

Minnesota

Campaign Finance and Public Disclosure Board Meeting

Wednesday, January 4, 2023

9:30 A.M.

Blazing Star Room
Centennial Office Building

REGULAR SESSION AGENDA

1. **Approval of minutes**
 - A. December 15, 2022
2. **Election of Board Chair and Vice Chair**
3. **Chair's report**
 - A. Meeting schedule
4. **Executive director report – no written material**
5. **2023 Legislative Recommendations**
6. **Enforcement report**
7. **Legal report**
8. **Other business**

EXECUTIVE SESSION

Immediately following regular session

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

.....
**December 15, 2022
Blazing Star Room
Centennial Office Building**
.....

MINUTES

The meeting was called to order by Chair Rashid.

Members present: Asp, Flynn (by Webex), Leppik (by Webex), Rashid, Soule, Swanson (by Webex)

Others present: Sigurdson, Engelhardt (by Webex), Hager, Olson, staff; Hartshorn, counsel (by Webex; joined during discussion of possible legislative recommendations)

MINUTES (November 14, 2022)

The following motion was made:

Member Soule's motion: To approve the November 14, 2022, minutes as drafted.

Vote on motion: A roll call vote was taken. All members voted in the affirmative.

CHAIR'S REPORT

2023 meeting schedule

The next Board meeting is scheduled for 9:30 a.m. on Wednesday, January 4, 2023. The February meeting has been tentatively scheduled for February 8, 2023.

EXECUTIVE DIRECTOR'S REPORT

Mr. Sigurdson stated that there is a lot of activity with filings for the campaign finance, lobbyist, and economic interest programs. Mr. Sigurdson said that in total approximately 8,000 reports and statements of economic interest are due in January.

Mr. Sigurdson stated that he and Mr. Olson attended the annual conference of the Council on Governmental Ethics Laws (COGEL) in Montreal from December 4-7, 2022.

Mr. Sigurdson stated that the December public subsidy payments are being sent out today.

Mr. Sigurdson said that he has been working with the Department of Management and Budget on proposed budget recommendations. Mr. Sigurdson said that he has submitted two changes to the base budget. Mr. Sigurdson explained that the first change item would increase the Board's annual budget by \$100,000 to account for higher staff expenses and ensure that the Board is able to pay for costs unrelated to staff expenses and rent. Mr. Sigurdson stated that the second change item would increase the Board's annual budget by an additional \$50,000 to pay for expenses related to maintaining the Board's IT resources, including various databases, within cloud computer servers. Mr. Sigurdson explained that moving the Board's IT resources to cloud servers would improve security, minimize the likelihood of disruption to Board functions, and allow the Board's IT staff to focus more of their efforts on priorities other than managing physical servers.

Mr. Sigurdson stated that Chair Rashid will form a committee to nominate members to serve as the Board's chair and vice chair in 2023, and the Board is expected to consider those nominations at its meeting in January.

POSSIBLE 2023 LEGISLATIVE RECOMMENDATIONS

Mr. Sigurdson presented members with a memorandum that is attached to and made a part of these minutes. Mr. Sigurdson said that the Board has the option to make legislative recommendations and explained that suggested recommendations are broken down by program area.

Economic Interest Statement Policy Recommendations from Prior Years

Mr. Sigurdson stated that the Board may wish to make the following recommendations:

- Establish a two-tiered disclosure system in which soil and water conservation district supervisors and members of watershed districts and watershed management organizations would not be required to disclose ownership of securities or their professional or business categories.
- Require public and local officials to disclose direct interests in government contracts.
- Require economic interest disclosures to include the financial interests of an official's spouse.
- Require economic interest disclosures to include assets owned by another if they will provide a direct beneficial interest to the public official because of a contract or relationship. This recommendation is designed in part to address public officials who are in long-term relationships but are not married.

Member Leppik stated that she thinks that a beneficial interest disclosure requirement could become very broad unless there is a conflict of interest that needs to be disclosed. In response to a question from Chair Rashid Mr. Sigurdson said that no conflict of interest needs to exist prior to the disclosure of economic interests. Mr. Sigurdson explained that financial interests are disclosed to the public so the public can evaluate whether issues that come before the official create a conflict of interest based on the financial interests that have been disclosed. In response to a question from Chair Rashid Mr. Sigurdson said that disclosure of beneficial interests is a difficult concept to explain and that the

Board may wish to consider, as an alternative, requiring disclosure of the economic interests of the spouse or domestic partner of a public official, rather than seeking a broader disclosure requirement.

The following motion was made:

Member Swanson's motion: To prepare draft legislation for the first three recommendations listed above for the economic interest program.

Member Leppik said that an official does not have any way to control the decisions made by their spouse and that if assets of an official's spouse are to be revealed to the public, there should be a reason for requiring that disclosure, such as a conflict of interest. Chair Rashid stated that it is hard to know what will be a conflict of interest in the abstract and if the spouse or domestic partner of a public official owns large investments in a company, that information should be disclosed so that the public will know about that potential conflict if the public official should ever need to vote on a matter affecting that company. Member Leppik asked to vote on each of the first three bullet points listed above individually.

Member Swanson withdrew his previous motion and the following motion was made:

Member Swanson's motion: To prepare draft legislation for a two-tiered disclosure system.

Vote on motion: A roll call vote was taken. All members voted in the affirmative.

The following motion was made:

Member Swanson's motion: To prepare draft legislation requiring disclosure of direct interests in government contracts.

Vote on motion: A roll call vote was taken. All members voted in the affirmative.

The following motion was made:

Member Swanson's motion: To prepare draft legislation requiring disclosure of the financial interests of an official's spouse or domestic partner.

Vote on motion: A roll call vote was taken. Members Asp, Flynn, Rashid, Soule, and Swanson voted in the affirmative. Member Leppik voted in the negative.

Campaign Finance Program Recommendations from Previous Years

Mr. Sigurdson stated that the Board may wish to make the following recommendations:

- Redefine independent expenditures to include both express advocacy and words that are the functional equivalent.

Mr. Sigurdson stated that the Board has previously offered recommendations regarding electioneering communications, which is a more challenging concept to explain and implement than expanding the definition of what qualifies as an independent expenditure.

- Regulate contributions made with Bitcoin and other virtual currency

Potential New Campaign Finance Program Recommendations

- Recognize the use of a fair booth as a multicandidate political party expenditure
- Allow the Board 60 days to issue a probable cause determination, rather than 45 days, and clarify that the provision that allows the Board to extend the deadline for action on a written complaint applies to making a probable cause determination
- Create a new noncampaign disbursement category for costs related to a recount
- Provide a specific distance requirement for the notice required for the sale of goods or services for fund-raising purposes
- Provide for a penalty for ballot question committees and funds that make contributions to a candidate's committee
- Expand the requirement to provide Board registration numbers with contributions made by registered entities to include contributions made to certain Hennepin County candidates
- Clarify the reporting periods for entities registered with the Board that seek to influence certain Hennepin County elections during odd-numbered years
- Provide a penalty for candidates who sign a public subsidy agreement and fail to provide closed captioning or transcription of certain advertisements

The following motion was made:

Member Soule's motion: To adopt all of the proposed campaign finance recommendations listed above.

Member Asp asked to amend the motion to vote on the campaign finance recommendations from previous years separately and Vice Chair Soule consented to that amendment. Member Asp asked for the rationale behind prohibiting the use of virtual currency to make campaign expenditures and requiring the conversion of virtual currency contributions to United States currency. Mr. Sigurdson stated that the rationale is to limit the effects of the volatility of the valuation of some virtual currencies. Mr. Sigurdson also said that allowing virtual currency to be used to make campaign expenditures would allow a committee to make expenditures that are not made through its bank account. Chair Rashid asked whether the Board is seeing a lot of activity involving virtual currency. Mr. Sigurdson explained that he has received questions about it and Chapter 10A does not address virtual currency, including how to address fluctuations in value between when a virtual currency contribution is made and when it is converted to United States currency. In response to a question from Member Asp, Mr. Sigurdson

stated that there are several states that either prohibit or regulate the use of virtual currency in political campaigns.

The following motion was made:

Member Asp's motion: To adopt the proposed recommendation regarding virtual currency.

Vote on motion: A roll call vote was taken. All members voted in the affirmative.

Member Asp said he is concerned about a standard regarding express advocacy that would require the Board to gauge the intent of the speaker. Member Asp said he is also concerned that the proposed standard would result in more complaints filed with the Board. Member Asp stated that he prefers a more clear standard. Mr. Sigurdson stated that the proposed standard may result in more complaints, but many states and the Federal Election Commission already use a similar standard.

The following motion was made:

Member Swanson's motion: To adopt the proposed recommendation regarding express advocacy.

Member Swanson said that he thinks it makes sense for the Board to offer draft legislation and seek to have that legislation introduced so that when Mr. Sigurdson is asked about the Board's position, he can refer to that legislation. Chair Rashid echoed the sentiment of Member Swanson.

Vote on motion: A roll call vote was taken. Members Flynn, Leppik, Rashid, Soule, and Swanson voted in the affirmative. Member Asp voted in the negative.

Member Soule's amended motion: To adopt all of the new proposed campaign finance recommendations listed above.

Member Asp suggested expanding the noncampaign disbursement category for the transition expenses of a winning gubernatorial candidate to include the transition expenses of others elected to constitutional office.

