

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

.....  
**November 1, 2023  
Room 212  
Centennial Office Building**  
.....

**MINUTES**

The meeting was called to order by Chair Soule.

Members present: Asp (arrived during the executive director's report), Flynn, Leppik, Rashid, Soule, Swanson

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

**MINUTES** (October 6, 2023)

The following motion was made:

Member Flynn's motion: To approve the October 6, 2023, minutes as drafted.

Vote on motion: Unanimously passed.

**CHAIR'S REPORT**

**2023 meeting schedule**

The next Board meeting is scheduled for 9:30 a.m. on Wednesday, December 13, 2023.

**EXECUTIVE DIRECTOR'S REPORT**

Mr. Sigurdson stated that the Board has entered into an agreement with MNIT to move the Board's computer servers to Azure cloud platform. Mr. Sigurdson said that the arrangement will increase the Board's data storage and computing bandwidth, and will improve IT security. Mr. Sigurdson explained that he has asked that the migration to the Azure platform be completed by January 2024.

Mr. Sigurdson stated that he has made several presentations to organizations interested in and concerned about legislative changes made in 2023, particularly the changes made to the lobbying program. Mr. Sigurdson said he has made presentations to the Minnesota School Boards Association and the Minnesota State Bar Association, and they may seek advisory opinions related to the new lobbying provisions. Mr. Sigurdson explained that he and Ms. Engelhardt made a presentation to the

federal General Accounting Office about the public subsidy program. Mr. Sigurdson stated that he also recently made a presentation about the Board for a course at Metro State University.

Mr. Sigurdson stated that Greta Johnson has begun working for the Board, filling the vacant legal/management analyst position.

## **ENFORCEMENT REPORT**

### **A. Discussion Items**

#### **1. Request to refer matter to the Attorney General's Office – Carlos Mariani and Neighbors for (Carlos) Mariani Committee (#12353)**

Ms. Engelhardt stated that Mr. Mariani is a former member of the Minnesota House of Representatives and failed to file his 2022 annual economic interest statement, which was due January 30, 2023. Ms. Engelhardt said that he has incurred the maximum late filing fee of \$100 and maximum civil penalty of \$1,000, and numerous notices, emails, and phone calls were made to Mr. Mariani informing him of the deadline for the statement and that the statement had not been filed. Ms. Engelhardt explained that Mr. Mariani also owes a late filing fee of \$100 and civil penalty of \$1,000 for the annual economic interest statement that was due January 28, 2019.

Ms. Engelhardt stated that the Neighbors for (Carlos) Mariani Committee has failed to file its 2022 year-end report of receipts and expenditures, which was due January 31, 2023, and the committee has incurred the maximum late filing fee of \$1,000 and maximum civil penalty of \$1,000. Ms. Engelhardt said that numerous notices, emails, and phone calls were made to Mr. Mariani informing him of the deadline for the report and that the report had not been filed. Ms. Engelhardt explained that the Neighbors for (Carlos) Mariani Committee also owes a significant amount of other late filing fees and civil penalties from previously filed late reports, totaling \$6,720, which does not include the maximum late filing fee and civil penalty for the 2022 year-end report.

Ms. Engelhardt stated that Board staff is asking the Board to refer the matter to the Attorney General's Office to seek an order compelling filing the 2022 annual economic interest statement and the 2022 year-end report of receipts and expenditures, and payment of the balance owed amount of \$10,920.

The following motion was made:

Member Flynn's motion: To refer the matter to the Attorney General's Office.

Vote on motion: Unanimously passed.

**B. Waiver Requests**

Paul Lintilhac appeared before the Board by Webex on behalf of Trace and spoke in favor of waiver request 5. Mr. Lintilhac explained that there was significant upheaval within the company including the termination of its CEO that caused a breakdown in communication, and he was not aware of the need to file a principal’s report. Mr. Lintilhac said that the company exists solely as an IP holding company and has very minimal assets aside from the patents it is attempting to sell. Mr. Lintilhac said he did not receive communications from the Board until he received a notice from the Attorney General’s Office that was mailed to his parent’s address. Mr. Lintilhac explained that if the waiver request is not approved a payment plan would be needed to pay the balance owed.

Bridget Fisher appeared before the Board by Webex on behalf of the 65th Senate District DFL and spoke in favor of waiver request 6. Ms. Fisher stated that she was out of the country when the report was due and it slipped her mind when she returned. Ms. Fisher said that she has taken steps to prevent the issue from recurring, including providing personal email addresses for herself and the party unit’s chair to receive communications from the Board. Ms. Fisher explained that she did not open mail received from the Board, thinking it was standard communications like filing schedules and updates, and she promptly filed the report after being contacted by Ms. Engelhardt by phone in September 2023.

Entity	Late Fee/ Civil Penalty	Report Due	Factors and Recommended Action	Board Member's Motion	Motion	Vote on Motion
1. Lobbyist Jeffrey Bauer (2196)	\$25 LFF	1st 2023 Lobbyist Disbursement Report	Report due 6/15/2023, and filed 6/16/2023, one day late. Bauer had personal medical issues he was taking care of that prevented him from filing the report on time. RECOMMENDED ACTION: Waive	Leppik	Approve staff recommendation for requests 1-3	Unanimously approved
2. Christina Cauble (Board on Aging)	\$50 LFF	Original EIS	Report due 9/5/2023 and filed 10/3/2023. Ms. Cauble stated she completed the EIS online in July after receiving voicemail from CFB. She thought she submitted it, but it was only saved instead of submitted. RECOMMENDED ACTION: Waive	Leppik	Approve staff recommendation for requests 1-3	Unanimously approved

