my clients has also requested this action.

Accordingly, as you suggested, I am submitting this information and my request in the hope that the Board staff can administratively terminate Walid Issa's five client registrations, effective June 30, 2017. That is my formal request. If you need more details in the event that Board action is necessary, please let me know.

Thank you for helping correct the Board's records. Please be advised that I will also terminate my registration with two of those clients, QSR and SeaChange, in my next filing.

Jim



Solomon Strategies Group

Strategic Governmental Relations, Lobbying and Business Consulting.
"Creating Opportunities, Addressing Challenges"

James C. Erickson
Founder and President
c: 612.325.3009
SolomonSSG.com

MEMORANDUM

To: Minnesota Campaign Finance and Public Disclosure Board
C/o Megan Engelhardt
From: Hubert "Buck" Humphrey
Date: 12/4/19
RE: Response to the MCFPDB's October 4th disclosures letter to Together Minnesota
-Addendums A, B, C & D

Megan,

As Treasurer of Together Minnesota (T-MN), I am in receipt of the Board's letter to me (10.4.19). I have read the Board's complaint and findings. In response to the recommended action and fines, I respectfully ask the Board to waive or reduce the filing fees assessed to T-MN based on the following.

1. The Board's assertion that T-MN did not file timely reports of contributions within the 24-hour window does not reflect the difficulties in filing for our organization and the receipt date of contributions reported to the Board.
2. Because this is the first time T-MN or me, as our Treasurer, has ever reported for an independent expenditure committee in Minnesota and because of a misunderstanding and a misreading of the dates associated with the 24-hour reporting rules, we made errors in reporting to the Board. In addition, T-MN believed, at the time of reporting, that we had complied with reporting requirements by reporting the Blodgett and Sabes in our 4th Receipts and Expenditure report of September 25th, 2018.

We now understand the 24-hour reporting requirements, contribution thresholds and dates. We will correctly report moving forward.

Context for understanding what happened with the reporting issues during the 2018 election cycle that are mentioned in the Board's October 4th letter to T-MN:

1. In order to open/establish an Independent Expenditure Committee in Minnesota one first has to draw up articles of incorporation and make other organization structure and leadership decisions. You then have file the SOS, open a bank account, obtain an EIN number, file with the MCFPDB, establish an address, among other things. In our efforts become operational and also try to report our first contribution electronically with the MCFPDB, T-MN had several challenges.

In an effort to comply with Minnesota campaign disclosure requirements, we registered T-MN with the MCFPDB on August 7th, had email conversations with Marcia Waller and MCFPDB colleagues from August 8th - 12th (Addendum B) to gain access to the e-filing system so that we could file the Key Investment disclosure within the allotted timeframe.

Subsequently, the MCFB and T-MN agreed that because I/our Treasurer was using an Apple computer to file-report and because the MCFB e-reporting system does not function with Apple computers, I/T-MN would need to file paper reports. The MCFB issued a waiver to T-MM/me to file in a paper manner going forward from August 10th. On the 10th of August, T-MN reported the Key Investment contribution to the Board that we had received the contribution, filing it as soon as we could.

2. T-MN/I mistakenly believed the Borman contribution, received on August 9th did not meet the MCFB requirement/24-hr rule because it was for less than \$5,000 (the Borman contribution was for \$3,000). T-MN believed, based on the donor-contribution form (addendum B), that the Borman check did not need to be reported within the 24-hr rule based on the contribution limit/amount listed on the form for reporting anything equal to \$5,000 or more.

However, T-MN/I now know that the contribution limit threshold is \$1,000 for 24-hr for the Committee to report and that the \$5,000 limitation is for donor reporting. T-MN proactively tried to comply with all MFCPDB reporting laws and requirements to disclose contributions, but, in the case of the Key Investment and Borman contributions, we filed as soon as we possibly could, with the technical e-reporting and waiver issues we were faced with and the misunderstanding of the contribution limit for reporting within 24 hrs.

3. The Minnesota Primary was held August 14th, 2018, contributions to T-MN, other than the Key Investment and Borman contributions, were "received" by T-MN in our bank account on or after the 14th.

The Blodgett and Sabes contributions were listed in error on the T-MN 4th Receipts and Expenditures report to the Board of September 25th, 2018 as being received on the 13th and deposited that day. However, it is our understanding that because the funds from the checks deposited on the 13th were not in our account until the 14th, that we were not obligated to report those contributions until our/T-MN's 4th Receipts and Expenditure report (9/25/18) report was due, which we did. All other contributions were received on or after the 14th and were reported on the September 25th report to the Board, per MCFB schedule guidelines, which we did. I note we/T-MN has been in communication with Board staff to work through our reporting issues throughout.

4. In the case of the two contributions from Blodgett and Sabes that technically were deposited on the 13th, probably should have been reported to the Board as being received on the 14th, and thus T-MN would have been in compliance with the reporting requirements - reporting both these contributions on T-MN's report of the 25th of September - and there would be no violations.

We respectfully ask that you eliminate or significantly reduce the late filing fees assessed in all matters concerned in your letter of October 4th. If there are fines/fees assessed, we ask that they be minimal based on the fact that T-MN/I believed we had complied with the reporting-disclosure requirements and we made every effort to do so with the MCFPDB.

Please let me know if you would like to discuss, have any questions or need additional information.

Thanks,

Hubert "Buck" Humphrey
Together Minnesota
C-612.889.6515

Campaign Finance and Public Disclosure Board

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

Date: August 8, 2018

To: Buck Humphrey
Together Minnesota
4190 Vinewood Ln N Ste 111-205
Plymouth, MN 55442

Committee name: Together Minnesota
Registration number: 41204

Dear Treasurer,

Thank you for using the Campaign Finance Reporter software. The current software version is 2.4.9 for Windows.

Your committee has been assigned the following username and password so that Campaign Finance Reporter can communicate with the Board's data server:

Username: [REDACTED] Password: [REDACTED]

Software installation:

If you are already using a previous version of Campaign Finance Reporter, you should make a backup of your committee data before installing the new version. Instructions are on page 44 of the User Guide, which is available on the Board's website.** We recommend that you accept the default path for installation unless you have a particular reason to change it.

If you are a new user:

After you complete installation of the application, you will create your new committee file. Refer to the instructions in the User Guide. After you create your committee, you will receive a message that you must download data from the Board. To do this, you must complete the following two tasks: (1) Select "Tools", then "Options" under the menu items, then enter your username and password in the "File Transfer" tab. Click the OK button to save this information; and (2) once you have completed step 1, select "Tools", then "File Transfer" under the menu items to download information from the Board.

After you start the application:

You should regularly do a download of all data from the Board to be sure you have the most up-to-date information. The current version and service pack number is 2.4.9, service pack 30.

If you need software support, please call Gary Bauer at 651-539-1185 or 800-657-3889.

** You can download the newest software and view software training videos and other related resources at the Board's website www.cfb.mn.gov, click on Filer Resources under Self Help, Education and Tools.

Thought for all IE's re 24 hr rule.

CONDITIONS WHEN ADDITIONAL DISCLOSURE IS REQUIRED

A corporation or other unregistered association that uses membership fees, membership dues, and donations from individuals and other corporations or associations to fund contributions to independent expenditure committees and funds will need to complete this statement and Schedule A1 when the aggregate total of all contributions to independent expenditure committees and funds registered in Minnesota equals or exceeds \$5,000.

If the aggregate total or all contributions to independent expenditure committees and funds registered in Minnesota is less than \$5,000, or the contribution which is the subject of this disclosure form was derived solely from the operation of a business, this statement is optional. However, you should complete and provide the first page of this statement to the independent expenditure committee or fund that received the contribution so that the committee or fund has documentation that no underlying source disclosure is required for your contribution.

TIMELINES FOR PROVIDING DISCLOSURE TO RECEIPT COMMITTEE

The disclosure must be provided to the recipient committee or fund no later than the due date on which the independent expenditure committee or fund must file the next Report of Receipts and Expenditures with the Board. Usually that allows ample time for a donor to provide a disclosure statement to the recipient committee. The following is a listing of report due dates for committees and funds in 2018.

Deadlines for providing disclosure statements to recipient independent expenditure committees and funds:

Date Contribution is Received by Independent Expenditure Committee or Fund	Date by Which Independent Expenditure Committee or Fund Must Report Contribution to the Board	Date by Which Corporation or Other Unregistered Association Should Provide Disclosure Statement to Independent Expenditure Committee or Fund
January 1, through March 31, 2018	April 16, 2018	April 15, 2018
April 1, through May 31, 2018	June 14, 2018	June 13, 2018
June 1, through July 23, 2018	July 30, 2018	July 29, 2018
July 24, through August 13, 2018, contributions of \$5,000 or more must be reported to the Board within 24 hours along with a copy of this statement.	Within 24 hrs of receipt of contribution.	Statement should accompany contribution.
August 14, through September 18, 2018	September 25, 2018	September 24, 2018
September 19, through October 22, 2018	October 29, 2018	October 28, 2018
October 23, through November 5, 2018, contributions of \$5,000 or more must be reported to the Board within 24 hours along with a copy of this statement.	Within 24 hrs of receipt of contribution.	Statement should accompany contribution.
November 6, through December 31, 2018	January 31, 2019	January 30, 2019

PENALTY FOR FAILURE TO PROVIDE STATEMENT IN A TIMELY MANNER

The penalty for failure to provide this (or equivalent) disclosure statement to a recipient committee or fund in a timely manner is up to four times the amount of the contribution, not to exceed \$25,000

Addendum C

----- Forwarded message -----

From: Waller, Marcia (CFB) <marcia.j.waller@state.mn.us>
Date: Wed, Aug 8, 2018 at 3:15 PM
Subject: RE: ? re registering an IE
To: Buck Humphrey <hubert4@gmail.com>

I have attached the letter for you.