Member Soule's amended motion: To adopt all of the new proposed campaign finance recommendations listed above and the recommendation suggested by Member Asp.

Vote on motion: A roll call vote was taken. All members voted in the affirmative.

Lobbyist Program Recommendation from Previous Years

- Overhaul the lobbyist program to eliminate the need to report a series of administrative costs; require disclosure of the specific subjects lobbied on during a reporting period; require disclosure of any metropolitan governmental unit lobbied, any specific administrative rule that was subject to lobbying, and any specific project before the Public Utilities Commission on which lobbying occurred

Mr. Sigurdson explained that he has been working with the Minnesota Government Relations Council (MGRC) for over two years on this proposal and believes that working with the MGRC increases the likelihood that the legislation will be introduced and perhaps pass.

New Lobbyist Program Recommendation

- Modify definition of lobbyist to delete new language that takes effect on January 3, 2023, to ensure that individuals whose job duties do not involve communication with a public official are not required to register as lobbyists

Member Rashid's motion: To adopt the proposed lobbyist recommendation from previous years listed above.

Vote on motion: A roll call vote was taken. All members voted in the affirmative.

Member Swanson's motion: To adopt the new proposed lobbyist recommendation listed above.

Vote on motion: A roll call vote was taken. All members voted in the affirmative.

Member Swanson suggested considering a proposal regarding public financing that was developed by former Board member Robert Moilanen. Member Flynn said she would like a report from staff regarding the legislation that Representative Greenman authored in 2021 (H.F. 9).

ENFORCEMENT REPORT

Mr. Hager stated that three of the five matters approved for referral to the Attorney General's Office at the November Board meeting have been resolved.

A. Discussion Items

1. Administrative termination of lobbyist Elizabeth Van Holt (4865)

Mr. Hager stated that the American Petroleum Institute (API) requested that the lobbyist registration of Ms. Van Holt be terminated as she ceased to be employed by that principal as of October 31, 2022,

and the principal attempted to contact Ms. Van Holt asking her to file a termination statement, but she has not done so. Mr. Hager said that API is the only principal represented by Ms. Van Holt and there are no outstanding reports.

Member Soule's motion: To approve the administrative termination of Ms. Van Holt's lobbyist registration.

Vote on motion: A roll call vote was taken. All members voted in the affirmative.

B. Waiver Requests

Larry Etkin, treasurer of the 62nd Senate District DFL, appeared before the Board by Webex regarding request number 1 listed below. Mr. Etkin stated that the party unit currently has approximately \$770. Mr. Etkin said that his predecessor did not keep good records and he has been doing his best to catch up in terms of the party unit's recordkeeping. Mr. Etkin stated that most of the party unit's issues have been resolved. Mr. Etkin said that his predecessor claims that the 2021 year-end report was timely filed but he has no evidence of the report having been filed.

Member Soule's motion: To approve the staff recommendation and waive the late filing fee.

Member Leppik and Chair Rashid said they feel that some penalty, such as \$100 or \$200, seems appropriate, rather than a complete waiver of the amount owed. Member Leppik proposed amending the motion to reduce the late filing fee to \$100 but Vice Chair Soule declined to accept that amendment.

Vote on motion: A roll call vote was taken. Members Asp, Flynn, Soule, and Swanson voted in the affirmative. Members Leppik and Rashid voted in the negative.

Entity	Late Fee/ Civil Penalty	Report Due	Factors and Recommended Action	Board Member's Motion	Motion	Vote on Motion
1. 62nd Senate District DFL (20483)	\$1,000 LFF	2021 Year- End	This matter was initially heard by the Board on October 5, 2022 and the Board waived a \$1,000 CP related to this matter. Report was due January 31, 2022 and filed July 16, 2022. The report was a no change statement and subsequent reports have been filed timely. The cash balance on October 24, 2022 was \$777.28. RECOMMENDED ACTION: Waive	Soule	Approve the staff recommendation	Asp, Flynn, Soule, and Swanson voted in the affirmative. Leppik and Rashid voted in the negative.

2. Maribella McDermid (Aff Only)	\$30 LFF	Original EIS	EIS due June 15, 2022 and received July 8, 2022. This is an affidavit only candidate who was running for the first time and overlooked the deadline. RECOMMENDED ACTION: Waive	Soule	Approve the staff recommendation	Unanimously passed
3. Planned Parenthood MN PAC (41162)	\$2,000 LFF	2x Pre-Primary 24-Hour Notice	Notices were due on July 22, 2022 and July 23, 2022 and have not been filed. This matter was brought to the attention of the PAC by staff. One contribution was reported incorrectly and no actual violation occurred as the contribution was only for \$104.35. The PAC did not amend its reports within 10 days to reflect the correction had occurred. The second contribution was for \$1,000 but the individual also paid the processing fees which went directly to the processor making the total contribution over \$1,000. The PAC has implemented controls to prevent this from occurring in the future. The cash balance as of October 24, 2022 was \$376,697.33. RECOMMENDED ACTION: Reduce to \$250 total	Soule	Approve the staff recommendation	Unanimously passed
4. Mabelle Frisbie (Public Official)	\$100 LFF \$1,000 CP	2021 Annual EIS	EIS due January 31, 2022 and filed November 18, 2022. The individual thought she had filed the EIS and did not read notices from the Board. RECOMMENDED ACTION: Waive CP only	Soule	Approve the staff recommendation	Unanimously passed

C. Informational Items

1. Payment of late filing fee for 2022 pre-general report of receipts and expenditures

- 60th Senate District RPM, \$50
- Minnesota AFL-CIO, \$25
- Working America Minn Political Committee, \$150

2. Payment of late filing fee for September 2022 report of receipts and expenditures

- Minnesota AFL-CIO, \$25

3. Payment of late filing fee for 2022 pre-primary report of receipts and expenditures

1st Congressional District IAP, \$50
MNisReady PAC, \$50
MEDPAC Minn Medical Political Action Comm, \$200

4. Payment of late filing fee for 2022 pre-primary 24-hour notice of large contribution

DAGA Victory Fund MN, \$2,000
Leigh Finke for MN, \$250

5. Payment of late filing fee for lobbyist disbursement report due 6/15/2022

G Byron Laher, \$50

6. Payment of late filing fee for lobbyist disbursement report due 6/15/2021

G Byron Laher, \$50

7. Payment of late filing fee for lobbyist disbursement report due 1/15/2020

G Byron Laher, \$25

8. Payment of late filing fee for 2021 Annual EIS

Kelly Kirkpatrick, \$30

9. Payment of late filing fee for original EIS

Laura Pride, \$100
Katie Malchow, \$50
Hugh McTavish, \$15
Martera Nelson, \$60

10. Payment of civil penalty for disclaimer violation

DougKernHouse6B, \$300
Eichorn (Justin) for MN Senate Campaign Committee, \$200

11. Payment of civil penalty for exceeding individual contribution limit

Hornstein (Frank) Volunteer Committee, \$100

12. Payment of civil penalty for prohibited contribution during legislative session

Carpenters Local Union 361 Pol Fund, \$125

13. Forwarded anonymous contributions

Kim Crockett for Secretary of State Committee, \$50
Ned Carroll for MN House, \$60

PRIMA FACIE DETERMINATION

Mr. Sigurdson presented members with a memorandum that is attached to and made a part of these minutes. Mr. Sigurdson stated that a complaint alleged that the People Over Prosecution Political Fund failed to properly report and provide a disclosure statement for a \$70,000 contribution received from an unregistered association. Mr. Sigurdson said that shortly after the complaint was filed he was contacted by the fund, it filed an amended report properly disclosing the contribution and provided a disclosure statement from the unregistered association that made the contribution, and the Board chair then found that there was no ongoing violation and dismissed the complaint.

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 stated that the Burg and Ohlmann matters have been closed. Mr. Hartshorn stated that a default judgment motion will likely be filed in the Martinez-Perez matter in January.

EXECUTIVE SESSION

Chair Rashid recessed the regular session of the meeting and called to order the executive session. Upon recess of the executive session, the chair reported the following matters into regular session:

Findings:

- In the Matter of the John (Thompson) For 67A committee

Dismissal:

- In the Matter of the complaint of Neil A. Shah, M.D., regarding the Minnesota Democratic-Farmer-Labor Party
- In the Matter of the complaint of Chantal Oechsle regarding Theis (Tama) for Senate

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

Respectfully submitted,

Jeff Sigurdson
Executive Director

Attachments:
Memorandum regarding possible legislative proposals
Text of past statutory language
Memorandum regarding prima facie determination
Prima facie determination
Legal report

DRAFT



MINNESOTA

CAMPAIGN FINANCE BOARD

Board Meeting Dates for Calendar Year 2023

Meetings are at **9:30 A.M.** unless otherwise noted.

Wednesday, February 8

Wednesday, March 1

Wednesday, April 5

Wednesday, May 3

Wednesday, June 7

Wednesday, July 5

Wednesday, August 2

Wednesday, September 6

Wednesday, October 4

Wednesday, November 1

Wednesday, December 6



MINNESOTA CAMPAIGN FINANCE BOARD

Date: December 28, 2022

To: Board Members

From: Jeff Sigurdson, Executive Director

Telephone: 651-539-1189

Re: Legislative proposals

This memo serves two purposes. First, it provides the Board an opportunity to review draft statutory language for the proposals adopted at the December meeting. I want to make sure that Board members are comfortable with the statutory language before I send it to the Revisors office to be jacketed as a bill. Last month I provided with the statutory language previously recommended by the Board changing the definition of expressly advocating. However, after reviewing the approach used in other states to incorporate the functional equivalent standard into the definition of independent expenditures, staff believes that there is easier to understand language available for use in the recommendation. Staff would like Board direction on which version of the definition of expressly advocating to use.