<p>3. Anisa Hajimumin (DEED)</p>	<p>\$100 LFF \$1,000 CP</p>	<p>2022 Annual EIS</p>	<p>Report due 1/30/2023 and filed 9/21/2023. Appointment to DEED board ended 8/1/2022. Stated last day of official work with the state was 8/31/2022 and she gave her contact info to DEED before her departure. Board's only contact information for Ms. Hajimumin was for her DEED contact information and DEED did not forward the Board's correspondence until September. The current commissioner's executive assistant notified her that her EIS was overdue in September 2023. She then promptly filed her EIS. RECOMMENDED ACTION: Waive</p>	<p>Leppik</p>	<p>Approve staff recommendation for requests 1-3</p>	<p>Unanimously approved</p>
<p>4. Daniel Karpowitz (DOC)</p>	<p>\$100 LFF \$1,000 CP</p>	<p>2022 Annual EIS</p>	<p>Report due 1/30/2023 and filed 3/21/2023. Appointment as assistant commissioner ended 1/3/2023. CFB had contact with Mr. Karpowitz in February via e-mail and a phone call but he did not personally take the phone call. Certified letter sent to his home address on 3/1/2023 warning him a civil penalty will be imposed if EIS is not received by 3/14/23. Mr. Karpowitz stated he neglected to file on time because his main focus was on familial challenges including part of immediate family relocating to NYC and caring for his out-of-state elderly parents and children. RECOMMENDED ACTION: Waive CP only</p>	<p>Swanson</p>	<p>Approve staff recommendation</p>	<p>Unanimously approved</p>

5. Trace (7629)	\$1,000 LFF \$1,000 CP	2021 Principal	Report due 3/15/2022 and filed 10/3/2023. Former CIO, Paul Lintilhac, resigned from CIO position 10/2020 and was subsequently unaware of day-to-day business activities. Lintilhac stated they were not aware of lobbying activity in 2021. Principal went through restructuring at end of 2021 and Lintilhac did not have access to PO Box, and principal's mailbox rental lapsed. Changed official address in 2022 but never updated CFB. CFB referred to MN Attorney General office to find principal and Trace received notice of the AG's lawsuit in September 2023. Mr. Lintilhac filed the lobbyist principal report promptly after discovering that it needed to be filed. RECOMMENDED ACTION: No recommendation	Rashid	Authorize staff to establish a payment plan to pay the balance owed of \$2,000	Unanimously approved
6. 65th Senate District DFL (20457)	\$1,000 CP \$1,000 LFF	2022 Year-End	Report due 1/31/2023 and filed 9/19/2023. Treasurer (Bridget Fisher ) stated she forgot to file it due to concentrating on other work. Among other letters, emails, and phone calls stating that the report was not filed, CFB staff left a voicemail for Fisher 9/15/23 letting her know the report had not been filed. Fisher then promptly filed the report listing an ending cash balance of \$1,143. RECOMMENDED ACTION: No recommendation	Flynn	Waive CP only	Unanimously approved

**C. Informational Items**

**1. Payment of civil penalty for excess special source contributions**

(Joe) Schomacker Volunteer Committee, \$125  
 Raines (Brian) for 34A, \$165

**2. Payment of civil penalty for excess individual contributions**

People for Maria Isa (Pérez-Vega), \$125

**3. Payment of civil penalty for prohibited contribution during legislative session**

John Palmer, \$100

**4. Payment of late filing fee for September 2023 report of receipts and expenditures**

Minneapolis for the Many, \$75  
Minneapolis Regional Labor Federation, \$75

**5. Payment of late filing fee for 2023 pre-primary report of receipts and expenditures**

SEIU Healthcare Minnesota, \$100

**6. Payment of late filing fee for failure to timely amend 2022 year-end report of receipts and expenditures**

Dennis Smith for Attorney General, \$50

**7. Payment of late filing fee for 2022 year-end report of receipts and expenditures**

Lenz (Paul) for House, \$825

**8. Payment of late filing fee for 2020 year-end report of receipts and expenditures**

Rachael Bucholz for House, \$250

**9. Payment of late filing fee for 2019 year-end report of receipts and expenditures**

Melissa Wagner for Minnesota 23B, \$1,000

**10. Payment of late filing fee for 2018 year-end report of receipts and expenditures**

Melissa Wagner for Minnesota 23B, \$1,000

**11. Payment of late filing fee for lobbyist disbursement report due June 15, 2023**

John Evans, \$175  
Megan Peterson, \$150 (\$75 x 2)

**RULEMAKING UPDATE**

Mr. Olson stated that Board staff continues working on draft language for the potentially controversial proposed rules, and intends to have draft language ready for rulemaking committee members to review before the next Board meeting.

**ANNUAL REPORT**

The following motion was made:

Member Rashid's motion: To approve the Board's Fiscal Year 2023 Annual Report.

Vote on motion: Unanimously passed.

**LEGAL REPORT**

Mr. Hartshorn presented members with a legal report that is attached to and made a part of these minutes. Mr. Hartshorn said that the Board's action on the Trace matter may impact the default judgment hearing scheduled in that matter. Member Swanson suggested canceling the default judgment hearing in the Trace matter but keeping the suit active for the time being.

**OTHER BUSINESS**

Ms. Johnson introduced herself and members welcomed her to the Board.

**EXECUTIVE SESSION**

Chair Soule recessed the regular session of the meeting and called to order the executive session. Upon recess of the executive session, Chair Soule reported into regular session the Final Audit Report issued in the matter of the Audit of Eligibility for Public Subsidy Payments – House District 52B Special Election.