Marcia J Waller

Programs Administrator

Campaign Finance and Public Disclosure Board

658 Cedar Street, Suite 190

St Paul MN 55155

Tel: 651-539-1187

Fax: 651-539-1196

Website: www.cfb.mn.gov

From: Buck Humphrey <hubert4@gmail.com>
Sent: Wednesday, August 08, 2018 2:46 PM
To: Waller, Marcia (CFB) <marcia.j.waller@state.mn.us>
Subject: Re: ? re registering an IE

Yes, I'm trying to report within the time allowed the donation I deposited. We're within the "real-time" reporting window of the year, so am hoping to report today. I haven't received my mail yet so the registration letter with the UN/PW info may or may not arrive. If it's not too much trouble, if you could send me my UN and PW to report online, I would appreciate it.

Thanks,

Thanks,

Buck Humphrey
C-612.889.6515

On Wed, Aug 8, 2018 at 2:32 PM Waller, Marcia (CFB) <marcia.j.waller@state.mn.us> wrote:

I did send that password letter along with the confirmation letter in the mail yesterday. You should get it soon.

Do you want the password now?

Marcia J Waller

Programs Administrator

Campaign Finance and Public Disclosure Board

658 Cedar Street, Suite 190

St Paul MN 55155

Tel: 651-539-1187

Fax: 651-539-1196

Website: www.cfb.mn.gov

From: Buck Humphrey <hubert4@gmail.com>

Sent: Wednesday, August 08, 2018 2:31 PM

To: Waller, Marcia (CFB) <marcia.j.waller@state.mn.us>

Subject: Re: ? re registering an IE

Marcia, please send me my user name and password for the online reporting system so that I can report donations to Together MN with the CFB.

Thanks,

Buck Humphrey
C-612.889.6515

On Wed, Aug 8, 2018 at 10:19 AM Buck Humphrey <hubert4@gmail.com> wrote:

Thanks

Buck Humphrey
c.612.889.6515

On Wed, Aug 8, 2018, 10:10 AM Waller, Marcia (CFB) <marcia.j.waller@state.mn.us> wrote:

Buck Humphrey,

I am sorry, I am not familiar enough with the contribution form, please consult Jodi Pope or Melissa Stevens.

The registration number is 41204, and the confirmation letter to you is in the mail.

Marcia J Waller

Programs Administrator

Campaign Finance and Public Disclosure Board

658 Cedar Street, Suite 190

St Paul MN 55155

Tel: 651-539-1187

Fax: 651-539-1196

Website: www.cfb.mn.gov

From: Buck Humphrey <hubert4@gmail.com>
Sent: Wednesday, August 08, 2018 9:02 AM
To: Waller, Marcia (CFB) <marcia.j.waller@state.mn.us>
Subject: Re: ? re registering an IE

Marcia,

Contributors need to fill out the attached form for contributions over \$5,000, correct. And then do I submit the form to the board as Treasurer of the IE or does the contributor submit the form?

Also, can you tell me what the Together Minnesota IE registration number is?

Thanks

Buck Humphrey
C-612.889.6515

On Tue, Aug 7, 2018 at 2:02 PM, Buck Humphrey <hubert4@gmail.com> wrote:

Thanks

Buck Humphrey
C-612.889.6515

On Tue, Aug 7, 2018 at 1:42 PM, Waller, Marcia (CFB) <marcia.j.waller@state.mn.us> wrote:

Buck Humphrey,

I am not sure about those restrictions. Please consult with Jodi Pope, our Management Analyst.

Her contact information is jodi.pope@state.mn.us or 651-539-1183

Marcia J Waller

Programs Administrator

Campaign Finance and Public Disclosure Board

[658 Cedar Street, Suite 190](#)

[St Paul MN 55155](#)

Tel: 651-539-1187

Fax: 651-539-1196

Website: www.cfb.mn.gov

From: Buck Humphrey <hubert4@gmail.com>

Sent: Tuesday, August 07, 2018 1:07 PM

To: Waller, Marcia (CFB) <marcia.j.waller@state.mn.us>
Subject: Re: ? re registering an IE

Marcia, can an IE committee expressly state in broadcast or written materials direct "vote-for" statements such as "That's why we ask you to vote for "candidate x..." or "Vote for "candidate Y..."?

Buck Humphrey
C-612.889.6515

On Tue, Aug 7, 2018 at 12:26 PM, Buck Humphrey <hubert4@gmail.com> wrote:

Please see revised registration attached.

Thanks,

Buck Humphrey
c.612.889.6515

On Tue, Aug 7, 2018, 12:07 PM Waller, Marcia (CFB) <marcia.j.waller@state.mn.us> wrote:

Yes, can you add that to your registration form and re-submit please?

Thank you.

Marcia J Waller

Programs Administrator

Campaign Finance and Public Disclosure Board

[658 Cedar Street, Suite 190](#)

[St Paul MN 55155](#)

Tel: 651-539-1187

Fax: 651-539-1196

Website: www.cfb.mn.gov

From: Buck Humphrey <hubert4@gmail.com>
Sent: Tuesday, August 07, 2018 12:06 PM
To: Waller, Marcia (CFB) <marcia.j.waller@state.mn.us>
Subject: Re: ? re registering an IE

Thanks. I will also be the Chair of the organization. Is that permissible?

Buck Humphrey
C-612.889.6515

On Tue, Aug 7, 2018 at 12:04 PM, Waller, Marcia (CFB) <marcia.j.waller@state.mn.us> wrote:

Buck Humphrey,

I have received your IE political committee registration and will process soon. For a political committee, the office of chair is required. Please provide the name and information for the chair.

For reporting, our software will run on a MAC, if you have a windows operating system. You can contact Gary Bauer if you have questions about that. Otherwise, you can file by paper if you submit a waiver request.

I will await the chair information.

Thank you.

Marcia J Waller

Programs Administrator

Campaign Finance and Public Disclosure Board

[658 Cedar Street, Suite 190](#)

[St Paul MN 55155](#)

Tel: 651-539-1187

Fax: 651-539-1196

Website: www.cfb.mn.gov

From: Buck Humphrey <hubert4@gmail.com>
Sent: Tuesday, August 07, 2018 11:54 AM
To: Waller, Marcia (CFB) <marcia.j.waller@state.mn.us>
Subject: Re: ? re registering an IE

Thanks.

Please see the attached registration for Together Minnesota. If I have not filled the registration out correctly

or you need additional information, please let me know.

Also, for reporting, I do not have access to a Windows based/PC computer. Is there a reporting software version for an Apple? If not, how should I report in real time?

Thanks for all your time and help.

Buck Humphrey
C-612.889.6515

On Tue, Aug 7, 2018 at 11:49 AM, Waller, Marcia (CFB) <marcia.j.waller@state.mn.us> wrote:

Buck Humphrey,

A committee registration would be directed to me.

Marcia J Waller

Programs Administrator

Campaign Finance and Public Disclosure Board

[658 Cedar Street, Suite 190](#)

[St Paul MN 55155](#)

Tel: 651-539-1187

Fax: 651-539-1196

Website: www.cfb.mn.gov

From: Buck Humphrey <hubert4@gmail.com>
Sent: Tuesday, August 07, 2018 11:43 AM
To: Waller, Marcia (CFB) <marcia.j.waller@state.mn.us>
Subject: ? re registering an IE

Marcia,

Can you please let me know who I should direct an IE political committee registration to at the CFB?
Please send me their contact information.

Thanks,

Buck Humphrey
C-612.889.6515



Buck Humphrey <hubert4@gmail.com>

Request for E Filing waiver

Buck Humphrey <hubert4@gmail.com>

Fri, Aug 10, 2018 at 4:32 PM

To: jodi.pope@state.mn.us

Cc: "Waller, Marcia (CFB)" <marcia.j.waller@state.mn.us>

Jodi,

I was able to speak with Gary and then John. Unfortunately, there is not a "real time" online solution for me to submit contribution information and because I only have access to a MAC (non-PC Windows based OS) computer, I am submitting the attached waiver for E-filing receipt of our contributions.

Our first contribution CFB form is attached so that the CFB (you) has it. I wanted to get it to you as soon as possible so that we are complying with the "real time" reporting. Moving forward, I will submit within the next business day the information requested on the form of any contribution and then make sure to have the contribution information included in my next report.

Of course, if you have a different way you would like me to report (other than PDF to you, or sooner than 1 business day) please let me know. Thanks for all your help.

Buck Humphrey
C-612.889.6515

2 attachments**Together MN_41204_Request for Waiver of E filing.pdf**

1201K

**V.Opperman-Key Investment_IE contribution form MN_Together MN_8.18.pdf**

510K

Campaign Finance and Public Disclosure Board

190 Centennial Office Building, 658 Cedar St, St Paul, MN 55155

<https://cfb.mn.gov/>

2018 Disclosure Statement for Corporations and other Unregistered Associations Contributing to Independent Expenditure Committees and Funds

FILING INSTRUCTIONS

- This statement must be provided to the independent expenditure committees and funds prior to the date on which the recipient committee or fund initially reports the contribution to the Board.