If the draft language is acceptable by the Board I will then contact the Revisors office and have the language drafted into multiple bills. I recommend a separate bill for each program area: lobbyist, campaign finance, and economic interest. It's possible that the committee chairs may want to combine the bills, but that is easier to do than separating out the legislation by program if the committee chairs believe the recommendations are too numerous to hear at one time. A description of the purpose of each recommendation and the draft statutory change for the recommendation is provided as an attachment to this memo.

Additionally, Member Swanson requested that I bring for Board consideration a legislative recommendation developed by former member Bob Moilanen in 2019 that would increase the political contribution refund amount. Member Flynn requested I bring a summary of the campaign finance legislation sponsored by Representative Greenman in 2021, as that legislation may be reconsidered this year and would heavily impact Board operations. These issues are addressed below.

Increasing the political contribution refund amount

The current limit to the political contribution refund (PCR) program is \$50 per person, or \$100 per couple, per calendar year. The Department of Revenue tracks PCR requests by the social security number of the donor, and will not honor refund requests beyond the maximum amount. Candidates who sign the public subsidy agreement and major and minor political party units are

eligible to issue PCR receipts. Only Minnesota residents may submit a PCR application for a refund to the Department of Revenue.

There is no specific limit to the overall amount of money that can be distributed by the Department of Revenue through the PCR program. In 2020 (the last election year for which numbers are available) the Department of Revenue issued about \$1,326,000 in refunds for donations made to candidates, and about \$2,190,000 for donations made to political party units. In 2021 about \$618,000 in refunds were issued for contributions made to candidates, and \$1,578,000 for contributions made to party units. The statutory language regulating the PCR program is found in Minnesota Statutes section 290.06, subdivision 23.

Mr. Moilanen believed that it was important for candidates to receive significant contributions from residents of the state, in particular from small donors. To increase donations from small donors the recommendation would have increased the maximum refund amount to \$200 per individual, or \$400 per married couple. The proposal was discussed by the Board at multiple meetings in 2019 and early 2020, but it did not secure the support of four Board members, and was not included in the Board's legislative recommendations. Below is the statutory language that would result in the change supported by Mr. Moilanen.

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.

...

House File 9, as introduced in 2021

House File 9 was introduced in 2021 by Representative Greenman. The bill received committee hearings in the House, but was not heard in the Senate. The bill has several provisions outside of Chapter 10A which I will not review. Relevant to the Board, the provisions of the bill would replace the current public subsidy program with a new approach. The new campaign finance program had two primary features: it would create a small donor contribution match program, and it would create a "Democracy Dollars Coupon" program.

Under the small donor match program, the Board issues payments (a state match) to qualified candidates for contributions received from individuals. The state match will be six times the amount of a contribution of up to \$100 if the donation was made by an individual who lives within the district, and up to three times the amount for a contribution of up to \$100 which was donated by an individual who lives outside the district. The state central committee of a major or minor political party is eligible for a state match of donations of one time the amount for contributions received from individuals who reside in the state. To be eligible for the match program the candidate would need to sign a public subsidy agreement limiting the candidate's campaign expenditures. The legislation would also limit the total amount of contributions from one individual that could be used for a state match to \$500.

Under the Democracy Dollars Coupon program two \$25 coupons are sent to each registered voter in the state each year. The coupons may be given to qualified candidates and political party units, which then redeem the coupons with the Board for payment. The Office of the Secretary of State is responsible to provide the coupons to all registered voters, and eligible non-registered voters who request the coupons. Only candidates for the legislature and for constitutional office are eligible to redeem the coupons. The Board is required to verify the eligibility of coupons submitted for payment, and issue payments to candidates at least two times per month. There is a cap on the amount of money available for payments through the coupon program. The amount available for the coupon program is limited to 8% of the total value of coupons issued the first year, with the amount available for the coupon program adjusted annually thereafter.

The impact on Board operations to administer the small donor match and Democracy Donor Coupon programs is of course significant. The fiscal note developed in 2021 required a staff increase for the Board of seven full time positions, and would require Board staff to move to a larger office space. In retrospect, I believe I underestimated the technology costs needed to administer the program, and additional IT staffing and other resources may also be needed.

Attachment

Statutory language for legislative recommendations

Economic Interest Statement Policy Recommendations

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.

10A.09 Statement of Economic Interest

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, or the individual's spouse or domestic partner, 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, or the individual's spouse or domestic partner, 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).

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.

10A.09 Statement of Economic Interest

(9) a listing of any contract, professional license, lease, or franchise 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 the government agency on which the individual serves as a public or local official.

Disclosure of assets owned by the public official's spouse or domestic partner. Increase disclosure on the economic interest statement to include the financial interests of the public official's spouse or domestic partner. Under current statute a public official must disclose certain assets owned in whole or in part by the official. Assets owned solely by the official's spouse or domestic partner are not disclosed. Many other states have concluded that the financial interests of the public official's spouse could create a conflict of interest for the public official, and therefore require disclosure of those holdings.

10A.01 Definitions

Subd. 5. **Associated business.** "Associated business" means an association, corporation, partnership, limited liability company, limited liability partnership, or other organized legal entity from which the individual, or the individual's spouse or domestic partner, 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, or whose securities the individual, or the individual's spouse or domestic partner, holds worth more than \$10,000 at fair market value.

10A.09 Statement 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~~The individual filing must provide the following information:

- (1) the individual's name, address, occupation, and principal place of business;
- (2) a listing of the name of each associated business and the nature of that association;

(3) a listing of all real property within the state, excluding homestead property, in which the individual, or the individual's spouse or domestic partner, 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;

(4) a listing of all real property within the state in which a partnership of which the individual, or the individual's spouse or domestic partner, 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, or the individual's spouse or domestic partner, receives more than \$250 in any month during the reporting period as an employee, if the individual, or the individual's spouse or domestic partner, 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, or the individual's spouse or domestic partner, 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 the individual's spouse or domestic partner, at any time during the reporting period; and

(9) a listing of the name of any state department or agency listed in section 15.01 or 15.06, or any political subdivision, with which the individual, the individual's spouse, the individual's domestic partner, the individual's employer, or the employer of the individual's spouse or domestic partner has a contract.

(b) The business or professional categories for purposes of paragraph (a), clauses (6) and (7), must be the general topic headings used by the federal Internal Revenue Service for purposes of reporting self-employment income on Schedule C. This paragraph does not require an individual to report any specific code number from that schedule. Any additional principal business or professional activity category may only be adopted if the category is enacted by law.

(c) ~~The listings required in paragraph (a), clauses (2) through (9), must not identify whether the individual or the individual's spouse or domestic partner is associated with or owns the listed item. For the purpose of an original statement of economic interest, "compensation in any month" includes only compensation received in the calendar month immediately preceding the date of appointment as a public official or filing as a candidate.~~

Campaign Finance Program Legislative Recommendations

Provide regulation of contributions made with bitcoins and other virtual currency. Staff has 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 virtual currency as something of value. The proposal will provide a statutory basis for disclosing and regulating the conversion of virtual currency into United States currency.

10A.15 Contributions

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.

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 for a clearly identified Minnesota candidate, does not in many cases need to be reported to the Board. The Board proposal expands the definition of independent expenditure to include communications that do not use so called “magic words” but could have no reasonable purpose other than to influence voting in Minnesota.

Language proposed in 2021, modified slightly to include certain Hennepin County candidates:

10A.01 Definitions

Subd. 16a. **Expressly advocating.** "Expressly advocating" means:

(1) that a communication clearly identifies a candidate or a local 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

(i) the electoral portion of the communication is unmistakable, unambiguous, and suggestive of only one meaning; and

(ii) reasonable minds could not differ as to whether it encourages actions to elect or defeat

one or more clearly identified candidate(s).

Revised language:

10A.01 Definitions

Subd. 16a. **Expressly advocating.** "Expressly advocating" means that a communication clearly identifies a candidate or a local candidate and:

- (1) urges the election or defeat of a candidate or local candidate and uses words or phrases of express advocacy, such as, but not limited to, vote for, elect, support, cast your ballot for, Smith for House, vote against, defeat, or reject; or
- (2) taken as a whole and with limited reference to external events, such as the proximity to the election, may only be interpreted by a reasonable person as containing advocacy of the election or defeat of a candidate or local candidate, because the electoral portion of the communication is unmistakable, unambiguous, and suggestive of only one meaning, and reasonable minds could not differ as to whether it encourages actions to elect or defeat a candidate or local candidate, or encourages some other kind of action.

Recognize the use of a fair booth as a multicandidate political party expenditure.

Multicandidate political party expenditures are specified in Minn. Stat. § 10A.275, and must benefit three or more candidates (or individuals on the ballot). A multicandidate political party expenditure is reported by the party unit as a general expenditure, and not counted or reported as a contribution to any candidate. Examples of multicandidate political party expenditures include official sample party ballots and phone bank solicitations in support of three or more individuals on the ballot. Currently, a political party that distributes candidate literature at a county or state fair booth, or that allows candidates to use the fair booth as a venue to meet potential voters, is making an in-kind contribution to those candidates. Determining the fair market value of the in-kind contribution is difficult, and in most cases will not exceed the \$200 threshold for disclosure. The proposed change would add the use of a fair booth by three or more individuals on the ballot to the list of multicandidate political party expenditures.