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

Respectfully submitted,



Jeff Sigurdson  
Executive Director

Attachments:  
Fiscal Year 2023 Annual Report  
Legal report

# Report of the Minnesota Campaign Finance and Public Disclosure Board



**Covering Fiscal Year 2023**

July 1, 2022- June 30, 2023



Issued: November 2023

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# MINNESOTA CAMPAIGN FINANCE BOARD

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**DATE:** November 1, 2023

**TO:** The Honorable Tim Walz, Governor  
The Honorable Kari Dziedzic, Senate Majority Leader  
The Honorable Melissa Hortman, Speaker of the House  
The Honorable Mark T. Johnson, Senate Minority Leader  
The Honorable Lisa Demuth, House Minority Leader  
The Honorable Jim Carlson, Chair State Government Finance and Policy and Elections  
The Honorable Mike Freiberg, Chair State Government Finance and Elections

**FROM:** George Soule, Chair  
Campaign Finance and Public Disclosure Board

**SUBJECT:** Report of Board activities during fiscal year 2023.

Pursuant to Minnesota Statutes section 10A.02, subdivision 8 (a), the Campaign Finance and Public Disclosure Board submits this report of the Board's activities during fiscal year 2023.

The Board, consistent with its objectives and administrative procedures, provided guidance to the thousands of individuals and associations whose disclosure of certain political, lobbying, and economic interest activities is regulated by the Campaign Finance and Public Disclosure Act, Minnesota Statutes Chapter 10A.

Included in this report is information about campaign finance disclosure, the filing of lobbyist disbursement and lobbyist principal reports, and the filing of statements of economic interest by public officials.

Throughout its activities the Board strives to accomplish its mission; to promote public confidence in state government decision-making through development, administration, and enforcement of disclosure and public financing programs and ensure public access to and understanding of information filed with the Board.

We recognize the importance the State of Minnesota places on public disclosure laws and the regulation of campaign finance activity and appreciate the trust placed in the Board and its staff by the Legislature and the Office of the Governor.

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## Executive Summary

The Campaign Finance and Public Disclosure Board is charged with the administration of the Campaign Finance and Public Disclosure Act, Chapter 10A of Minnesota Statutes. There are three major programs governed by Chapter 10A: 1) the regulation of campaign finance contributions and expenditures for state-level candidates, party units, and political committees; 2) the registration and reporting of lobbyists and the principals the lobbyists represent; and 3) the collection and disclosure of economic interest statements required of public officials. A brief overview of each program is provided here, with reference to the page in the annual report where detailed information is located. Additionally, the annual report provides information on Board members who served during the fiscal year beginning on page 4, and on the Board's staff, budget, and other financial activity during the fiscal year starting on page 34.

Fiscal year 2023 includes the first six months of calendar year 2022, which is a state election year. To help candidates and treasurers comply with the reporting and compliance issues in Chapters 10A and 211B Board staff conducted three virtual training sessions through the end of June 2023. Remote training was initially in response to the COVID pandemic, but it has proved to be very popular with candidates and treasurers who appreciate being able to attend training without travel to a specific location, and who can use recordings of the training sessions at their convenience. Additional information regarding the training the Board conducted is found on page 9.

Staff works in the office 3 days a week, and remotely from home two days a week. This allows the office to be staffed every day of the week.

On the filing date for the 2022 year-end report of campaign receipts and expenditures there were 723 state-level candidates, 329 political party units, and 463 political committees and funds registered with the Board. Collectively, the year-end reports disclosed \$204,606,338 in receipts and \$187,146,379 in expenditures during calendar year 2022. Additional information regarding the campaign finance program begins on page 11.

About 1,649 lobbyists were registered with the Board at any one time throughout the fiscal year. The lobbyists represented 1,827 principals. The principals reported total lobbying expenditures of \$83,271,552 in calendar year 2022. Additional information on the lobbyist program is found on page 23.

The economic interest disclosure program requires public officials in approximately 3,400 positions to file economic interest statements with the Board. Depending on the position, these officials file their statements when they initially file their affidavits of candidacy for state-level office or when they take office. Additionally, public officials must review and update their statements in January of each year. Details on the economic interest disclosure program start on page 30.

During the fiscal year, the Board held eleven scheduled meetings. All regular sessions of Board meetings may be watched and participated in via WebEx. For the most part, the Board and Board staff appear in person for the meetings. At these meetings, the Board reviewed and approved twenty-one conciliation agreements that resolved violations of Chapter 10A as part of the Board's staff reviews; resolved twenty-eight complaints filed with the Board; and resolved one investigation initiated by the Board.

## Introduction to the Board

The Campaign Finance and Public Disclosure Board was established by the state legislature in 1974 through enactment of Chapter 10A of the Minnesota Statutes.

Throughout its history the Board has enforced the provisions of Chapter 10A, promulgated and enforced Minnesota Rules 4501 through 4525, and issued advisory opinions to guide clients in meeting the chapter's requirements.

In 2013 the Board was given authority over three sections of Chapter 211B. Those sections are (1) 211B.04, which governs the "prepared and paid for" form of disclaimer, (2) 211B.12, which specifies the purposes for which campaign money legally may be used, and (3) 211B.15, which governs corporate contributions. This authority is limited to those individuals and associations already subject to the Board's jurisdiction under Chapter 10A.

## Mission Statement

To promote public confidence in state government decision-making through development, administration, and enforcement of disclosure and public financing programs which will ensure public access to and understanding of information filed with the Board.

## Functions

Core functions of the Board include administration and management of the following:

- registration and public disclosure by state legislative, constitutional office, and judicial office candidates; political party units; political committees; and political funds;
- state public subsidy program that provides public funding to qualified state candidates and the state committees of political parties;
- registration and public disclosure by lobbyists and principals attempting to influence state legislative action, administrative action, and the official action of metropolitan governmental units; and
- disclosure of economic interest, conflicts of interest, and representation of a client for a fee under certain circumstances for designated state and metropolitan governmental unit officials.

## Goals and Objectives

Goals and objectives of the Board include the following:

- Create better compliance with the Campaign Finance and Public Disclosure Act by providing easy access to information and training.
- Provide fair and consistent enforcement of the Act.
- Help citizens become better informed about public issues related to the Act.