DONOR INFORMATION

Unregistered association name Vance K. Opperman c/o Key Investment	Name of officer responsible for this statement Vance K. Opperman
Address 225 South Sixth Street, Suite 5200	Email address of officer vopperman@keyinvestment.com
City, state, and zip Minneapolis, MN 55402	Telephone number of officer (Daytime) 612-333-6700

INFORMATION ON CONTRIBUTION TO INDEPENDENT EXPENDITURE COMMITTEE OR FUND

Recipient independent expenditure committee or fund name Together Minnesota	Registration number 41204	Date of contribution 8-6-18	Amount of contribution 15,000.00
Address 4190 Vinewood Lane N., #111-205	For an in-kind contribution provide a brief description of the item or service given:		
City, state, and zip Plymouth, MN 55442			

STATEMENT OPTIONS

Check one of the boxes below. If both the first and second boxes apply to your contribution check only the first box.

1. **Only business revenue was used to fund the contribution.** Check this box if only business revenue was used for the contribution. Only this page of the statement is provided to the recipient if the contribution was derived from business revenue.
2. **The donor has not contributed \$5,000 or more to independent expenditure committees or funds this calendar year.** Check this box if the donor has contributed less than \$5,000 in aggregate to all independent expenditure committees and funds in Minnesota in 2018. Only the disclosure information on this page of the statement is provided to the recipient if aggregate contributions are less than \$5,000.
3. **The donor used membership fees, membership dues, or contributions received from individuals or other corporations and associations to fund the contribution.** Check this box if aggregate contributions to independent expenditure committees and funds in Minnesota equal \$5,000 or more, and business revenue was not used as the source of funding for the contribution. Schedule A1 of this statement must be completed and provided to the recipient committee.

CERTIFICATION

I, Vance K. Opperman, certify that this statement is complete, true, and correct.
Print or type name

Vance K. Opperman
Signature of Officer

8-7-18
Date

Any person who signs and certifies to be true a 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.

This document is available in alternative formats to individuals with disabilities by calling 651-539-1180; 800-657-3889; or through the Minnesota Relay Service at 800-627-3529.



MINNESOTA

CAMPAIGN FINANCE BOARD

Date: December 27, 2019

To: Board Members

From: Jeff Sigurdson, Executive Director

Telephone: 651-539-1189

Re: Possible Legislative Recommendations

Attached to this memo for your reference are the 2019 legislative recommendations as provided to the legislature, public comments received this fall on the 2019 recommendations, the statutory recommendations related to the lobbying program, and the statutory change needed to increase the state refund available to donors through the political contribution refund program.

I have continued to discuss the lobbying proposal with the Minnesota Governmental Relations Council (MGRC) and lobbyists not affiliated with that organization. As of the date of this memo I have not received the results of the MGRC member survey on the lobbying proposal. However, informally I have been told that the proposed reporting requirement for each lobbying action that accounted for 10% or more of a lobbyist's effort on behalf of the principal is seen as too burdensome. The same concern was expressed by lobbyists not affiliated with the MGRC.

In response I have modified the proposal to report lobbying actions that account for 25% or more of the lobbying effort on behalf of the principal. This reduces the potential maximum number of reported actions from ten to four. I hope this change will be seen as a compromise that reduces the overhead for the lobbyist but that still provides the public with information on the major lobbying efforts made on behalf of the principal. As a practical matter, reporting ten lobbying actions might have diluted the disclosure provided by listing actions that were clearly secondary to the main focus of the principal.

As an additional compromise I am also recommending that the lobbyist report the specific lobbying actions that account for 25% or more of the overall lobbying effort for a client, but not report the specific percentage of time for each action. The lobbyists I spoke to generally thought that reporting the major lobbying actions on behalf of a client was a clear requirement. However, reporting the specific percentage of effort, for example did an action require 27% or 32% of a lobbyist's time, was of concern both from a tracking stand point and because reporting specific percentages could be the basis for complaints that would be hard to refute given the nature of lobbying.

Another issue brought up in discussions with lobbyists is the growing use of former legislators to gain access to public officials for lobbying. Once the former legislator arranges a meeting, the former legislator either does not attend the meeting, or does not speak on the lobbying issue at the meeting.

Under current statute, an individual who is paid a fee for providing access is not required to register as a lobbyist, and the fee paid for access is not specifically a reportable lobbying disbursement. This seems to me to be a gap in the reporting of lobbying activities that should be addressed. The modified proposal changes the definition of lobbyist to include individuals who are paid more than \$3,000 in total to gain access to public or local officials. If the Board is uncomfortable with that approach the alternative would be to modify the description of reportable expenses to specifically include this type of activity. The changes to the lobbying proposal that Board members have not seen before are highlighted in yellow.

I hope to have verbal updates on the MGRC survey and the interest of the Governor's office at the January meeting.

Attachments

2019 legislative recommendations

Public comments on 2019 recommendations

Lobbyist program recommendations

Political contribution refund recommendation



MINNESOTA CAMPAIGN FINANCE BOARD

2019 Legislative Recommendations from the Campaign Finance and Public Disclosure Board

The Board has identified the following subjects that would benefit from a statutory change or clarification.

Economic interest statement program – technical proposals

While administering the economic interest statement (EIS) program the Board has identified the following problematic areas that would benefit from statutory change or clarification. In the Board's view these proposals are technical in nature because they do not dramatically affect the disclosure provided to the public by the EIS forms. The suggested statutory language for the proposals is provided in attachment A.

- **Raising the dollar-level threshold for disclosure of honoraria.** Currently the annual EIS requires disclosure of each honorarium of over \$50 in the year covered by the statement. That amount has not been adjusted for inflation in decades (set in 1974), and could be increased to \$250 without affecting meaningful disclosure. A \$250 threshold for honoraria would conform to the threshold for disclosing other sources of compensation.
- **Ensure that Minnesota State Colleges and Universities trustees and its chancellor continue to file economic interest statements.** MNSCU trustees and the chancellor are currently filing EIS statements as public officials. However, it appears that a 2002 change in the definition of public official inadvertently excluded the MNSCU trustees and chancellor from the requirement to file the EIS statement, and from the gift prohibition. In other words, their disclosure is being provided voluntarily. Given that the MNSCU Board makes decisions regarding the expenditure of millions of dollars in public funds the Board believes that EIS disclosure should be required for these positions.
- **Eliminate requirement that local governments provide a notice of appointment for local officials to the Board.** Local governments in the metropolitan area are to notify the Board whenever they hire, or accept an affidavit of candidacy from, a local official who is required to file a statement of economic interest with that local entity. The Board, however, never uses this information because local officials do not file with the Board. Most local governments do not bother to file the notice, and even if they did the information would not have practical value.
- **Standardize economic interest statement reporting periods.** Minnesota Statutes section 10A.09, subdivision 6, clearly spells out the reporting period for the annual EIS. There is no such language defining the reporting period for an original statement. This creates confusion among filers and, in some cases, inconsistent disclosure between public officials. Additionally, EIS forms are divided into five disclosure schedules. For an original statement none of the schedules have the same reporting period.

Standardization of the reporting period requirement would simplify completing the statement, and help staff's support of clients completing the statement.

Economic interest statement program – policy proposals

The Board believes that the economic interest statement (EIS) program requires disclosure that in some cases is unnecessary, and in other cases is insufficient, to alert the public of a possible conflict of interest. The following recommendations represent policy changes that would significantly alter the disclosure provided in the EIS form. The suggested statutory language for the proposals is included in attachment B.

- **Establish a two-tiered disclosure system.** The disclosure required for soil and water conservation district supervisors and members of watershed districts and watershed management organizations is excessive given their limited authority. In a two-tiered system, members of these boards and districts would disclose their occupation, sources of compensation and non-homesteaded property owned in the state. The members of these boards and districts would not disclose securities or professional or business categories.
- **Require public and local officials to disclose direct interests in government contracts.** This new disclosure would consist of a listing of any contract, professional license, lease, franchise, or permit issued by a state agency or any political subdivision of the state to the public official as an individual, or to any business in which the public official has an ownership interest of at least 25 percent.
- **Expand EIS disclosure to include beneficial interests that may create a conflict of interest.** The Board believes that the EIS program provides the public with disclosure of assets held directly by an official that may create a conflict of interest when conducting public business. However, the EIS program does not require disclosure of assets owned by another even when those assets will provide direct financial benefit to the public official because of a contract or relationship between the public official and the owner of the asset. To address this gap in disclosure the Board recommends expanding disclosure to include the official's "beneficial interest" in assets owned by another.

Campaign finance program – technical proposals

The Board has identified the following issues related to the administration of the campaign finance program that would benefit from statutory change or clarification. In the Board's view this section of proposals are technical in nature because they do not raise new issues or dramatically affect the disclosure provided to the public through the program. The suggested statutory language for each proposal is provided in attachment C.