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 (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 call, voice mail, text message, multimedia message, internet chat message, or email when the communication includes the names of three or more individuals whose names are to appear on the ballot;

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

- (45) expenditures for a political party fundraising effort on behalf of three or more candidates; or
- (56) expenditures for party committee staff services that benefit three or more candidates.

Probable Cause determination issued within 60 days of prima facie determination, time frame may be extended by vote of the Board. Current statute provides that within 45 days of issuing a prima facie determination that a complaint stated a violation of Chapter 10A or 211B, the Board must make a probable cause determination as to whether it is more likely or not that an alleged violation occurred. The probable cause determination is the first opportunity for the subject of the complaint to respond to the allegations, and for complaints that are dismissed, the probable cause determination is the most important step in the complaint process. The subject of the complaint may want to be represented by counsel, and the process of hiring representation and putting together a response often cannot be done in within the 45 days available. Further, that 45 days also includes the time needed by Board staff to analyze the response and draft a probable cause determination and provide it to the Board seven days before the meeting at which the determination will be considered. If the subject of the complaint needs additional time to prepare a response, staff contacts the complainant to determine if they object to extending the deadline for issuing a probable cause determination. If there is no objection, the Board extends the deadline, typically to the next monthly Board meeting. Under current statute, if the Board makes a probable cause determination that an investigation is needed, then the Board is required to either issue findings to conclude the investigation within 60 days, or if more time is needed to complete a thorough investigation, may vote to extend the time frame for concluding the investigation. The proposed change would extend the 45 days to issue a probable cause determination to the same 60 days available for findings, and clarify that the ability to extend the time frame by Board vote applies to making a probable cause determination.

10A.022 Violations and Enforcement

Subd. 3. Investigation authority; complaint process.

(d) If a determination is made that the complaint alleges a prima facie violation, the board shall, within ~~45~~60 days of the prima facie determination, make findings and conclusions as to whether probable cause exists to believe the alleged violation that warrants a formal investigation has occurred. Any party filing a complaint and any party against whom a complaint is filed must be given an opportunity to be heard by the board prior to the board's determination as to whether probable cause exists to believe a violation that warrants a formal investigation has occurred.

(e) Upon a determination by the board that probable cause exists to believe a violation that warrants a formal investigation has occurred, the board must undertake an investigation under subdivision 2 and must issue an order at the conclusion of the investigation, except that if the complaint alleges a violation of section 10A.25 or 10A.27, the board must either enter a conciliation agreement or make public findings and conclusions as to whether a violation has occurred and must issue an order within 60 days after the probable cause determination has been made. Prior to making findings and conclusions in an investigation, the board must offer the subject of the complaint an opportunity to answer the allegations of the complaint in writing and to appear before the board to address the matter. The deadline for action on a written complaint, including but not limited to issuance of a probable cause determination in accordance with paragraph (d), entering into a conciliation agreement, or issuance of public findings, may be extended by majority vote of the board.

Add costs related to a recount and the costs of running a transition office as new noncampaign disbursements. There are currently twenty-seven noncampaign disbursements provided in statute for candidate committees. Noncampaign disbursements are an approved use of campaign committee funds under Minn. Stat. § 211B.12, and if the candidate signed the public subsidy agreement, the cost of the disbursement does not count against the candidate's campaign spending limit. The Board is given the authority to recognize other noncampaign disbursements in Minn. Stat. § 10A.01, subd. 26, which classifies as noncampaign disbursements "other purchases or payments specified in board rules or advisory opinions as being for any purpose other than to influence the nomination or election of a candidate or to promote or defeat a ballot question". In Advisory Opinion 415 the Board concluded that a recount of ballots was a part of the election process, and that a recount of ballots will ascertain the result of the election, but does not influence voting at the election. Therefore, the use of candidate committee campaign funds to support a recount could be reported as a noncampaign disbursement. Although advisory opinions are referenced for guidance by many committees, an opinion provides safe harbor only to the individual or association that requested the opinion. Adding costs associated with a recount as a noncampaign disbursement in statute will provide all candidate committees with equal access to the conclusion reached in the advisory opinion.

The Board also issued advisory opinion 391, which provides that a newly elected constitutional office candidate could pay certain costs related to transition to the new officeholder from campaign committee funds, and report the costs as a noncampaign disbursement. The proposal would again move the guidance of the advisory opinion into statute so that it may be used by all newly elected constitutional candidates. An administrative rule, part 4503.0900, subpart 1, paragraph F, is repealed as it limits transition costs to the office of governor.

10A.01 Definitions

Subd. 26. Noncampaign disbursement. (a) "Noncampaign disbursement" means a purchase or payment of money or anything of value made, or an advance of credit incurred, or a donation in kind received, by a principal campaign committee for any of the following purposes:

...

(28) during a period starting January 1 in the year following a general election and ending on December 31 of the year of general election, total payments of up to \$3,000 for security expenses for a candidate, including home security hardware, maintenance of home security hardware, identity theft monitoring services, and credit monitoring services;

(29) costs to support a candidate's principal campaign committee's participation in a recount of ballots affecting that candidate's election; and

(30) costs of running a transition office for a winning state constitutional office candidate during the first three months after election.

REPEALER.

Minnesota Rules, part 4503.0900, subpart 1, paragraph F, is repealed.

Provide specific distance for placement of notice required for sale of goods or services for fund-raising purposes. Minn. Stat. § 10A.271 requires that a political committee or fund, political party unit, or candidate committee that raises funds through the sale of goods or services provide notice to potential customers that the proceeds from the purchase are a political contribution, and what committee or funds will receive the contribution. The statute currently provides that notice may be provided by a sign placed “in immediate proximity” to the point of sale. Immediate proximity is not a defined term, and could be reasonably interpreted in more than one way. The recommendation is to provide a set distance, within three feet, of the point of sale. Additional language clarifying how the requirement is satisfied when the sale is via a website is also provided.

10A.271 Goods and Services for Fundraising Purposes

Subdivision 1. **Notice to contributors.** A political committee, political fund, political party unit, or principal campaign committee that raises funds through the sale of goods or services must disclose to potential customers that the proceeds from the purchase are a political contribution and to whom the contribution is made. If goods or services are sold in person, the notice may must be provided verbally at the time of purchase, or through the prominent display of a sign providing the notice in immediate proximity to within three feet of, and facing, the point of sale at the location where the goods or services are sold. If goods or services are sold using a website or other electronic means, the notice must be prominently displayed on the page used by potential customers to make a purchase or enter payment information.

Provide penalty for ballot question committees and funds that make contributions to a candidate’s committee. Minn. Stat. § 10A.121, currently prohibits independent expenditure committees and funds and ballot question committees and funds from making contributions to candidates. However, the penalty provided in that statute for contributing to a candidate committee does not extend to ballot question committees and funds, which is inconsistent because ballot question committees may also receive corporate contributions.

10A.121 Independent Expenditure and Ballot Question Political Committees and Funds

Subd. 2. Penalty. (a) An independent expenditure political committee, ~~or independent expenditure political fund, ballot question political committee, or ballot question political fund~~ is subject to a civil penalty of up to four times the amount of the contribution or approved expenditure if it does the following:

(1) makes a contribution to a candidate, local candidate, party unit, political committee, or political fund other than an independent expenditure political committee, ~~or an independent expenditure political fund, ballot question political committee, or ballot question political fund~~; or

(2) makes an approved expenditure.

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

Expand requirement to provide registration number with contributions to include Hennepin County candidates. Minn. Stat. § 10A.15, subd. 5, requires a lobbyist, political committee or fund, or party unit to provide their registration number with their contributions to state level candidates. Now that contributions to certain Hennepin County candidates are also reported by these registered committees and funds, it would be useful to expand the candidates covered to include those same Hennepin County candidates.

10A.15 Contributions

Subd. 5. **Registration number on checks.** A contribution made to a candidate or local candidate by a lobbyist, political committee, political fund, or party unit must show the name of the lobbyist, political committee, political fund, or party unit and the number under which it is registered with the board.

Clarify report periods for political committees, political funds, and party units that make contributions to impact Hennepin County elections during a non-state election year.

Political committees, political funds, and party units that contribute to or make independent expenditures regarding certain Hennepin County candidates, or make ballot question expenditures in Hennepin County during an odd-numbered year, are required to file additional reports with the Board. However, the current schedule provided in Minn. Stat. § 10A.20, subd. 2a, does not explicitly state whether the pre-primary report is required of an entity that only seeks to influence elections in a municipality with no municipal primary election. Minneapolis and Bloomington use ranked-choice voting and therefore do not hold primary elections for municipal candidates. Similarly, ballot questions are not voted on at primary elections. The statute would be clarified to state that a “pre-primary” report is required even if the candidate or issue is not on a primary ballot.

10A.20 Campaign Reports

Subd. 2a. Local election reports. (a) This subdivision applies to a political committee, political fund, or political party unit that during a non-general election year:

(1) spends in aggregate more than \$200 to influence the nomination or election of local candidates;

(2) spends in aggregate more than \$200 to make independent expenditures on behalf of local candidates; or

(3) spends in aggregate more than \$200 to promote or defeat ballot questions defined in section 10A.01, subdivision 7, clause (2), (3), or (4).