## Board and Staff

The Board consists of six members, none of who may be an active lobbyist, a state elected official, or an active candidate for state office. The Board is not non-partisan; rather it is multi-partisan, with no more than three of the members of the Board supporting the same political party. The Board was able to maintain eight full-time positions during the fiscal year. Additional information about Board staff is found beginning on page 34.

## Board Member Qualifications

The Board consists of six citizen members who are responsible for the administration of the Campaign Finance and Public Disclosure Act. Members of the Board are appointed by the Governor to staggered four-year terms. Their appointments must be confirmed by a three-fifths vote of the members of each body of the legislature. Two members must be former members of the legislature who support different political parties; two members must be persons who have not been public officials, held any political party office other than precinct delegate, or been elected to public office for which party designation is required by statute in the three years preceding the date of their appointment; and the other two members must support different political parties.

## Board Members

July 1, 2022, through June 30, 2023



### **Margaret Leppik**

Margaret (Peggy) Leppik was appointed to the Board in May of 2015 by Governor Dayton for a term ending in January of 2016. Governor Dayton re-appointed Ms. Leppik in January 2016 for a term ending in January of 2020, but because no appointment was made to replace her, Ms. Leppik continued to serve until July 1, of 2020. In August of 2020, Walz reappointed Ms. Leppik to a term ending in January of 2024. Ms. Leppik fills a Board position requiring a former Republican legislator. Ms. Leppik served as a state representative from 1991-2003 where she chaired the Higher Education Finance Committee. She served on the Metropolitan Council from 2003-2011 where she was vice chair for three years and chaired the Environmental Committee. A graduate of Smith College, Ms. Leppik is an active volunteer for numerous nonprofit organizations.



### **Carol Flynn**

Carol Flynn was appointed to the Board in February of 2015 by Governor Dayton for a term ending in January of 2019. In August of 2020, Governor Walz reappointed Ms. Flynn to a term ending in January of 2023. Ms. Flynn was appointed again in March of 2023 for a term ending in January of 2027. She fills a Board position requiring a former DFL legislator. Ms. Flynn served as a state senator from 1990-2000 where she was Majority Whip and chaired the Judiciary and Transportation Committees. Ms. Flynn worked and studied at the University of Minnesota. She served on the Metropolitan Waste Control Commission and Metropolitan Council where she chaired the Systems Committee. She currently volunteers for senior organizations.



**Faris Rashid, Board Chair June 2022 to December 2022**

Faris Rashid was appointed to the Board in August of 2020 by Governor Walz. Mr. Rashid was appointed in July of 2021 for a term ending in January of 2023. In March of 2023, Mr. Rashid was appointed again for a term ending in January of 2027. He fills a Board position requiring a member who has not been a public official, held any political party office other than precinct delegate, or been elected to public office for which party designation is required by statute in the three years preceding the member's appointment to the Board. Mr. Rashid supports the DFL party. Mr. Rashid is a trial lawyer and partner at Greene Espel PLLP with a focus on technology, intellectual property, and trade-secrets disputes. He graduated from the University of Wisconsin Law School.



**David Asp**

David Asp was appointed to the Board in February of 2022 by Governor Walz for a term ending in January of 2026. He fills a Board position requiring a member who has not been a public official, held any political party office other than precinct delegate, or been elected to public office for which party designation is required by statute in the three years preceding the member's appointment to the Board. Mr. Asp has supported the Republican party. Mr. Asp is a partner at Lockridge Grindal Nauen PLLP where his practice focuses on litigation, particularly litigation involving health care and administrative law. Mr. Asp has been an active volunteer on the board of several community and non-profit organizations, and has volunteered with political campaigns, party units, and political committees. He graduated from Augsburg College and the University of Minnesota Law School.





**Stephen Swanson**

Stephen D. Swanson was appointed to the Board in July of 2017 by Governor Dayton for a term ending in January of 2020, but because no appointment was made to replace him, Mr. Swanson continued to serve until July 1, of 2020. In August of 2020, and again in July of 2021, Governor Walz reappointed Mr. Swanson to a term ending in January of 2024. He occupies an unrestricted Board position and supports the DFL party. Mr. Swanson is a graduate of the University of Cincinnati College of Law, and holds a Master of Laws degree from New York University. Following a career as an attorney with Mid-Minnesota Legal Assistance, Inc. Mr. Swanson served as a Hennepin County District Court Judge from July of 1989 to February of 2007 and as a Senior Judge from January of 2009 to April of 2014. He served as a temporary administrative law judge with the Minnesota Office of Administrative Hearings from May 2014 to May 2017. Mr. Swanson has served as an international judge on the Court of Bosnia and Herzegovina, and worked in USAID-sponsored rule of law projects in Afghanistan, Kosovo, and Lebanon. Mr. Swanson was employed as a half-time housing attorney with the Volunteer Lawyers Network. Mr. Swanson is presently an arbitrator for the Minnesota Bureau of Mediation Services on the Peace Officer Grievance Arbitration Roster.



**George Soule, Board Chair January 2023 to current**

George Soule was appointed to the Board in March of 2021 by Governor Walz for a term ending in January of 2025. He occupies an unrestricted Board position and does not have a political party affiliation. Mr. Soule is a trial lawyer and founding partner of Soule & Stull LLC in Minneapolis. He also serves as a tribal court of appeals judge for five Minnesota tribes, including the White Earth Nation, where he is a member. Mr. Soule is a former Chair of the Minnesota Commission on Judicial Selection and serves on the Minnesota State Colleges and Universities Board of Trustees. He graduated from Minnesota State University Moorhead and Harvard Law School.