- **Eliminate the contribution statement from Enterprise Minnesota, Inc. members.** Minnesota Statutes section 116O.03, subdivision 9, and section 116O.04, subdivision 3, require members of the Enterprise Minnesota, Inc. board of directors and its president to file statements with the Campaign Finance Board showing contributions to any public official, political committee or fund, or political party unit. These statements must cover

the four years prior to the person's appointment and must be updated annually. The contributions that require itemization on these statements are already reported by the recipient committee to the Campaign Finance Board or, for county commissioners, to the county auditor. This disclosure therefore is at best repetitive. The Board is also not sure why this disclosure is required only of members of the Enterprise Minnesota, Inc. board of directors and its president, and for consistency, recommends eliminating the requirement.

- **Affidavit of contribution deadline.** Minnesota Statutes section 10A.323, provides that the affidavit of contributions required to qualify for a public subsidy payment must be submitted "by the deadline for reporting of receipts and expenditures before a primary under section 10A.20, subdivision 4." The cross reference to section 10A.20 subdivision 4, is incorrect as the deadline for submitting the pre-primary report is set in section 10A.20, subdivision 2. This change would correct the cross reference error.
- **Update acceptable multicandidate political party expenditures.** Political parties are provided five specific multicandidate expenditures that do not count either as a contribution to any candidate, or as an independent expenditure. One of the five multicandidate political party expenditures is funds spent operating a phone bank as long as the calls to potential voters include the name of three or more individuals who will appear on the ballot. The Board's recommendation is to update this expenditure to include direct text message services, direct voice mail services, and e-mails that meet the same standard of naming three or more individuals who will appear on the ballot.
- **Eliminate disclosure requirement for in-kind contributions between the federal and state committees of same political party.** Generally, an association not registered with the Board is required to provide underlying disclosure on the source of funds used for a contribution to a registered committee. Under current statute an exception to this requirement is made when the national committee of a political party (which is an unregistered association in Minnesota) contributes to the Minnesota state central committee of the same party. The Board recommends extending this exception to include in-kind contributions made from a federal political party unit to a political party unit registered in Minnesota. The contributors to the federal party unit are already reported to the FEC, and federal contributions are more limited than contributions that may be accepted by the state party unit. Further the public is not gaining meaningful disclosure when, for example, the federal committee for the Republican Party of Minnesota is required to provide disclosure reports to the state central committee for the Republican Party of Minnesota for the in-kind donation of shared office space and staff costs.
- **Allow unregistered associations to provide disclosure statements in writing or through a government web address.** Currently, an unregistered association that makes a contribution of over \$200 to a candidate committee, political committee or fund, or political party unit, must provide a written disclosure statement with the contribution. The disclosure statement provides information on the finances of the unregistered association in detail that is equivalent to a campaign finance report filed under Chapter 10A. The committee that receives the contribution then forwards the statement from the

unregistered association to the Board with the committee's next financial report. In practice, the majority of "unregistered associations" are in fact registered with either the Federal Election Commission (FEC) or in another state with an agency similar to the Board. The FEC and other state campaign finance agencies post reports filed by their registered committees to a government website. This proposal would allow an unregistered association to provide the written disclosure statement currently required by statute, or provide a link to a government website where the disclosure statement is available. The disclosure would still need to be equivalent to Chapter 10A, for example, it must have itemization of contributions and expenditures that are over \$200. If the reporting requirements for the state are not similar to Chapter 10A then a written report will still be required.

Campaign finance program – policy proposals

The Board recommends two changes to the campaign finance program that represent either a new area of regulation, or which close a weakness in current statute that prevents the Board from providing complete disclosure to the public. The suggested statutory language for each proposal is provided in attachment D.

- **Provide regulation of contributions made with bitcoins and other virtual currency.** During 2018 staff received calls from campaign committees asking for guidance on accepting and reporting contributions made with bitcoins and other virtual currencies. Chapter 10A does not provide any guidance on the subject, other than to view the virtual currency as something of value. The Board's proposal will provide a statutory basis for disclosing and regulating the conversion of virtual currency into United States currency.
- **Redefine independent expenditures to include both express advocacy and words that are the functional equivalent.** Under current statute an independent expenditure must use words of express advocacy (vote for, elect, support, cast your ballot for, Smith for House, vote against, defeat, reject, or very similar words) to state support of, or opposition to, a candidate. A communication that avoid words of express advocacy, but which nonetheless has the clear purpose of influencing voting in Minnesota, does not in many cases need to be reported to the Board. This gap prevents the Board from fulfilling its core mission of providing the public with accurate and complete information on the money spent to influence the outcome of state elections.

The words of express advocacy were recognized in a footnote in the Buckley v. Valeo Supreme Court decision in 1976. In subsequent cases, (McConnell v. Federal Election Commission in 2003 and Federal Election Commission v. Wisconsin Right to Life, Inc. in 2007) the Supreme Court has adopted a functional equivalent of express advocacy standard that recognizes that communications can easily convey support for or opposition to a candidate while avoiding use of the so-called magic words. The Board proposal expands the definition of independent expenditure to include communications that do not use the eight magic words but could have no reasonable purpose other than to influence voting in Minnesota.

Campaign Finance and Public Disclosure Board Suggested Statutory Language for Legislative Proposals

Attachment A Economic interest statement program, technical proposals

10A.01 DEFINITIONS

* * * *

Subd. 35. **Public official.** "Public official" means any:

(1) member of the legislature;

* * * *

(28) member of the Greater Minnesota Regional Parks and Trails Commission; ~~or~~

(29) member of the Destination Medical Center Corporation established in section 469.41; or

(30) chancellor or member of the board of trustees of the Minnesota State Colleges and Universities.

10A.09 STATEMENTS OF ECONOMIC INTEREST

* * * *

Subd. 2. **Notice to board.** The secretary of state or the appropriate county auditor, upon receiving an affidavit of candidacy or petition to appear on the ballot from an individual required by this section to file a statement of economic interest, and any official who nominates or employs a public ~~or local~~ official required by this section to file a statement of economic interest, must notify the board of the name of the individual required to file a statement and the date of the affidavit, petition, or nomination.

* * * *

Subd. 5b. **Original statement; reporting period.** (a) An original statement of economic interest required under subdivision 1, clause (1), must cover the calendar month before the month in which the individual accepted employment as a public official or a local official in a metropolitan governmental unit.

(b) An original statement of economic interest required under subdivision 1, clause (2), must cover the calendar month before the month in which the individual assumed office.

(c) An original statement of economic interest required under subdivision 1, clause (3), must cover the calendar month before the month in which the candidate filed the affidavit of candidacy.

Subd. 6. **Annual statement.** (a) Each individual who is required to file a statement of economic interest must also file an annual statement by the last Monday in January of each year that the individual remains in office. The annual statement must cover the period through

December 31 of the year prior to the year when the statement is due. The annual statement must include the amount of each honorarium in excess of \$50 ~~\$250~~ received since the previous statement and the name and address of the source of the honorarium. The board must maintain each annual statement of economic interest submitted by an officeholder in the same file with the statement submitted as a candidate.

~~(b) For the purpose of annual statements of economic interest to be filed, "compensation in any month" includes compensation and honoraria received in any month between the end of the period covered in the preceding statement of economic interest and the end of the current period.~~

~~(c) An individual must file the annual statement of economic interest required by this subdivision to cover the period for which the individual served as a public official even though at the time the statement was filed, the individual is no longer holding that office as a public official.~~

~~(d) For the purpose of an annual statement of economic interest, the individual shall disclose any real property owned at any time between the end of the period covered by the preceding statement of economic interest and through the last day of the month preceding the current filing or the last day of employment, if the individual is no longer a public official.~~

Attachment B Economic interest statement program, policy proposals

10A.01 DEFINITIONS

* * * *

Subd. 7e. **Beneficial interest.** “Beneficial interest” means the right, or reasonable expectation of the right to the possession of, use of, or direct financial benefit from an asset owned by another due to a contract or relationship with the owner of the asset.

10A.09 STATEMENTS OF ECONOMIC INTEREST

* * * *

Subd. 5. **Form; general requirements.** (a) A statement of economic interest required by this section must be on a form prescribed by the board. Except as provided in subdivision 5a, ~~t~~he individual filing must provide the following information:

- (1) name, address, occupation, and principal place of business;
- (2) the name of each associated business and the nature of that association including any associated business in which the individual has a beneficial interest;
- (3) a listing of all real property within the state, excluding homestead property, in which the individual holds: (i) a fee simple interest, a beneficial interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the interest is valued in excess of \$2,500; or (ii) an option to buy, if the property has a fair market value of more than \$50,000;
- (4) a listing of all real property within the state in which a partnership of which the individual is a member holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the individual's share of the partnership interest is valued in excess of \$2,500; or (ii) an option to buy, if the property has a fair market value of more than \$50,000. A listing under this clause or clause (3) must indicate the street address and the municipality or the section, township, range and approximate acreage, whichever applies, and the county in which the property is located;
- (5) a listing of any investments, ownership, or interests in property connected with pari-mutuel horse racing in the United States and Canada, including a racehorse, in which the individual directly or indirectly holds a partial or full interest or an immediate family member holds a partial or full interest;
- (6) a listing of the principal business or professional activity category of each business from which the individual receives more than \$250 in any month during the reporting period as an employee, if the individual has an ownership interest of 25 percent or more in the business;
- (7) a listing of each principal business or professional activity category from which the individual received compensation of more than \$2,500 in the past 12 months as an independent contractor; ~~and~~

(8) a listing of the full name of each security with a value of more than \$10,000 owned in part or in full by the individual, or in which the individual has a beneficial interest, at any time during the reporting period; and

(9) a listing of any contract, professional license, lease, franchise, or professional permit that meets the following criteria:

(i) it is held by the individual or any business in which the individual has an ownership interest of 25 percent or more; and

(ii) it is entered into with or issued by any state department or agency listed in section 15.01 or 15.06 or any political subdivision of the state.