(b) In addition to the reports required by subdivision 2, the entities listed in paragraph (a) must file the following reports in each non-general election year:

(1) a first-quarter report covering the calendar year through March 31, which is due April 14;

(2) a report covering the calendar year through May 31, which is due June 14;

(3) a pre-primary-election report due 15 days before the local primary election date specified in section 205.065;

(4) a pre-general-election report due 42 days before the local general election; and

(5) a pre-general-election report due ten days before a local general election.

The reporting obligations in this paragraph begin with the first report due after the reporting period in which the entity reaches the spending threshold specified in paragraph (a). The pre-primary report required under subd. 2a(b)(3) is required for all entities required to report under paragraph (a), regardless of whether the candidate or issue is on the primary ballot.

Provide a penalty for a violation of Minn. Stat. § 10A.38. Candidates who sign the public subsidy agreement are generally required to close caption broadcast or cable television advertisements, and must provide the script for radio advertisements on the candidate’s campaign

website. However, there are is not a penalty provided for violating the statute, which leaves in doubt its effectiveness. The recommendation would provide a civil penalty of up to \$1,000 per violation of the statute.

10A.38 Captioning of Campaign Advertisements

(a) This section applies to a campaign advertisement by a candidate who is governed by an agreement under section 10A.322.

(b) "Campaign advertisement" means a professionally produced visual or audio recording of two minutes or less produced by the candidate for the purpose of influencing the nomination or election of a candidate.

(c) A campaign advertisement that is disseminated as an advertisement by broadcast or cable television must include closed captioning for deaf and hard-of-hearing viewers, unless the candidate has filed with the board before the advertisement is disseminated a statement setting forth the reasons for not doing so. A campaign advertisement that is disseminated as an advertisement to the public on the candidate's website must include closed captioning for deaf and hard-of-hearing viewers, unless the candidate has posted on the website a transcript of the spoken content of the advertisement or the candidate has filed with the board before the advertisement is disseminated a statement setting forth the reasons for not doing so. A campaign advertisement must not be disseminated as an advertisement by radio unless the candidate has posted on the candidate's website a transcript of the spoken content of the advertisement or the candidate has filed with the board before the advertisement is disseminated a statement setting forth the reasons for not doing so.

(d) Civil Penalty. A candidate who fails to follow the requirements of paragraph (c), is subject to a civil penalty imposed by the board of up to \$1,000.

Lobbyist Program Recommendations

Lobbyist Program Reporting. The recommendations to change the focus of the disclosure provided by the lobbying program was introduced as HF 2173 in 2021, an amended copy of which is attached. As review, the lobbying proposal would eliminate the need to report a series of administrative costs related to lobbying. In place of administrative costs, the recommendations would require disclosure of the specific subjects lobbied on during the reporting period. Also, for the first time, the lobbyist would disclose any metropolitan governmental unit lobbied, any specific administrative rule that was subject to lobbying, and any specific project before the Minnesota Public Utilities Commission on which lobbying occurred.

Modify definition of lobbyist. The definition of lobbyist has been based on an action: communication with a public or local official for the purpose of attempting to influence an official action by that official. At the 2021 special legislative session the definition was amended to include any individual who earns more than \$3,000 a year “from a business whose primary source of revenue is derived from facilitating government relations or government affairs services between two third parties”. Under this new expanded definition (which takes effect January 3, 2023) an individual may need to register as a lobbyist even though their job does not ever include communication with a public official. Or at least it might; staff is unsure what “services between two third parties” means. The goal of the change in 2021 was to strengthen the ban on legislators working as a lobbyist, and that issue was addressed in the same legislation with a modification to Chapter 3, which specifically prohibits legislators from working as a registered lobbyist, or working for firms that are in the government relations space. The recommendation would be to delete the change to the definition in Chapter 10A only.

10A.01 Definitions

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:

(i) 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; or

~~(ii) from a business whose primary source of revenue is derived from facilitating government relations or government affairs services between two third parties; or~~

(2) who spends more than \$250, 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.

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State of Minnesota
HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 2173

03/11/2021 Authored by Nelson, M.,
The bill was read for the first time and referred to the Committee on State Government Finance and Elections

1.1 A bill for an act
1.2 relating to lobbyists; modifying lobbyist registration and reporting; creating
1.3 definitions; amending Minnesota Statutes 2020, sections 10A.01, subdivision 21,
1.4 by adding subdivisions; 10A.025, subdivision 4; 10A.03, subdivision 2, by adding
1.5 a subdivision; 10A.04, subdivisions 3, 4, 6, 9; repealing Minnesota Rules, part
1.6 4511.0600, subpart 5.

1.7 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:**

1.8 Section 1. Minnesota Statutes 2020, section 10A.01, is amended by adding a subdivision
1.9 to read:

1.10 Subd. 12a. **Designated lobbyist.** "Designated lobbyist" means the lobbyist responsible
1.11 for reporting the lobbying disbursements and activity of the entity the lobbyist represents.

1.12 Sec. 2. Minnesota Statutes 2020, section 10A.01, is amended by adding a subdivision to
1.13 read:

1.14 Subd. 17d. **General lobbying category.** "General lobbying category" means an area of
1.15 interest for lobbying for an entity that is on a list of categories specified by the board.

1.16 Sec. 3. Minnesota Statutes 2020, section 10A.01, is amended by adding a subdivision to
1.17 read:

1.18 Subd. 19a. **Legislative action.** "Legislative action" means any of the following:

1.19 (1) the development of prospective legislation, including the development of amendment
1.20 language to prospective legislation;

2.1 (2) the review, modification, adoption, or rejection by a member of the legislature or an
 2.2 employee of the legislature, if applicable, of any (i) bill, (ii) amendment, (iii) resolution,
 2.3 (iv) confirmation considered by the legislature, or (v) report;

2.4 (3) the development of, in conjunction with a constitutional officer, prospective legislation
 2.5 or a request for support or opposition to introduced legislation; and

2.6 (4) the action of the governor in approving or vetoing any act of the legislature or portion
 2.7 of an act of the legislature.

2.8 Sec. 4. Minnesota Statutes 2020, section 10A.01, subdivision 21, is amended to read:

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

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

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

2.19 (b) "Lobbyist" does not include:

2.20 (1) a public official;

2.21 (2) an employee of the state, including an employee of any of the public higher education
 2.22 systems;

2.23 (3) an elected local official;

2.24 (4) a nonelected local official or an employee of a political subdivision acting in an
 2.25 official capacity, unless the nonelected official or employee of a political subdivision spends
 2.26 more than 50 hours in any month attempting to influence legislative or administrative action,
 2.27 or the official action of a metropolitan governmental unit other than the political subdivision
 2.28 employing the official or employee, by communicating or urging others to communicate
 2.29 with public or local officials, including time spent monitoring legislative or administrative
 2.30 action, or the official action of a metropolitan governmental unit, and related research,
 2.31 analysis, and compilation and dissemination of information relating to legislative or
 2.32 administrative policy in this state, or to the policies of metropolitan governmental units;

3.1 (5) a party or the party's representative appearing in a proceeding before a state board,
 3.2 commission, or agency of the executive branch unless the board, commission, or agency is
 3.3 taking administrative action;

3.4 (6) an individual while engaged in selling goods or services to be paid for by public
 3.5 funds;

3.6 (7) a news medium or its employees or agents while engaged in the publishing or
 3.7 broadcasting of news items, editorial comments, or paid advertisements which directly or
 3.8 indirectly urge official action;

3.9 (8) a paid expert witness whose testimony is requested by the body before which the
 3.10 witness is appearing, but only to the extent of preparing or delivering testimony; or

3.11 (9) a party or the party's representative appearing to present a claim to the legislature
 3.12 and communicating to legislators only by the filing of a claim form and supporting documents
 3.13 and by appearing at public hearings on the claim.

3.14 (c) An individual who volunteers personal time to work without pay or other consideration
 3.15 on a lobbying campaign, and who does not spend more than the limit in paragraph (a), clause
 3.16 (2), need not register as a lobbyist.

3.17 (d) An individual who provides administrative support to a lobbyist and whose salary
 3.18 and administrative expenses attributable to lobbying activities are reported as lobbying
 3.19 expenses by the lobbyist, but who does not communicate or urge others to communicate
 3.20 with public or local officials, need not register as a lobbyist.

3.21 Sec. 5. Minnesota Statutes 2020, section 10A.01, is amended by adding a subdivision to
 3.22 read:

3.23 Subd. 26b. Official action of metropolitan governmental units. "Official action of
 3.24 metropolitan governmental units" means any action that requires a vote or approval by one
 3.25 or more elected local officials while acting in their official capacity; or an action by an
 3.26 appointed or employed local official to make, to recommend, or to vote on as a member of
 3.27 the governing body, major decisions regarding the expenditure or investment of public
 3.28 money.

3.29 Sec. 6. Minnesota Statutes 2020, section 10A.01, is amended by adding a subdivision to
 3.30 read:

3.31 Subd. 35c. Specific subject of interest. "Specific subject of interest" means a particular
 3.32 topic or area of lobbying interest within a general lobbying category.