## Summary of Board Activities

### Meetings

The Board holds regular monthly meetings, which are open to the public, and executive session meetings, which are closed to the public.

The Campaign Finance and Public Disclosure Board held eleven scheduled meetings during the fiscal year. Minutes of Board meetings are published on the Board's website.

### Advisory Opinion Procedure

The Board is authorized to issue advisory opinions on the requirements of the Campaign Finance and Public Disclosure Act, Minnesota Statutes Chapter 10A; Minnesota Statutes sections 211B.04, 211B.12, and 211B.15 if the requestor is under the jurisdiction of Chapter 10A. Individuals or associations may ask for advisory opinions based on real or hypothetical situations to guide their compliance with these laws.

A request for an advisory opinion and the opinion itself are nonpublic data. The Board provides consent to release information forms to individuals requesting opinions as part of the procedures under this law. If the requester does not consent to the publication of the requester's identity, the Board generally publishes a public version of the opinion, which does not identify the requester.

A written advisory opinion issued by the Board is binding on the Board in any subsequent Board proceeding concerning the person making or covered by the request and is a defense in a judicial proceeding that involves the subject matter of the opinion and is brought against the person making or covered by the request unless 1) the Board has amended or revoked the opinion before the initiation of the Board or judicial proceeding, has notified the person making or covered by the request of its action, and has allowed at least 30 days for the person to do anything that might be necessary to comply with the amended or revoked opinion; 2) the request has omitted or misstated material facts; or 3) the person making or covered by the request has not acted in good faith in reliance on the opinion.

## Education and Training

To accomplish the goal of educating clients and the interested public on the compliance and reporting requirements of Chapter 10A Board staff conducted the following training during the fiscal year:

- 2 remote compliance training sessions attended by 81 candidates and treasurers of principal campaign committees, political party units, and political committees and funds;
- 1 remote compliance training session attended by 20 treasurers and chairs of political party units and political committees and funds for training regarding Hennepin County elections and reporting in 2023.

The remote compliance trainings were scheduled for both day and evening start times to accommodate different work schedules for treasurers and candidates. Also, staff recorded the remote compliance training class and remote computer lab training class so that clients could watch the training classes at their convenience. The recorded training classes and the PowerPoint materials and handouts are on the website for clients to access.

As an effort to provide training available at any time and at any location with web access the Board contracted to develop five online training videos for treasurers. The modules allow viewers to move at their own pace through the topics covered and incorporate quizzes during the training to make the modules more interactive. The Board also maintains videos on specific topics related to using Campaign Finance Reporter. The Board has also recorded several videos for the new web-based Campaign Finance Reporter Online (CFRO), which will be used to file the 2023 year-end reports. The videos are available on the Board's website. Additionally Board staff participated in panels and spoke to interested groups of the public on the requirements of Chapter 10A.

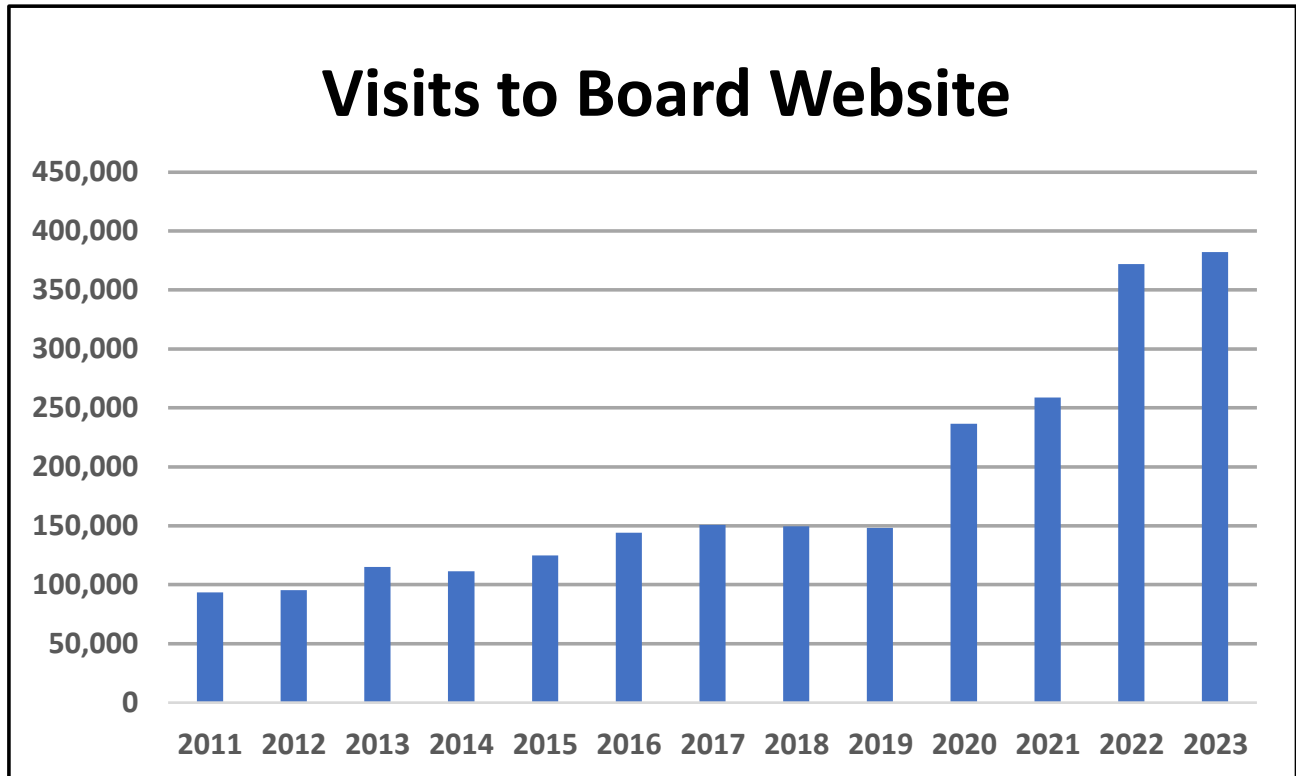
## Use of Technology

The Board has long recognized the value of receiving disclosure reports in electronic format. Electronic reports may be moved directly into Board databases where the records are analyzed for compliance issues and then exported to the Board's website for faster disclosure to the public. Electronic filing eliminates the cost and errors associated with data entry of paper reports.