Subd. 5a. **Form; exception for certain officials.** (a) This subdivision applies to the following individuals:

(1) a supervisor of a soil and water conservation district;

(2) a manager of a watershed district; and

(3) a member of a watershed management organization as defined under section 103B.205, subdivision 13.

(b) Notwithstanding subdivision 5, paragraph (a), an individual listed in subdivision 5a, paragraph (a), must provide only the information listed below on a statement of economic interest:

(1) the individual's name, address, occupation, and principal place of business;

(2) a listing of any association, corporation, partnership, limited liability company, limited liability partnership, or other organized legal entity from which the individual receives compensation in excess of \$250, except for actual and reasonable expenses, in any month during the reporting period as a director, officer, owner, member, partner, employer, or employee;

(3) a listing of all real property within the state, excluding homestead property, in which the individual holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the interest is valued in excess of \$2,500; or (ii) an option to buy, if the property has a fair market value of more than \$50,000; and

(4) a listing of all real property within the state in which a partnership of which the individual is a member holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the individual's share of the partnership interest is valued in excess of \$2,500; or (ii) an option to buy, if the property has a fair market value of more than \$50,000. A listing under this clause or clause (3) must indicate the street address and the municipality or the section, township, range and approximate acreage, whichever applies, and the county in which the property is located.

(c) If an individual listed in subdivision 5a, paragraph (a), also holds a public official position that is not listed in subdivision 5a, paragraph (a), the individual must file a statement of economic interest that includes the information specified in subdivision 5, paragraph (a).

Attachment C Campaign finance program, technical proposals

1160.03 CORPORATION; BOARD OF DIRECTORS; POWERS.

* * * *

~~Subd. 9. **Contributions to public officials; disclosure.** Each director shall file a statement with the Campaign Finance and Public Disclosure Board disclosing the nature, amount, date, and recipient of any contribution made to a public official, political committee, political fund, or political party, as defined in chapter 10A, that:~~

~~(1) was made within the four years preceding appointment to the Enterprise Minnesota, Inc. board; and~~

~~(2) was subject to the reporting requirements of chapter 10A.~~

~~The statement must be updated annually during the director's term to reflect contributions made to public officials during the appointed director's tenure.~~

1160.04 CORPORATE PERSONNEL.

* * * *

~~Subd. 3. **Contributions to public officials; disclosure.** The president shall file a statement with the Campaign Finance and Public Disclosure Board disclosing the nature, amount, date, and recipient of any contribution made to a public official which:~~

~~(1) was made within the four years preceding employment with the Enterprise Minnesota, Inc. board; and~~

~~(2) was subject to the reporting requirements of chapter 10A.~~

~~The statement must be updated annually during the president's employment to reflect contributions made to public officials during the president's tenure.~~

10A.27 CONTRIBUTION LIMITS.

* * * *

Subd. 13. **Unregistered association limit; statement; penalty.** (a) The treasurer of a political committee, political fund, principal campaign committee, or party unit must not accept a contribution of more than \$200 from an association not registered under this chapter unless the contribution is accompanied by a ~~written~~ statement that meets the disclosure and reporting period requirements imposed by section 10A.20. The statement may be a written statement or a government web address where the disclosure report for the unregistered association may be viewed. This statement must be certified as true and correct by an officer of the contributing

association. The committee, fund, or party unit that accepts the contribution must include a copy of the written statement or web address with the report that discloses the contribution to the board.

(b) An unregistered association may provide the ~~written~~ statement required by this subdivision to no more than three committees, funds, or party units in a calendar year. Each statement must cover at least the 30 days immediately preceding and including the date on which the contribution was made. An unregistered association or an officer of it is subject to a civil penalty imposed by the board of up to \$1,000, if the association or its officer:

(1) fails to provide a ~~written~~ statement as required by this subdivision; or

(2) fails to register after giving the ~~written~~ statement required by this subdivision to more than three committees, funds, or party units in a calendar year.

(c) The treasurer of a political committee, political fund, principal campaign committee, or party unit who accepts a contribution in excess of \$200 from an unregistered association without the required ~~written~~ disclosure statement is subject to a civil penalty up to four times the amount in excess of \$200.

(d) This subdivision does not apply:

(1) when a national political party contributes money to its state committee; or

(2) when the federal committee of a major or minor political party registered with the Board gives an in kind contribution to its state central committee, or a party organization within a house of the state legislature; or

(3) to purchases by candidates for federal office of tickets to events or space rental at events held by party units in this state (i) if the geographical area represented by the party unit includes any part of the geographical area of the office that the federal candidate is seeking and (ii) the purchase price is not more than that paid by other attendees or renters of similar spaces.

10A.275 MULTICANDIDATE POLITICAL PARTY EXPENDITURES.

Subdivision 1. **Exceptions.** Notwithstanding other provisions of this chapter, the following expenditures by a party unit, or two or more party units acting together, with at least one party unit being either: the state committee or the party organization within a congressional district, county, or legislative district, are not considered contributions to or expenditures on behalf of a candidate for the purposes of section 10A.25 or 10A.27 and must not be allocated to candidates under section 10A.20, subdivision 3, paragraph ~~(g)~~(h):

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

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

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

(4) expenditures for a political party fund-raising effort on behalf of three or more candidates; or

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

10A.323 AFFIDAVIT OF CONTRIBUTIONS.

(a) in addition to the requirements of section 10A.322, to be eligible to receive a public subsidy under section 10A.31 a candidate or the candidate's treasurer must:

* * * *

(3) submit the affidavit required by this section to the board in writing by the deadline for reporting of receipts and expenditures before a primary under section 10A.20, ~~subdivision 4~~ subdivision 2.

Attachment D Campaign finance program, policy proposals

10A.01 DEFINITIONS

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Subdivision 16a. **Expressly advocating.** “Expressly advocating” means:

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

(2) when taken as a whole and with limited reference to external events could only be interpreted by a reasonable person as containing advocacy of the election or defeat of one or more clearly identified candidate(s) because (1) the electoral portion of the communication is unmistakable, unambiguous, and suggestive of only one meaning; and (2) reasonable minds could not differ as to whether it encourages actions to elect or defeat one or more clearly identified candidate(s).

* * * *

Subd. 37. Virtual currency. (a) “Virtual currency” means an intangible representation of value in units that can only be transmitted electronically and function as a medium of exchange, units of account, or a store of value.

(b) Virtual currency includes cryptocurrencies. Virtual currency does not include currencies issued by a government.

10A.15 CONTRIBUTIONS

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Subd. 8. Virtual currency contributions. (a) A principal campaign committee, political committee, political fund, or party unit may accept a donation in kind in the form of virtual currency. The value of donated virtual currency is its fair market value at the time it is donated. The recipient of a virtual currency contribution must sell the virtual currency in exchange for United States currency within five business days after receipt.

(b) Any increase in the value of donated virtual currency after its donation, but before its conversion to United States currency, must be reported as a receipt that is not a contribution pursuant to section 10A.20, subdivision 3. Any decrease in the value of donated virtual currency after its donation, but before its conversion to United States currency, must be reported as an expenditure pursuant to section 10A.20, subdivision 3.

(c) A principal campaign committee, political committee, political fund, or party unit may not purchase goods or services with virtual currency.

Public Comments on 2019 Legislative Proposals



Minnesota Campaign Finance Board
190 Centennial Building
658 Cedar Street
St. Paul, MN 55155-1603

Tuesday, September 24, 2019

Members of the Minnesota Campaign Finance Board,

On behalf of Americans for Prosperity activists across Minnesota, I am writing today in opposition to portions of the proposed and reconsidered legislative recommendations from the Campaign Finance Board. Specifically, we have concerns with the second bullet point on page four, which would redefine “independent expenditure” from the bright line test that is in place today to a more uncertain standard sure to be subject to wide interpretation.

Americans for Prosperity stands firmly in support of the right of all Americans to participate in civic engagement and these provisions would only serve to limit discourse and undermine free speech.

Under current Minnesota law, advocacy groups are governed by an objective, bright-line test (i.e. use of words such as “vote for” or “elect”) in determining what will be subject to reporting requirements. This bill, however, abandons this language for a subjective, overbroad standard that will lead to increased uncertainty. Instead of accepting the risk of a drawn-out legal fight, many organizations will simply choose to stay on the sidelines.

I have attached to this e-mail a letter that we shared with all members of the Legislature as this topic was being debated last session. This letter addresses many other issues that were included in the underlying legislation that are NOT under consideration here today. I am sharing it in order to provide a broader context for our opposition to any attack on Americans’ free speech rights and highlight our fear that these definition changes are only a first step down a very dangerous road toward chilling civil discourse and debate.

It is our hope that the above referenced provisions related to changes to the definition of “independent expenditure” be removed from these legislative recommendations. Thank you for the opportunity to express our concerns, and please don’t hesitate to reach out if you have questions or if we can be of assistance.