4.1 Sec. 7. Minnesota Statutes 2020, section 10A.025, subdivision 4, is amended to read:

4.2 Subd. 4. **Changes and corrections.** Material changes in information previously submitted
4.3 and corrections to a report or statement must be reported in writing to the board within ten
4.4 days following the date of the event prompting the change or the date upon which the person
4.5 filing became aware of the inaccuracy. The change or correction must identify the form and
4.6 the paragraph containing the information to be changed or corrected. A request from the
4.7 board to a lobbyist to provide more detailed information about a specific subject of interest
4.8 disclosed on a lobbyist disbursement report is a change or correction governed by this
4.9 subdivision.

4.10 A person who willfully fails to report a material change or correction is subject to a civil
4.11 penalty imposed by the board of up to \$3,000. A willful violation of this subdivision is a
4.12 gross misdemeanor.

4.13 The board must send a written notice to any individual who fails to file a report required
4.14 by this subdivision. If the individual fails to file the required report within ten business days
4.15 after the notice was sent, the board may impose a late filing fee of \$25 per day up to \$1,000
4.16 starting on the 11th day after the notice was sent. The board may send an additional notice
4.17 by certified mail to an individual who fails to file a report within ten business days after the
4.18 first notice was sent by the board. The certified notice must state that if the individual does
4.19 not file the requested report within ten business days after the certified notice was sent, the
4.20 individual may be subject to a civil penalty for failure to file a report. An individual who
4.21 fails to file a report required by this subdivision within ten business days after the certified
4.22 notice was sent by the board is subject to a civil penalty imposed by the board of up to
4.23 \$1,000.

4.24 Sec. 8. Minnesota Statutes 2020, section 10A.03, subdivision 2, is amended to read:

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

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

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

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

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

5.1 (5) ~~a~~ the general description of the subject or subjects lobbying categories on which the
 5.2 lobbyist expects to lobby; on behalf of a represented entity; and

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

5.5 Sec. 9. Minnesota Statutes 2020, section 10A.03, is amended by adding a subdivision to
 5.6 read:

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

5.12 Sec. 10. Minnesota Statutes 2020, section 10A.04, subdivision 3, is amended to read:

5.13 Subd. 3. Information to lobbyist. An employer or employee about entity or lobbyist
 5.14 whose activities a are reported to the board by another lobbyist is required to report must
 5.15 provide the information required by subdivision 4 to the lobbyist no later than five days
 5.16 before the prescribed filing date.

5.17 Sec. 11. Minnesota Statutes 2020, section 10A.04, subdivision 4, is amended to read:

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

5.21 (b) A lobbyist must report the specific subjects of interest for an entity represented by
 5.22 the lobbyist on each report submitted under this section. A lobbyist must describe a specific
 5.23 subject of interest in the report with enough information to show the particular issue of
 5.24 importance to the entity represented.

5.25 (b)(c) A lobbyist must report the lobbyist's total disbursements on lobbying, separately
 5.26 listing lobbying to influence legislative action, lobbying to influence administrative action,
 5.27 and lobbying to influence the official actions of a metropolitan governmental unit, and a
 5.28 breakdown of disbursements for each of those kinds of lobbying into categories specified
 5.29 by the board, including but not limited to the cost of publication and distribution of each
 5.30 publication used in lobbying; other printing; media, including the cost of production; postage;
 5.31 travel; fees, including allowances; entertainment; telephone and telegraph; and other
 5.32 expenses. every state agency that had administrative action that the represented entity sought

6.1 to influence during the reporting period. The lobbyist must report the specific subjects of
 6.2 interest for each administrative action and the revisor rule draft number assigned to the
 6.3 administrative rulemaking.

6.4 (d) A lobbyist must report every metropolitan governmental unit that considered official
 6.5 action that the represented entity sought to influence during the reporting period. The lobbyist
 6.6 must report the specific subjects of interest for each action.

6.7 (e) A lobbyist must report general lobbying categories and up to four specific subjects
 6.8 of interest related to each general lobbying category on which the lobbyist attempted to
 6.9 influence legislative action during the reporting period. If the lobbyist attempted to influence
 6.10 legislative action on more than four specific subjects of interest for a general lobbying
 6.11 category, the lobbyist, in consultation with the represented entity, must determine which
 6.12 four specific subjects of interest were the entity's highest priorities during the reporting
 6.13 period and report only those four subjects. If a reported specific subject of interest was
 6.14 contained in legislation that the lobbyist attempted to influence that passed at least one body
 6.15 of the legislature, the lobbyist must identify that legislation by bill number.

6.16 (f) A lobbyist must report the Public Utilities Commission project name for each rate
 6.17 setting, power plant and powerline siting, or granting of certification of need before the
 6.18 Public Utilities Commission that the represented entity sought to influence during the
 6.19 reporting period.

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

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

6.30 (i) The designated lobbyist must report disbursements made, and obligations incurred,
 6.31 that exceed \$2,000 for paid advertising used for the purpose of urging members of the public
 6.32 to contact public or local officials to influence official actions during the reporting period.
 6.33 Paid advertising includes the cost to increase the distribution of an advertisement on social
 6.34 media. The designated lobbyist must provide in the report the date that the advertising was

7.1 purchased, the name and address of the vendor, a description of the advertising purchased,
 7.2 and any specific subject or subjects of interest addressed by the advertisement.

7.3 ~~(e)-(j) On the report due June 15, the~~ a lobbyist must ~~provide a~~ disclose the general
 7.4 description of the subjects lobbying categories that were lobbied on in the ~~previous 12-~~
 7.5 ~~months~~ reporting period.

7.6 Sec. 12. Minnesota Statutes 2020, section 10A.04, subdivision 6, is amended to read:

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

7.9 (b) ~~Except as provided in paragraph (d),~~ The principal must report the total amount,
 7.10 rounded to the nearest ~~\$20,000~~ \$10,000, spent by the principal during the preceding calendar
 7.11 year ~~to influence legislative action, administrative action, and the official action of~~
 7.12 ~~metropolitan governmental units.~~ on each type of lobbying listed below:

7.13 (1) lobbying to influence legislative action;

7.14 (2) lobbying to influence administrative action, other than lobbying described in clause 7.15
 7.15 (3);

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

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

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

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

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

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

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

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

8.9 Sec. 13. Minnesota Statutes 2020, section 10A.04, subdivision 9, is amended to read:

8.10 Subd. 9. **Reporting by multiple lobbyists representing the same entity.** Clauses (1)
8.11 to (6) apply when a single individual, association, political subdivision, or public higher
8.12 education system is represented by more than one lobbyist.

8.13 (1) The entity must appoint one designated lobbyist to report lobbyist disbursements
8.14 made by the entity. An entity represented by more than one lobbyist may only have one
8.15 designated lobbyist at any given time. The designated lobbyist must indicate that status on
8.16 the periodic reports of lobbyist disbursements.

8.17 (2) A reporting lobbyist may consent to report on behalf of one or more other lobbyists
8.18 for the same entity, in which case, the other lobbyists are persons whose activities the
8.19 reporting lobbyist must disclose and are subject to the disclosure requirements of subdivision
8.20 3. Lobbyist disbursement reports filed by a reporting lobbyist must include the names and
8.21 registration numbers of the other lobbyists whose activities are included in the report.

8.22 (3) Lobbyists whose activities are accounted for by a reporting lobbyist are not required
8.23 to file lobbyist disbursement reports.

8.24 (4) A lobbyist whose lobbying disbursements are provided to the board through a
8.25 reporting lobbyist must supply all relevant information on disbursements to the reporting
8.26 lobbyist no later than five days before the prescribed filing date.

8.27 (5) The reporting periods and due dates for a reporting lobbyist are those provided in
8.28 subdivision 2. The late filing provisions in subdivision 5 apply to reports required by this
8.29 subdivision.

8.30 (6) The reporting lobbyist must indicate the names and registration numbers of any
8.31 lobbyists who did not provide their lobbying disbursements for inclusion in a report. The
8.32 late filing provisions in subdivision 5 apply to lobbyists who fail to report information to
8.33 the reporting lobbyist.

9.1 Sec. 14. **REPEALER.**

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

4511.0600 REPORTING DISBURSEMENTS.

Subp. 5. **Specific disbursement categories.** Lobbying disbursements must be reported based on the categories in items A to I.

A. "Lobbying materials" includes the cost of production, purchase, or other acquisition of materials that directly support lobbying.

B. "Media costs" includes the cost of media space or time, including website design and maintenance, used for lobbying activities. The cost of preparation of materials for use in the media is reported in the lobbying materials category.

C. "Telephone and communications" includes costs for local and long-distance telephone services, electronic mail, pagers, cellular telephones, facsimile distribution services, telegraph, and other communications services.

D. "Postage and distribution" includes costs of postage from the United States Postal Service as well as other distribution costs associated with lobbying activities.

E. "Fees and allowances" includes fees for consulting, surveys, polls, legal counsel, or other services as well as expenses associated with those services.

F. "Entertainment" includes costs of all entertainment associated with any situation where lobbying activities take place.

G. "Food and beverages" includes costs of all food and beverages associated with any situation where lobbying activities take place.

H. "Travel and lodging" includes costs of all travel and lodging associated with any lobbying activity, excluding the costs of the lobbyist's own travel to accomplish the lobbying activity.

I. "Other disbursements" includes general administration and overhead and any other lobbyist disbursements not reported in other categories.