To facilitate electronic filing, the Board developed web based applications for filing lobbyist disbursement reports, lobbyist principal reports, and economic interest statements. Use of these web based applications is optional, clients may still file a paper report, but all three applications have participation rates of over 85%, which indicates that clients also prefer electronic filing.

The Board website offers the following:

- Board meeting notices and minutes;
- Board enforcement actions, including findings and conciliation agreements;
- Advisory opinions;
- Lists of lobbyists and principals, candidate committees, political committees, political funds, party units, and public officials;
- Copies of all campaign finance and lobbyist reports;
- Electronic filing for lobbyists and lobbyist principals;
- Electronic filing of statements of economic interest for public officials;
- All Board publications and forms;
- Searchable databases of campaign finance contributions;
- Searchable database of independent expenditures;
- Campaign Finance Summaries;
- Lobbyist Disbursement Summaries;
- Annual Reports of Lobbyist Principal Expenditures; and
- Training videos on campaign finance compliance and the use of Campaign Finance Reporter.



### Program Reviews

The Board administers three major and several minor programs as authorized by Minnesota Statutes Chapter 10A. The major programs are campaign finance, lobbying, and economic interest disclosure. The review of each major program includes a general description of the program, a review of legislation passed during the fiscal year that affects the program, a review of any Board advisory opinions issued during the time period for the program area, and an overview of administrative activity that occurred during the fiscal year.

## Campaign Finance Program Overview

The Board administers the provisions of Chapter 10A of the Minnesota Statutes. These laws govern campaign finance for principal campaign committees, political committees, political funds, political party units, and independent expenditure committees and funds.

During calendar year 2022, an election year, these committees and funds filed periodic reports disclosing receipts and expenditures. Information on the number of reports filed is found on page 18.

Each filed report is reviewed by Board staff for compliance with the disclosure law requirements, including accurate accounting and reporting and adherence to applicable contribution and expenditure limits. Violations of contribution and expenditure limits are resolved through either a conciliation agreement, or in some cases, a Board order. Information on Board investigations and enforcement actions is found on page 22.

As a part of the campaign finance program the Board administers and regulates the distribution of payments for the state's public subsidy program, which provides public funding to qualified state candidates and the state committees of political parties. Payments are made following the state primary election to candidates and monthly to the state committees of political parties. Information on public subsidy payments made during fiscal year 2022 is found on page 20.

## Legislative Action and Rulemaking

The Board made several recommendations regarding the campaign finance provisions of Chapter 10A or Chapter 211B for the 2023 legislative session. Most of the Board's recommendations regarding the campaign finance provisions of Chapter 10A were adopted, or adopted with modification.

There were numerous technical changes made to the campaign finance provisions of Chapter 10A in the 2023 legislative session and some significant changes made. The some of the changes to the campaign finance provisions of Chapters 10A and 211B are outlined on the next several pages.

## Legislative Action and Rulemaking (cont.)

One large change is that the legislature changed the definition of “expressly advocating” to include not only the recognized words of express advocacy but also statements that when taken as a whole can only be viewed as advocacy to elect or defeat a clearly identified candidate. The expressly advocating definition is used to identify independent expenditures that may require registration and reporting with the Board. The new definition of expressly advocating means that a communication:

(1) 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, such as the proximity to the election, could only be interpreted by a reasonable person as containing advocacy of the election or defeat of one or more clearly identified candidates 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 the communication encourages actions to elect or defeat one or more clearly identified candidates or encourages some other kind of action.

## Legislative Action and Rulemaking (cont.)

Another significant change involves new provisions that will require reporting of certain types of “electioneering communications,” which are communications that must be reported because they refer to a candidate and were issued within a set time around nominating conventions, the state primary election, or the state general election.

An electioneering communication is defined as a communication that:

- is publicly distributed by a television station, radio station, cable television system, or satellite system;
- can be received by 10,000 or more individuals within the relevant district;
- refers to a clearly identified candidate for state office;
- is distributed within 60 days of the state general election or within 30 days of a state primary election, or a convention or caucus of a political party that has authority to nominate the candidate referenced in the communication;
- is targeted to the relevant electorate; and
- is not an independent expenditure, a campaign expenditure, a candidate debate or forum, or paid for by a candidate.

The changes also require that electioneering communications must provide the campaign disclaimer required in Minnesota Statutes section 211B.04.



## Legislative Action and Rulemaking (cont.)

The statutory changes provided procedures and requirements for reporting electioneering communications to the Board. A report is required if electioneering communications in aggregate exceed \$10,000 during a year, and must be filed no later than midnight of the day following the day on which the electioneering communication is publicly distributed. Subsequent reports are required every time the individual or association spends in excess of \$10,000 on electioneering communications since the more recent report during the calendar year.

The report must disclose:

- the identification of the person who made the disbursement for the electioneering communication;
- the identification of any person who exercised control or direction of the persons who made the disbursement;
- the identification of the custodian of the accounts from which the disbursement was made;
- the amount of each disbursement made or obligation incurred of more than \$200 during the period covered by the report;
- identification of all candidates referred to in the electioneering communications;
- the date the communication was made public;
- if the disbursements were made from a segregated account, then the report must disclose the name and address of each donor who contributed \$1,000 or more to the segregated account aggregated from January 1 of the preceding calendar year;
- if the disbursement was not made from a segregated account, then the report must disclose the name and address of each donor who contributed \$1,000 or more to the person making the disbursement, aggregated from January 1 of the preceding calendar year; and
- if the disbursement was made by a corporation or labor organization, and was not made from a segregated account, the name of each individual who contributed \$1,000 or more in aggregate for the purpose of making electioneering communications.