Sincerely,

Jason Flohrs
State Director
Americans for Prosperity - Minnesota



Tuesday, April 30, 2019

Key Vote Alert: Vote “No” on SF2227 – Omnibus State Government Finance Bill

Dear Members of the Minnesota House,

On behalf of Americans for Prosperity activists across Minnesota, I am writing today to urge a “No” vote on final passage of SF2227, the Omnibus State Government Finance Bill, which includes provisions that originated in HF2050 that would limit Minnesotans’ free speech rights. Americans for Prosperity stands firmly in support of the right of all Americans to participate in civic engagement and these provisions would only serve to limit discourse and undermine free speech.

As a “Key Vote”, Americans for Prosperity – Minnesota may include this vote in our end-of-session Legislative Scorecard that will be shared with your constituents.

The ability to think, speak, and engage allows all individuals to challenge social, scientific, and political issues that affect their lives and their communities. Free to choose to privately come together, people can join causes they believe in without fear of intervention or retaliation by those in government. This protects all voices, especially the marginalized.

The sections of the bill from HF2050 would chill protected speech by mandating the disclosure of donors who give to organizations to support their general missions. Donors will be deterred from donating to good causes for fear their names may end up on a government registry because those organizations took positions on legislation or issues—positions with which those donors may even disagree. It would create new and burdensome reporting requirements for organizations, regulate a stunningly broad amount of speech, and enable harassment of citizens based on their beliefs.

In addition to our broad opposition to the idea that Americans need to register with the government any time they take advantage of their First Amendment rights, there are numerous specific issues with the proposed language:

- On changing the definition of “express advocating”: Under current Minnesota law, advocacy groups are governed by an objective, bright-line test (i.e. use of words such as “vote for” or “elect”) in determining what will be subject to reporting requirements. This bill, however, abandons this language for a subjective, overbroad standard that will lead to increased uncertainty. Instead of accepting the risk of a drawn-out legal fight, many organizations will simply choose to stay on the sidelines.
- On requiring binary characterization of officeholders in electioneering communications: This provision forces speakers to adopt an intent for their communication that they may not have, making any communication in which the focus is clearly on an issue or piece of legislation, but may mention an officeholder, inherently political. In effect, an organization simply engaging on a piece of legislation will be forced to declare support or opposition to a certain lawmaker or candidate. For example, an organization dedicated to increasing literacy that runs a tv ad asking parents to contact their representative and ask her to vote “yes” on a school funding bill would be forced to take a position on that representative by declaring their communication “positive” or “negative” towards her—even when their speech was clearly focused on the issue of funding. Speakers have the right to determine the intent of their own speech without government putting words in their mouth or requiring burdensome paperwork or registration.

Through broad-based grassroots outreach, *Americans for Prosperity (AFP)* is driving long-term solutions to the country’s biggest problems. AFP activists engage friends and neighbors on key issues and encourage them to take an active role in building a culture of mutual benefit, where people succeed by helping one another. AFP recruits and unites activists in 35 states behind a common goal of advancing policies that will help people improve their lives.

- On electioneering communication “targeting”: This provision regulates all mediums of communication, inevitably sweeping in communications that are never intended for election activity. This broad definition would subject a book publisher or blogger to report their activity to the state if their book or post merely mentioned a candidate or officeholder—such as a book or post on how a bill becomes law that mentions the current Governor – and happened to be distributed close to an election and could reach a relatively small number of people in the state.

The bottom line: transparency is good for government accountability and oversight, but individuals have a right to privacy.

Just as Americans have the right to cast ballots in private, we have the right to support causes, join groups and make donations without being monitored by the government. Seventy-three percent of registered voters agree that the government has no right to know what groups or causes they support. We should hold our government accountable without violating citizens’ privacy or burdening civic groups working to improve the lives of their fellow Americans.

History shows these freedoms protect minority voices – those fighting against injustices entrenched in the status quo. There’s a long tradition in the U.S., going all the way back to our founding, of anonymous philanthropy as well as anonymous writing on matters of public interest. The advancement of civil rights was made possible, in part, by the ability of individuals with views that ran counter to the status quo to privately join together. When Alabama tried to force the NAACP to reveal its member lists during Jim Crow, the Supreme Court held that the First Amendment protects private associations from being exposed to threats, intimidation and violence. Even today, people who have made even modest donations to groups that expressed unpopular views have lost their jobs and faced harassment when their affiliations were leaked.

Those in power shouldn’t force individuals to register their beliefs, their donations, or their associations. Our society is enriched by the civic engagement of diverse organizations clarifying and amplifying their supporters’ voices. Yet too often, these types of requirements are designed to make it harder to critique those in power and shield the political class from the voices of everyday citizens who want to make their viewpoints known to their elected officials. While the lobbyists and the well- connected will still find a way to play their inside game, everyday citizens who want to make their voices heard on issues they care about would have their voices taken away.

Thank you for the opportunity to share our opposition to the above-mentioned provisions contained within the Omnibus State Government Finance Bill. Please don’t hesitate to reach out if you have questions, need more information, or if you would like to discuss the issue further.

Sincerely,



Jason Flohrs
State Director
Americans for Prosperity - Minnesota

From: [Ron Bardal](#)
To: [Engelhardt, Megan \(CFB\)](#)
Cc: [George Beck](#)
Subject: FW: Campaign Finance and Public Disclosure Board requests comments regarding legislative proposals
Date: Monday, September 09, 2019 10:40:42 PM

Dear Asst. Director Engelhardt:

I like the 2019 Legislative Recommendations you drafted for Governor Walz. I especially like your intention to require identification of campaign contribution sources. Dark money is a hazard to our election system because the contributor cannot be identified and held accountable for misleading and false publicity about a candidate. Our citizens need honest leaders in Washington and state houses. But, in today's society frequent repetition of falsehoods, funded by dark money, is soon taken as fact, so honest candidates are defeated through slander.

I believe one key action to achieve fair elections is to overturn the *Citizens United Vs. FEC* 2010 decision of the Supreme Court. Corporations are not people though SCOTUS claimed so in its 2010 ruling. Corporations can spend multi-millions to influence an election, but real people cannot compete financially to be heard. Under the *Citizens United* decision we can no longer be what Abraham Lincoln said we are – a government of the people, by the people, and for the people.

I am Secretary of Minnesota Citizens for Clean Elections (MnCCCE). We are a non-profit, non-partisan 501-c-3 organization working to get dark money and big money out of politics so we can have equitable campaign financing and clean and fair elections.

Ronald Bardal

1783 19th Terrace NW, New Brighton, MN 55112
651-633-9238

From: George Beck [mailto:georgeabeck@aol.com]
Sent: Monday, September 09, 2019 4:23 PM
To: Abelladonna@commoncause.org; argetsingerlynn@gmail.com; rbardal@hotmail.com

-----Original Message-----

From: Board Information Distribution List <campaign.board@state.mn.us>
To: Board Information Distribution List <campaign.board@state.mn.us>
Sent: Fri, Sep 6, 2019 4:02 pm
Subject: Campaign Finance and Public Disclosure Board requests comments regarding legislative proposals

TO: All Interested Persons

The Campaign Finance and Public Disclosure Board is seeking comments from the public regarding possible legislative recommendations for 2020. The Board is currently reconsidering the legislative

recommendations offered in 2019, none of which were enacted. Here is a link to the legislative recommendations: <https://cfb.mn.gov/citizen-resources/the-board/statutes-and-rules/legislative-recommendations/>

The Board is also interested in hearing from the public on other legislative changes that might improve Chapter 10A.

Please send all comments via email (megan.engelhardt@state.mn.us), fax (651-539-1196 or 800-357-4114), or U.S. Mail:

Megan Engelhardt
190 Centennial Building
658 Cedar Street
St. Paul, MN 55155-1603
Megan.Engelhardt@state.mn.us

All comments will be provided to the Board at the October 2, 2019, Board meeting and the comments will be available to the public. Please provide comments by September 24, 2019. Thank you.

Megan Engelhardt
Assistant Executive Director
Minnesota State Campaign Finance and Public Disclosure Board



From: [Tyler Blackmon](#)
To: [Engelhardt, Megan \(CFB\)](#)
Subject: Re: Campaign Finance and Public Disclosure Board requests comments regarding legislative proposals
Date: Friday, September 06, 2019 3:22:47 PM

The CFB desperately needs to overhaul its reporting infrastructure and move to a browser-based online platform. The incompatibility with Macs is maddening and out of step with almost every other state in the union.

On Fri, Sep 6, 2019 at 3:19 PM CFBEmail <cfb.reports@state.mn.us> wrote:

TO: All Interested Persons

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Megan Engelhardt
Assistant Executive Director
Minnesota State Campaign Finance and Public Disclosure Board

From: [Gary Charles](#)
To: [Engelhardt, Megan \(CFB\)](#)
Subject: Campaign finance
Date: Monday, September 09, 2019 4:40:37 PM

Hello,

I oppose Citizens United and secret contributions.