MINNESOTA CAMPAIGN FINANCE BOARD

Date: December 28, 2022

To: Board members
Counsel Hartshorn

From: William Hager, Legal/Management Analyst

Subject: Enforcement report for consideration at the January 4, 2023 Board meeting

A. Discussion Items

1. Balance adjustment request – Maresh (William) for House (18312)

The Maresh committee’s 2020 year-end report of receipts and expenditures listed an ending cash balance of \$9,626.19 while its bank account had a balance of \$9,615.20 at the end of that year, a difference of \$10.99. The committee’s 2021 year-end report listed an ending cash balance of \$10,961.44 while its bank account had a balance of \$10,677.68 at the end of that year, a difference of \$283.76. The candidate and the committee’s treasurer have reviewed the committee’s financial records but are unable to reconcile the discrepancy. The committee has entered its 2022 transactions within Campaign Finance Reporter and the difference between the ending cash balance in the software and the committee’s actual cash balance is \$281.06, which is almost the same as the balance discrepancy that carried over from 2021. The committee is thereby asking that its 2021 ending cash balance be adjusted downward by \$281.06, from \$10,961.44 to \$10,680.38. The committee intends for its 2022 year-end report to be a termination report.

B. Waiver Requests

#	Committee/ Entity	Late Fee/ Civil Penalty	Report Due	Factors	Prior Waivers	Recommended Action
1	Old 50th Senate District RPM (20863)	\$450 LFF	2022 Pre- Primary	Report due July 25, 2022, and received by the Board August 5, 2022. Report was late due to computer issues and health issues of treasurer's mother during this time. Worked with Board staff to resolve issues. Cash balance as of October 24, 2022 was \$517.	\$100 LFF for 2020 pre-primary waived due to difficulty using CFR software	Waive

2	Hornstein (Frank) Volunteer Committee (15671)	\$100 LFF	2022 Pre-General	Report due October 31, 2022, and received November 2, 2022. Treasurer thought it had been received by the Board timely as there were two messages on the screen, one saying it was uploaded successfully and one saying it failed. When realized it did not go through worked with Board staff to submit. Cash balance as of October 24, 2022, was \$6,030.	None	Waive
3	Justin Emmerich (Senate candidate)	\$5 LFF	Original EIS	Was due June 24, 2022, and filed July 15, 2022. Sent in mail on June 16, 2022 but was lost. As soon as learned of the issue worked with Board staff to file.	None	Waive
4	60th Senate District DFL (Old) (20473)	\$1,000 LFF \$1,000 CP	2022 Pre-General	Report due October 31, 2022, and filed December 19, 2022, by the treasurer of the 60th Senate District DFL (New). The old party unit is in the process of terminating due to redistricting. The treasurer for the new party unit attempted to work with the treasurer of the old party unit but she did not file the report and ceased communicating so he filed the report himself based on the information he was provided. Balance as of October 24, 2022, was \$1,766, following transfer of \$12,660 to the new party unit.	\$1,300 for the 2018 pre-general and \$1,700 for the 2018 pre-primary waived due to treasurer falsely stating that the reports were filed, resulting in replacement of the treasurer	Waive
5	Neighbors for Zaynab (18730)	\$9,000 LFFs	9x Pre-Primary 24 Notices	Notices due 4x on July 29, 2022, one on August 5, 2022, one on August 6, 2022, and 3x on August 7, 2022, were never filed. The committee's treasurer was inactive during this time and the Chair was removed on July 28, 2022. The request is based upon the candidate being in a car accident and having a serious concussion preventing her from looking at screens. Cash balance as of October 24, 2022, was \$43,231.	None	Reduce to \$1,000 total. The candidate's car accident is a mitigating factor, however the committee is required to have an active treasurer.
6	Ashley Burg (2542), Affidavit Only Candidate	\$100 LFF \$1,000 CP	Original EIS	EIS due June 14, 2022, and filed December 10, 2022. Numerous attempts were made to contact Ms. Burg, including a certified letter sent October 14, 2022. The matter was previously referred to the AG at the November 2022 Board meeting. Was an affidavit only first-time candidate who overlooked the requirement.	None	Waive CP only. Affidavit only candidates are difficult to communicate with, and are typically not knowledgeable about filing requirements.

From: [bill maresh](#)
To: [Olson, Andrew \(CFB\)](#)
Subject: administrative adjustment request
Date: Tuesday, December 27, 2022 10:47:47 AM

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To the Minnesota Campaign Finance and Public Disclosure Board,
We, William and Julie Maresh of account #18312 are requesting an administrative adjustment of our account. We are attempting to terminate and have reviewed our records extensively and can not find our mistakes. We have attached our year end bank statements showing the differences from the CFR year end report. You will see in the year 2020 we started with \$1656.72 and our year end report of 2020 CFR shows \$9626.19... Our bank balance shows \$9615.20 and negative of \$10.99.
Our CFR year end report of 2021 shows \$10,961.44, however our bank balance at year end was \$10,677.68, a positive difference of \$283.76.
This year, 2022, the CFR end of year report is at \$381.06 with our bank account at a positive of \$100.00.
We are humbly requesting an administrative adjustment followed by a termination of our account.

Sincerely

William and Julie Maresh

William Maresh and Julie Maresh

From: russ.starksen.com
To: [Engelhardt, Megan \(CFB\)](mailto:Engelhardt, Megan (CFB))
Cc: JL; russ.starksen.com
Subject: Late Fee \$450 (request for reduction of waver)
Date: Tuesday, December 13, 2022 1:53:19 PM

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SD50RPM (Old)
Russ Starksen – Treasurer
9242 Bloomington Ave. S.
Bloomington, MN 55425

Minnesota Campaign Finance Board.
Megan Engelhardt -Assistant Executive Director
Suite 190, Centennial Office Building
658 Cedar Street
St. Paul, MN 55155-1603

RE: Late Fee \$450 (request for reduction of waver)
Report of Receipt and Expenditures due July 25th, 2022

I am looking to resolve this before the end of the year to close out the SD50(old) account.

There were several factors in running late with the report, but more importantly I want to thank the board for their help in getting the report in before the primary election only a few days after the deadline. I kept the board abreast of progress starting the week before the deadline. My daily interaction with the board was friendly and straight forward albeit a little slow during the time of my interaction I believe primarily because of redistricting and Covid 19 restrictions.

Here are some brief points on the reasons for being late.

1. My mother was dying, and I had to tend to Her Care.
2. The redistricting zoom meeting I planned on attending was canceled.
3. There was corruption in the database which I could not fix myself.
 - a. In my opinion as the software is somewhat dated albeit functional.
4. Questions with the board had a 1 to 2 day turnaround as staff was on covid restrictions.
5. SD50(Old) committee is a small group of volunteers with limited resources and budget.
6. I worked with the help of the following Board personnel:
 - a. Megan Engelhardt
 - b. Melissa Stevens
 - c. Gary Bauer

Thank You.

Russ Starksen

651-233-8238

Russ@starksen.com

Hornstein (Frank) Volunteer Committee (15671)

From: [Frank Hornstein](#)
To: [Engelhardt, Megan \(CFB\)](#)
Subject: Hornstein Volunteer Committee Appeal of General election late fee
Date: Monday, December 19, 2022 2:24:31 PM

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Dear Ms Engelhardt,

The Hornstein Volunteer Committee is in receipt of the Campaign Finance and Disclosure Board's correspondence of December 2nd concerning late fees. We accept the Board's conclusion regarding our one day late submission of pre-primary reports in 2020 and 2022. We have sent via USPS a check to cover fees related to those late submissions.

The Hornstein Volunteer Committee is appealing the \$100 late fee for the 2022 pre-general report.

The Committee treasurer, Mr Abdikhaliq Sahal sent the required report prior to October 31 deadline. He received a notice from the Campaign Finance and Disclosure Board on his computer screen that the report was transmitted successfully.

He took a screen shot of that communication (see figure 1 , center of screen). Mr. Sahal only noticed another image on the upper left hand corner of the screen on November 2nd which indicated that the file was not successfully transmitted. The image contains contradictory messages from the Campaign Finance and Disclosure Board.

The Hornstein Volunteer Committee did not receive an e-mail confirmation of the CFB's receipt of the report on October 31st or November 1st , and followed up on Wednesday November 2nd to confirm receipt. Upon learning that the CFB had, in fact, not received the report , Mr. Sahal successfully transmitted the document on November 2nd .

In summary , the CFB software transmitted conflicting messages to Mr. Sahal on October 31. In the same transmission the CFB indicated that the report was filed successfully , and in a separate message on the same screen indicated that the transmission failed.

These contradictory messages led to a delay in the submission of our report .

We request that the CFB waive the \$100 late fee assessed to the Hornstein Volunteer Committee for the 2022 pre-election report in lieu of the aforementioned information.

Thank you very much for your consideration.

Sincerely ,

Frank Hornstein
State Representative

Campaign Finance Reporter - 2022 Hornstein (Frank) Volunteer Committee

File Record Keeping Edit/View Admin Data Merge Reports Tools Help

File Transfer Manager

- Download Committee Information
- Upload Report Files

- Upload File Selection
- Upload Report 15671_2002_2022E
 - Upload Unfiled 24 Hour Notices


Status: FAILED

Connecting...
Setting directory...

Uploading the Report File...
...Failed: Upload of report failed.

Disconnecting...
Session Closed...