## Legislative Action and Rulemaking (cont.)

Another major new provision will require for-profit corporations that contribute to independent expenditure committees or funds, or ballot question committees or funds, to certify to the Board that the corporation is not a “foreign influenced” corporation at the time the contribution is made. A foreign-influenced corporation is defined as a corporation organized for profit or a limited liability company in which a single foreign investor owns or controls at least one percent of the corporation, or two or more foreign investors own or control five percent or more of the corporation. A “foreign investor” is defined as a government of a foreign country, a political party organized in a foreign country, an individual who is not a citizen or national of the United States and who is not a permanent resident of the United States, or a corporation organized in a foreign country, or another corporation in which a foreign investor owns or controls 50 percent or more of the corporation. This provision is effective January 1, 2024.

The statutory changes prohibit a foreign-influenced corporation from making direct expenditures to influence the nomination or election of a candidate, from making contributions or expenditures to promote or defeat a ballot question, and from contributing to a political committee, political fund, or political party unit. requires any for-profit corporation or limited liability company that makes a contribution or expenditure to influence a ballot question, or a contribution or expenditure to influence the nomination or election of a candidate, to submit a certification to the Board that the corporation was not a foreign-influenced corporation at the time the contribution or expenditure was made. The certification must be submitted to the Board within seven business days of the when the contribution or expenditure is made. The certification must be signed by the corporation’s chief executive officer under penalty of perjury. The section also provides the process to be followed by the corporation to identify beneficial ownership that may qualify as ownership by a foreign investor.

## Legislative Action and Rulemaking (cont.)

The list of noncampaign disbursements for principal campaign committees was expanded and clarified in four ways. First, the section clarifies that to qualify as a noncampaign disbursement, expenditures for accounting and legal services must relate to the operation of the principal campaign committee, serving in office, or for the security of the candidate or the candidate's immediate family, including but not limited to obtaining a harassment restraining order. Second, the section recognizes a new noncampaign disbursement category for costs that support the candidate's participation in a recount of ballots affecting the candidate's election. Third, the section limits the existing noncampaign disbursement category for security expenses to expenses for detection-related security monitoring expenses. Fourth, the section creates a new noncampaign disbursement category for the cost to repair or replace campaign property that was lost, stolen or damaged to such a degree that the property can no longer be used. The section provides that campaign property includes but is not limited to campaign lawn signs.

The definition of political party unit was expanded to include any party organization designated by the chair of the political party in an annual certification of party units submitted to the Board.

The list of multicandidate political party expenditures that do not count as contributions to candidates was expanded to include the costs for a party unit's booth at a community event, county fair, or state fair that benefits three or more individuals who will appear on the ballot.

## Legislative Action and Rulemaking (cont.)

The statutory changes defined “virtual currency” as any digital currency that is only available in an electronic form. Virtual currency includes cryptocurrencies. The changes to Chapter 10A provided procedures for accepting a political contribution made with virtual currency. A principal campaign committee, party unit, political committee, or political fund may accept a virtual currency contribution. The virtual currency must be converted to United States currency within five business days of receipt, and deposited in the bank account of the recipient. A committee cannot use virtual currency to purchase goods or services for the committee. This section also provides the procedure to use if the virtual currency loses or gains value between the time the contribution is received and when it is converted to United States Currency.

A political committee, political fund, party unit, or lobbyist must provide their registration number with contributions to “local candidates” as defined in Minnesota Statutes section 10A.01, subdivision 22.

The statutory changes also clarified that the notice required of political committees, political funds, party units, and principal campaign committees that sell goods and services to raise funds must be provided to potential customers either verbally or on a sign placed within three feet of the point of sale. The notice must also be provided on a website used to sell the goods or services on the page used to make a purchase or enter payment information .

## Advisory Opinions Issued Related to Campaign Finance Program

The Board did not issue any advisory opinions in fiscal year 2023.

## Campaign Finance Disclosure Reports Filed

Below are the number of reports of receipts and expenditures filed by candidates, political party units, and political committees and political funds during election year 2022, and the 2022 year-end report filed in January of 2022.

	Paper	Electronic	Total
<b>Candidate Committees</b>	<b>178</b>	<b>1,498</b>	<b>1,676</b>
<b>Political Party Units</b>	<b>266</b>	<b>925</b>	<b>1,191</b>
<b>Political Committees or Funds</b>	<b>495</b>	<b>2,030</b>	<b>2,525</b>

Below are the number of reports of receipts and expenditures filed by political party units, political committees, and political funds during local election year 2023 for Hennepin County for the two first reports filed during fiscal year 2023. These numbers also include a few termination reports that were received in fiscal year 2023.

	Paper	Electronic	Total
<b>Political Party Units</b>	<b>2</b>	<b>23</b>	<b>25</b>
<b>Political Committees or Funds</b>	<b>5</b>	<b>70</b>	<b>75</b>

## Electronic Filing of Reports

Principal campaign committees, political committees, political funds, and political party units have been using the Campaign Finance Reporter software since 1998. The Board provided the software to registered committees without charge. In 2023, the Board has moved to a new web-based reporting application, Campaign Finance Report Online (CFRO). CFRO has been updated to make it more user-friendly and with the log-in feature, even treasurers without computers can file using CFRO by using public computers or tablets and mobile phones. The CFRO will continue to provide compliance checks and warnings as records are entered, generates electronic reports for filing that reduce the data entry demands on Board staff, and provides contact management tools for the committees that use the software. Filers will need to use CFRO to file their 2023 year-end reports.