Thank you,
Gary Charles

September 24, 2019

Megan Engelhardt, Assistant Executive Director
190 Centennial Building
658 Cedar Street
St. Paul, MN 55155-1603
Megan.Engelhardt@state.mn.us

Re: Legislative Proposals for 2020

Dear Ms. Engelhardt,

Thank you for the opportunity for the public to comment on the Board's possible legislative recommendations for 2020. The League of Women Votes Minnesota (LWVMN) knows that the Board handles many important issues ranging from economic interest statements to inter-committee contributions to intraparty transfers. However, LWVMN would like to bring the Board's attention to an issue that LWVMN believes is one of the most important and urgent issues that need addressed.

LWVMN believes that the state's campaign finance system must ensure transparency and the public's right to know who is using money to influence elections. To pursue this goal, LWVMN believes that the Board should continue its efforts to clarify the definition of "independent expenditure."

In the Board's letter to the governor and legislative leaders on February 19, 2019, the Board described several recommendations. In that letter, the Board wrote, "there is a critical gap in the definition of what constitutes an independent expenditure to influence the nomination or election of a candidate." We agree with the Board's position that this gap exists and that it is a critical one.

The Board continued, "This gap defeats the Board's goal of providing the public with accurate information on how much money is spent in Minnesota to influence elections, and raises questions regarding the integrity and fairness of [Minnesota's campaign finance reporting]." Again, we agree that this gap defeats the Board's purpose. But we would even go so far to say that this gap does not just raise questions, but *actively undermines* the integrity of Minnesota's campaign finance reporting.

To fix that gap, the Board recommended that the definition of "independent expenditure" be updated "to include both express advocacy and words that are the functional equivalent." As the Board notes, the United States Supreme Court has used the functional equivalent standard, and the standard has survived constitutional

scrutiny. And while the functional equivalent standard ensures accurate disclosures of campaign expenditures, it avoids overregulating other forms of nonpartisan electoral activity that do not advocate for or against a party or candidate. It strikes a crucial balance of ensuring the public's right to know who is using money to influence elections, while also ensuring voters can access sufficient information about the electoral process.

We appreciate that this proposal has been recommended in the past. LWVMN asks that it remain a high—if not the highest—priority for the Board during the 2020 legislative session.

Sincerely,

A handwritten signature in black ink, appearing to be 'NH', followed by a long horizontal line extending to the right.

Nick Harper, Civic Engagement Director
LWVMN

From: [clean elections](#)
To: [Engelhardt, Megan \(CFB\)](#)
Cc: [Bardal, Ron](#); [Beck, George](#); [Connie Lewis](#); [David Miller](#); [Jim Herrick](#); [Norrie Thomas](#); [Peterson, Ken](#); [Ruth Cain](#); [Skrentner, Lonni](#); [Todd Otis](#)
Subject: Legislative Recommendations
Date: Friday, September 20, 2019 4:10:18 PM
Attachments: [Legislative Recommendations to the Minnesota Campaign Finance Board - 2020.docx](#)

Dear Assistant Executive Director Engelhardt:

Thanks you for the opportunity to comment on recommendations that the Board will make to the legislature for its 2020 session.

Our suggestions are attached. Please contact me if you have any questions.

George Beck
Chair
Minnesota Citizens for Clean Elections



2020 Legislative Recommendations to the Minnesota Campaign Finance Board

1. We continue to strongly support the Board's recommendation that the definition of "expressly advocating" include a communication that is suggestive of only one meaning and where reasonable minds could not differ that it is meant to elect or defeat a candidate. The present definition allows for anonymous contributions that can hide foreign influence and deceive voters.
2. The *Citizens United* decision has permitted unlimited contributions to campaigns in an attempt to influence decisions by elected officials. The Board should ask the legislature to recommend to Congress that it adopt an amendment to the Constitution that reverses this regressive decision, as 20 other states have done.
3. The Board should recommend that public financing of political campaigns in Minnesota be strengthened in order to lessen the impact of special interest contributions and to permit those without wealth to run for office. The \$50 refund and the public subsidy should be increased or a state match for citizen contributions (e.g. 6 to 1) could be adopted.
4. Direct contributions from lobbyists to candidates or elected officials should be prohibited and the bundling of contributions should not be allowed. Lobbyists work closely with legislators and these actions put undue and improper influence on our elected officials.
5. The Board should recommend that our electorate be expanded to the greatest extent possible in order to permit a true democracy. Automatic voter registration should be available, voting rights of citizens released from prison should be restored and weekend voting should be considered.

Possible Recommendation to Lobbying Program

10A.01 DEFINITIONS

Minnesota Statutes 2018, section 10A.01, subdivision 21, is amended to read:

Subd. 21. **Lobbyist.** (a) "Lobbyist" means an individual:

(1) engaged for pay or other consideration of more than \$3,000 from all sources in any year for the purpose of attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit, (a) by communicating or urging others to communicate with public or local officials; **or (b) by facilitating access to public or local officials;**
or

(2) who spends more than \$3,000 ~~250~~ of the individual's personal funds, not including the individual's own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit, by communicating or urging others to communicate with public or local officials.

* * * *

Minnesota Statutes 2018, section 10A.01, is amended by adding subdivisions to read:

Designated lobbyist. "Designated lobbyist" means the lobbyist responsible for reporting the lobbying disbursements and activity of the principal or employer. An employer or principal may have only one designated lobbyist at any given time.

General lobbying category. "General lobbying category" means a broad area of interest for lobbying specified by the board.

Specific subject of interest. "Specific subject of interest" means a topic of lobbying interest within a general lobbying category described with sufficient specificity to identify the expected areas of interest for the principal or employer.

Official action of metropolitan governmental units. "Official action of metropolitan governmental units" means any action that requires a vote or approval by one or more elected local officials while acting in their official capacity; or an action by an appointed or employed local official to make, to recommend, or to vote on as a member of the governing body, major decisions regarding the expenditure or investment of public money.

Legislative action. "Legislative action" means the discussion or development of prospective legislation; or the review, modification, adoption, or rejection of any bill, amendment, resolution, nomination, administrative rule, or report by a member of the legislature or employee of the legislature. "Legislative action" also means the discussion or development of prospective legislation, or a request for support or opposition to introduced legislation, with a constitutional officer. Legislative action includes the action of the governor in approving or vetoing any bill or portion of a bill.

10A.03 LOBBYIST REGISTRATION

Minnesota Statutes 2018, section 10A.03, subdivision 2, is amended to read:

Subd. 2. **Form.** The board must prescribe a registration form, which must include:

(1) the name, address, and e-mail address of the lobbyist;

(2) the principal place of business of the lobbyist;

(3) the name and address of each individual, association, political subdivision, or public higher education system, if any, by whom the lobbyist is retained or employed or on whose behalf the lobbyist appears;

(4) the website address of each association, political subdivision, or public higher education system identified under clause (3), if the entity maintains a website; ~~and~~

~~(5) a general lobbying category or categories, description of the subject or subjects and the specific subjects of interest within each general lobbying category, on which the lobbyist expects to lobby for the principal or employer; and~~

~~(6) if the lobbyist lobbies on behalf of an association, the registration form must include the name and address of the officers and directors of the association.~~

Minnesota Statutes 2018, section 10A.03, is amended by adding subdivision 6 to read:

Subd. 6. **General lobbying categories.** A list of general lobbying categories must be specified by the board and updated periodically based on public comment. The board must publish on its website the current list of general lobbying categories. Chapter 14 does not apply to the specification, publication, or periodic updates of the list of general lobbying categories.

10A.04 LOBBYIST REPORTS

Minnesota Statutes 2018, section 10A.04, subdivision 3, is amended to read:

~~Subd. 3. **Information to lobbyist.** A principal, An employer, or employee lobbyist about whose activities are reported to the Board by another a lobbyist is required to ~~report~~ must provide the information required by subdivision 4 to the lobbyist no later than five days before the prescribed filing date.~~

Minnesota Statutes 2018, section 10A.04, subdivision 4, is amended to read:

Subd. 4. **Content.** (a) A report under this section must include information the board requires from the registration form and the information required by this subdivision for the reporting period.

~~(b) A lobbyist must report the lobbyist's total disbursements on lobbying, separately listing lobbying disbursements to influence legislative action, lobbying to influence administrative action, and lobbying to influence the official actions of a metropolitan governmental units and a breakdown of disbursements for each of those kinds of lobbying into categories specified by the board, including but not limited to the cost of publication and distribution of each publication used in lobbying; other printing; media, including the cost of production; postage; travel; fees, including allowances; entertainment; telephone and telegraph; and other expenses.~~

~~(b) A lobbyist must report each state agency that had administrative action that the principal or employer sought to influence during the reporting period. ~~the lobbyist's total disbursements on lobbying, separately listing lobbying to influence legislative action, lobbying to~~~~

~~influence administrative action, and lobbying to influence the official actions of a metropolitan governmental unit, and a breakdown of disbursements for each of those kinds of lobbying into categories specified by the board, including but not limited to the cost of publication and distribution of each publication used in lobbying; other printing; media, including the cost of production; postage; travel; fees, including allowances; entertainment; telephone and telegraph; and other expenses.~~

(c) A lobbyist must report each metropolitan governmental unit that considered, or was asked to take, official action that the principal or employer sought to influence during the reporting period.

(d) A lobbyist must report each legislative action that accounted for 25% or more of that lobbyist's effort on behalf of the principal or employer during the reporting period. The legislative action must be identified by specific subject of interest for prospective legislation, by legislative bill number for introduced legislation, or, if the legislation has been included in an omnibus bill, by bill number and section containing the legislation action. The lobbyist must report a reasonable, good faith estimate of the total percentage of lobbying time spent on each of the actions listed in this paragraph.