Campaign Finance Reporter



File uploaded successfully

OK

From: [Justin Emmerich](#)
To: [Engelhardt, Megan \(CFB\)](#)
Subject: Fwd: FW: Candidate EIS form
Date: Tuesday, December 20, 2022 1:44:56 PM
Attachments: [EIS Justin Emmerich.pdf](#)

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Hi Megan,

I received a letter from the CFB saying they had not received my request for a waiver of fees associated with my tardy Economic Income Statement. I sent this email to Erika on July 15 requesting a waiver. If this needs to be in a different format like a word document, or pdf, please let me know.

Happy Holidays,

Justin

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

From: Justin Emmerich <justin.emmerich43@gmail.com>
Date: Fri, Jul 15, 2022 at 10:32 AM
Subject: Re: FW: Candidate EIS form
To: Ross, Erika (CFB) <Erika.T.Ross@state.mn.us>

Hi Erika -

Thank you for your help this morning. Attached is my EIS report. I did not report anything on sources of compensation since the State of Minnesota is a government agency. Let me know if that's wrong and I'll resend.

I'd also like to waive late fees for my Statement of Economic Interest. I believe in having Good Cause for my request. I had chosen to submit my statement via the postal service. I dropped off the mail on Thursday, June 16th at the Burnsville USPS postal office in the dropbox outside. The following week, I received a letter stating my Statement had to be submitted by June 24th, but I figured that the statement hadn't been received when the letter was generated. This morning (July 15), the campaign manager for Robert Bierman's campaign notified me that my Statement of Economic Interest had not been posted yet. At which point, I called the Campaign Finance Board to check on the receipt of my Statement, and Erika Ross confirmed the CFB had not received it. Due to my statement being lost in the mail, I request a waiver with good cause for any fees associated with the late filing of my Statement of Economic Interest.

Justin

On Fri, Jul 15, 2022 at 10:09 AM Ross, Erika (CFB) <Erika.T.Ross@state.mn.us> wrote:

From: Ross, Erika (CFB)
Sent: Friday, July 15, 2022 9:52 AM
To: justin@emmerich4senate.com
Subject: Candidate EIS form

Hi Justin,

Here is a link to the Statement of Economic Interest for Candidates for Elective Office form:
https://cfb.mn.gov/pdf/forms/public_officials/eis_candidates.pdf

I will keep an eye out for the copy you mailed.

Thank you!

Erika Ross

Program Administrator

Campaign Finance and Public Disclosure Board

(651) 539-1187

2b-logo-horizontal copy



--
Justin Emmerich
763-218-7225

--

Justin Emmerich
763-218-7225

To The Campaign Finance Board,

My name is Jake McCormick and I'm the treasurer for the 60th Senate District DFL #21001. I'm writing to request a waiver on fines accrued by 60th Senate District DFL #20473 for not submitting a pre-general report by the October deadline.

While I was never officially the treasurer of #20473 (set to be terminated in the year's end report), I have taken on the responsibility of the party unit's 2022 pre-general and general election reporting due to lack of response/involvement from the previous treasurer and confusion over reporting requirements brought on by redistricting itself.

Once I learned of the late #20473 reports, there was a lot of back and forth with me and the previous treasurer. She offered some initial assistance and clarification around the bank account and previous reports. She stopped responding in a timely manner and declined to participate in filing new or correcting existing reports. I saw no other option but to take on that work myself.

To safeguard future Senate District 60 DFL treasurers from a similar experience, I've documented the tasks and requirements I completed and will build it into our ongoing reporting process.

Thank you for considering this waiver request for #20473 and I look forward to hearing from you.

-

Jake McCormick
Treasurer | SD60 DFL
VP of Technology | i612

David J. Zoll
djzoll@locklaw.com
612-596-4028

LOCKRIDGE
GRINDAL
NAUEN
P. L. L. P.
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MINNEAPOLIS
Suite 2200
100 Washington Ave S.
Minneapolis, MN 55401
T 612.339.6900
F 612.339.0981

December 22, 2022

Megan Engelhardt
megan.engelhardt@state.mn.us
Assistant Executive Director
Minnesota Campaign Finance Board
Centennial Office Building, Suite 190
658 Cedar Street
St. Paul, MN 55155-1603

Re: Neighbors for Zaynab Mohamed Request to Waive Late Fees

Dear Ms. Engelhardt:

My office represents the Neighbors for Zaynab Mohamed campaign committee (“the Committee”). I write in response to your November 23, 2022 letter. The Committee requests the Campaign Finance Board waive the late fees relating to the Committee’s failure to report pre-election contributions within the 24-hour period. There is good cause to waive the late fees. As explained below, Zaynab Mohamed was involved in an automobile crash on July 28, 2022 in which she suffered a serious concussion. This crash, the resulting injury, and the recent termination of her campaign manager made it impossible for Ms. Mohamed to ensure that the reporting occurred within the 24-hour period.

Ms. Mohamed attended a fundraising event at 11:00 am on July 28, 2022 at which she collected contributions from four individuals which each exceeded \$500.¹ Ms. Mohamed visited the Sunrise Banks branch on Blaisdell Avenue in St. Paul shortly after 1:00 pm and deposited the contributions into the Committee’s account. Two hours later, Ms. Mohammed was involved in a car accident which resulted in her vehicle being totaled. Ms. Mohammed’s friends transported her home and, ultimately, to the Emergency Room where she was diagnosed with a serious concussion at approximately 6:00 pm on July 28. The doctor instructed Ms. Mohamed to rest and avoid viewing electronic screens until she had recovered from the concussion.

As noted in your letter, the Committee received six additional contributions exceeding \$500 during the 24-hour reporting period prior to the State Primary Election.² These contributions were made electronically through ActBlue. At the time, Ms. Mohammed was the only individual

¹ As set forth in your November 23, 2022 letter, the July 28, 2022 contributions were made by Najma Abdi, Abdulahi Adan, Leyyla Huruse, and Ramlo Mohamed.

² The contributions were made by Karla Jurvetson (August 4), Abdirahman Kahin (August 5), HwaJeong Kim (August 6), Murbarak Mohamed (August 6), and Conrad Zbikowski (August 6).

with the Committee who received notifications of the contributions. She was still recovering from her concussion and remained subject to her doctor's instruction to avoid the use of electronic screens. Accordingly, she was not aware that the contributions had been made.

It is important to note that the Committee's treasurer at the time was inactive and the campaign staff had assumed much of the responsibility for the ensuring compliance with the campaign finance requirements during this time.³ In what turned out to be very unfortunate timing, Ms. Mohamed's campaign manager, Brandon McCollum was terminated the morning of July 28, the same day as the automobile accident. This left no one in position to step in to ensure that the reporting obligations were satisfied while Ms. Mohamed was recovering from her injury.

The failure to submit the required 24-hour notices was inadvertent and attributable entirely to unforeseeable and unfortunate circumstances. The Committee respectfully requests that the Board waive the accrued late fees in their entirety.

Please feel free to contact me with any questions.

Thank you.

Very truly yours,

LOCKRIDGE GRINDAL NAUEN P.L.L.P.


David J. Zoll

c: Neighbors for Zaynab Mohamed

³ As noted on the Committee's pre-general election report, the prior treasurer was replaced by current treasurer Daniel Cox.

From: ashleybp5@gmail.com
To: [Sigurdson, Jeff \(CFB\)](#)
Cc: [Stevens, Melissa \(CFB\)](#)
Subject: MN State Senate district 13 fee
Date: Sunday, December 11, 2022 12:45:27 PM

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I, Ashley Burg was not aware of the deadline for the Economic Statement. It has just been brought to my attention yesterday by someone. I have never done this before and would like to apologize for my overlook on this. I filed my paperwork over yesterday in an email . I would like to apologize again and ask for the fee to be waived.

Thank you,
Ashley Burg

Sent from my iPhone

**CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD
JANUARY 2023**

ACTIVE FILES

Candidate/Treasurer/ Lobbyist	Committee/Agency	Report Missing/ Violation	Late Fee/ Civil Penalty	Referred to AGO	Date S&C Personally Served	Default Hearing Date	Date Judgment Entered	Case Status
	Environment America dba Environment Minnesota Contacts: Timothy Schaefer, Chuck Caldart	2021 Annual Report of Lobbyist Principal, due 3/15/22	\$1,000 LFF \$1,000 CP	12/6/22				
Martinez-Perez, Ashley, Candidate	Ashley Martinez-Perez for MN House	2020 pre-general report of receipts and expenditures due 10/26/20, filed 10/28/20 2020 year end report of receipts and expenditures due 1/31/22, not filed	\$100 LFF \$1,000 LFF	6/13/22	8/12/22			Currently drafting default judgment motion.
	Trace, LLC Contacts: Ashley Moore, Patrick Hynes	2021 Annual Report of Lobbyist Principal, due 3/15/22	\$1,000 LFF \$1,000 CP	12/6/22				

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
Burg, Ashley, Candidate		Candidate Statement of Economic Interest, due 6/14/22	\$100 LFF \$1,000 CP	12/6/22				Burg filed her EIS and requested a waiver of LFF and CP. Board requested matter be closed.
Ohlmann, Stephanie, Lobbyist	Protect Minnesota Contact: Rashmi Seneviratne	Lobbyist Disbursement Report: period 1/1- 5/31/22, due 6/15/22	\$1,000 LFF	12/6/22				Ohlmann resolved the matter. Board requested matter be closed.