(e) A lobbyist must report each administrative action that accounted for 25% or more of the lobbyist's effort on behalf of the principal or employer during the reporting period. The administrative action must be identified by the revisor number assigned to it or a description of the proposed administrative action if a revisor number has not been assigned. The lobbyist must report a reasonable, good faith estimate of the total percentage of lobbying time spent on each of the actions listed in this paragraph.

(f) A lobbyist must report the Public Utilities Commission docket number for each rate setting, each power plant and powerline siting, and each granting of certificate of need that accounted for 25% or more of that lobbyist's effort on behalf of the principal or employer during the reporting period. The lobbyist must report a reasonable, good faith estimate of the total percentage of lobbying time spent on each of the actions listed in this paragraph.

(g) A lobbyist must report each official action of a metropolitan governmental unit that accounted for 25% or more of that lobbyist's effort on behalf of the principal or employer during the reporting period. The official action must be identified by the name of the specific metropolitan governmental unit and the ordinance number or name of the official action. The lobbyist must report a reasonable, good faith estimate of the total percentage of lobbying time spent on each of the actions listed in this paragraph.

(eh) A lobbyist must report the amount and nature of each gift, item, or benefit, excluding contributions to a candidate, equal in value to \$5 or more, given or paid to any official, as defined in section 10A.071, subdivision 1, by the lobbyist or an employer or employee of the lobbyist. The list must include the name and address of each official to whom the gift, item, or benefit was given or paid and the date it was given or paid.

(di) A lobbyist must report each original source of money in excess of \$500 in any year used for the purpose of lobbying to influence legislative action, administrative action, or the official action of a metropolitan governmental unit. The list must include the name, address, and employer, or, if self-employed, the occupation and principal place of business, of each payer of money in excess of \$500.

(j) The designated lobbyist must report disbursements made and obligations incurred that exceed \$2,000 for paid advertising used for the purpose of urging members of the public to contact public or local officials to influence official actions during the reporting period. Paid advertising includes the cost to boost the distribution of an advertisement on social media. If a disbursement made or obligation incurred for paid advertising exceeds \$2,000 the report must provide the date that the advertising was purchased, the name and address of the vendor, a description of the advertising purchased, and any specific subject of interest addressed by the advertisement.

(ek) On the report due June 15, the lobbyist must provide update or confirm a the general lobbying categories and specific description of the subjects of interest for the principal or employer that were lobbied on in the previous 12 months.

Minnesota Statutes 2018, section 10A.04, subdivision 6, is amended to read:

Subd. 6. **Principal reports.** (a) A principal must report to the board as required in this subdivision by March 15 for the preceding calendar year.

~~(b) Except as provided in paragraph (d),~~ The principal must report the total amount, rounded to the nearest \$2_10,000, spent by the principal during the preceding calendar year to influence legislative action, administrative action, and the official action of metropolitan governmental units. on each type of lobbying listed below:

(1) lobbying to influence legislative action;

(2) lobbying to influence administrative action, other than lobbying described in clause (3);

(3) lobbying to influence administrative action in cases of rate setting, power plant and powerline siting, and granting of certificates of need under section 216B.243; and

(4) lobbying to influence official action of metropolitan governmental units.

~~(c) Except as provided in paragraph (d),~~ For each type of lobbying listed in paragraph (b), the principal must report under this subdivision a total amount that includes:

(1) the portion of all direct payments for compensation and benefits paid by the principal to lobbyists in this state;

(2) the portion of all expenditures for advertising, mailing, research, consulting, surveys, expert testimony, studies, reports, analysis, compilation and dissemination of information, social media and public relations campaigns, and legal counsel, used to support lobbying related to legislative action, administrative action, or the official action of metropolitan governmental units in this state; and

(3) a reasonable good faith estimate of the portion of all salaries and administrative overhead expenses attributable to activities of the principal relating to efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units in this state; and

(4) the portion of all lobbying disbursements not listed in clause (2) that were made or incurred on behalf of the principal by all lobbyists for the principal in this state.

~~(d) A principal that must report spending to influence administrative action in cases of rate setting, power plant and powerline siting, and granting of certificates of need under section 216B.243 must report those amounts as provided in this subdivision, except that they must be reported separately and not included in the totals required under paragraphs (b) and (c).~~

Minnesota Statutes 2018, section 10A.04, is amended by adding subdivision 10 to read:

Subd. 10. **Specific subjects of interest.** The specific subjects of interest for the principal or employer is identified by the lobbyist at the time the lobbyist registers with the Board, or as provided on the report due on June 15th.

4511.0600 REPORTING DISBURSEMENTS

Minnesota Rules, part 4511.0600, subpart 5, is repealed.

4511.0800 ADMINISTRATIVE ACTION

Minnesota Rules part 4511.0800 is repealed.

Possible Recommendation for Political Contribution Refund Program

Minnesota Statutes section 290.06

Subd. 23. Refund of contributions to political parties and candidates.

(a) A taxpayer may claim a refund equal to the amount of the taxpayer's contributions made in the calendar year to candidates and to a political party. The maximum refund for an individual must not exceed ~~\$50~~ 200 and for a married couple, filing jointly, must not exceed ~~\$100~~ 400. A refund of a contribution is allowed only if the taxpayer files a form required by the commissioner and attaches to the form a copy of an official refund receipt form issued by the candidate or party and signed by the candidate, the treasurer of the candidate's principal campaign committee, or the chair or treasurer of the party unit, after the contribution was received. The receipt forms must be numbered, and the data on the receipt that are not public must be made available to the campaign finance and public disclosure board upon its request. A claim must be filed with the commissioner no sooner than January 1 of the calendar year in which the contribution was made and no later than April 15 of the calendar year following the calendar year in which the contribution was made. A taxpayer may file only one claim per calendar year. Amounts paid by the commissioner after June 15 of the calendar year following the calendar year in which the contribution was made must include interest at the rate specified in section 270C.405.

(b) No refund is allowed under this subdivision for a contribution to a candidate unless the candidate:

(1) has signed an agreement to limit campaign expenditures as provided in section 10A.322;

(2) is seeking an office for which voluntary spending limits are specified in section 10A.25; and

(3) has designated a principal campaign committee.

This subdivision does not limit the campaign expenditures of a candidate who does not sign an agreement but accepts a contribution for which the contributor improperly claims a refund.

(c) For purposes of this subdivision, "political party" means a major political party as defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion on the income tax or property tax refund form under section 10A.31, subdivision 3a.

A "major party" or "minor party" includes the aggregate of that party's organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts.

"Candidate" means a candidate as defined in section 10A.01, subdivision 10, except a

candidate for judicial office.

"Contribution" means a gift of money.

(d) The commissioner shall make copies of the form available to the public and candidates upon request.

(e) The following data collected or maintained by the commissioner under this subdivision are private: the identities of individuals claiming a refund, the identities of candidates to whom those individuals have made contributions, and the amount of each contribution.

(f) The commissioner shall report to the campaign finance and public disclosure board by each August 1 a summary showing the total number and aggregate amount of political contribution refunds made on behalf of each candidate and each political party. These data are public.

(g) The amount necessary to pay claims for the refund provided in this section is appropriated from the general fund to the commissioner of revenue.

(h) For a taxpayer who files a claim for refund via the Internet or other electronic means, the commissioner may accept the number on the official receipt as documentation that a contribution was made rather than the actual receipt as required by paragraph (a).

CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD
January 2019

ACTIVE FILES

Candidate/Treasurer/ Lobbyist	Committee/Agency	Report Missing/ Violation	Late Fee/ Civil Penalty	Referred to AGO	Date S&C Served by Mail	Default Hearing Date	Date Judgment Entered	Case Status
Chilah Brown Michele Berger	Brown (Chilah) for Senate	Unfiled 2016 Year- End Report of Receipts and Expenditures Unpaid late filing fee on 10/31/16 Pre- General Election Report	\$1,000 LF \$1,000 CP \$50 LF	3/6/18	8/10/18			Board is working on the matter. Placed on hold.
Katy Humphrey, Kelli Latuska	Duluth DFL	Unfiled 2016 Year- End Report of Receipts and Expenditures	\$1,000 LF \$1,000 CP	3/6/18	8/10/18			Board is working on the matter. Placed on hold. 3/5/19
Christopher John Meyer	Meyer for Minnesota	Fees and Penalty for late filing of 2016 Year-End Report of Receipts and Expenditures	\$1,000 LF \$1,000 CP	7/28/17	9/6/17	1/24/2020		Personal service was obtained 9/30/19
Dan Schoen		2017 Annual Statement of Economic Interest	\$100 LF \$1,000 CP	1/28/19	3/27/19			Placed on hold by Board.

CLOSED FILES

Candidate/Treasurer/ Lobbyist	Committee/Agency	Report Missing/ Violation	Late Fee/ Civil Penalty	Referred to AGO	Date S&C Served by Mail	Default Hearing Date	Date Judgment Entered	Case Status
Brenden Ellingboe	Ellingboe (Brenden) for House	Unfiled 2015 Year- End Report of Receipts and Expenditures	\$1,000 LF \$1,000 CP	11/29/16	5/26/17			The Board has received the report