Electronic filing of campaign finance reports became mandatory beginning with the 2012 election cycle. The Board may grant a waiver from the requirement to file electronically only if the total financial activity of a committee is less than \$5,000.

The Board has developed and distributed a XML schema that is the standard for the electronic filing of campaign finance reports using a third party vendor's software. Twenty-eight committees filed electronically using the XML standard.

## Public Subsidy Payments

The Board administers the distribution of payments for the state’s public subsidy program, which provides public funding to qualified state candidates and the state committees of political parties. Payments to qualified candidates during the 2022 state general election were made in fiscal year 2023. A report of the public subsidy payments made to each qualified candidate during the 2022 state election is available on the Board’s website.

The Board distributed \$2,348,803 in public subsidy payments to 316 candidates who ran for office in the 2022 general election. The legislature in 2023 increased the statutory appropriation to the general account of the state election campaign account (public subsidy account) from \$1,020,000 to \$2,432,000 per biennium.

OFFICE	DFL	RPM	LMP
Governor	-0-	\$584,035	-0-
Attorney General	\$146,662	-0-	-0-
Secretary of State	-0-	\$66,746	-0-
Legislative Auditor	\$55,770	-0-	\$28,961
State Senate	\$464,808	\$272,359	-0-
State House of Representatives	\$442,952	\$286,507	-0-
<b>TOTAL</b>	<b>\$1,110,192</b>	<b>\$1,209,648</b>	<b>\$28,961</b>

## Political Contribution Refund Program

State candidates who sign the public subsidy agreement and political parties are allowed to give political contribution refund receipts to individual contributors. In calendar year 2022 the Department of Revenue issued \$1,297,278 in refunds based on contributions to candidates, and another \$1,725,319 in refunds based on contributions to political parties.

## Political Party Payments

The state central committees of political parties receive 10% of the tax check-offs to the party account of the State Elections Campaign Fund. Based on monthly certification from the Department of Revenue during fiscal year 2023 the Board made \$60,918 in payments to political parties. By party the payments were as follows:

Party	Payment
Democratic Farmer Labor	\$42,057
Republican Party of Minnesota	\$14,602
Legal Marijuana Now	\$929
Grassroots-Legalize Cannabis	\$578
Libertarian	\$694
Independence Alliance	\$2,058



## Campaign Finance Enforcement Actions

The Board conducts investigations of possible violations of the provisions of Chapter 10A or those sections of 211B under the Board's jurisdiction. An investigation is started in response to a complaint filed with the Board or may be initiated by staff based on information disclosed on documents filed with the Board.

Investigations of many types of violations are typically resolved by conciliation agreement. The conciliation agreement will set the terms under which the violation is to be remedied, provide for remedial measures to correct the offending behavior, and provide for a civil penalty to the committee. Violations not resolved by conciliation agreement are resolved through the issuance of a Board order. If warranted, the Board may also issue an order stating that no violation occurred.

During fiscal year 2023 the Board entered into twenty-one conciliation agreements to resolve violations of Chapter 10A or Chapter 211B. In fiscal year 2023 the Board also resolved twenty-eight complaints filed with the Board; and resolved one investigation initiated by the Board.

To ensure compliance with disclosure deadlines Chapter 10A provides for late fees applied at the rate of \$50 a day for reports of receipts and expenditures due prior to primary and general elections, and \$25 a day for other reports. Reports that are filed more than 7 days after the Board has sent notice by certified mail of the failure to file a report also incur a \$1,000 civil penalty. Civil penalties and late fees collected by the Board are deposited in the state general fund. A breakdown of late fees and civil penalties collected through enforcement is provided on page 38

## Lobbying Program Overview

The Board administers the provisions of Chapter 10A that govern registration and public disclosure by lobbyists and principals attempting to influence state legislative action, state administrative action, and the official action of metropolitan governmental units.

Lobbyists are required to report disbursements for lobbying purposes to the Campaign Finance and Public Disclosure Board two times each year (January 15 and June 15). On the June 15th report the lobbyist must provide a general description of the subjects lobbied on during the previous 12 months.

Individuals or associations that hire lobbyists or spend \$50,000 or more to influence legislative action, administrative action, or the official action of metropolitan governmental units, are principals and are required to file an annual report disclosing total expenditures on these efforts. The report is due March 15th, and covers the prior calendar year.

## Legislative Action and Rulemaking

The Board made several recommendations regarding the lobbying provisions of Chapter 10A for the 2023 legislative session. Most of the Board's recommendations regarding the lobbying provisions of Chapter 10A were adopted, or adopted with modification.

There were numerous technical changes made to the lobbying provisions of Chapter 10A in the 2023 legislative session and some significant changes made. Some of the significant changes to the lobbying provisions of Chapters 10A and 211B are outlined on the next few pages.

## Legislative Action and Rulemaking (cont.)

The Legislature expanded the scope of local government lobbying. As defined currently, lobbying of local governments only occurs within the seven-county metro area, and includes only those seven counties, the Metropolitan Council, the Metropolitan Airport Commission, and fourteen cities in the metro area with a population of over 50,000. Lobbying has now been defined to include attempting to influence the official action of any “political subdivision”. For the purposes of lobbying, political subdivision means a county, town, city, school district or other municipal corporation or political subdivision of the state authorized by law to enter into contracts. This will expand the scope of local lobbying to include the other 80 counties, 839 more cities, 330 school districts, and 1,764 townships. The statutory changes also modified the definition of lobbyist by replacing all references to metropolitan governmental unit with “political subdivision”. The section also clarifies that an individual who is compensated more than \$3,000 from a business that provides government relations and government affair services must register as a lobbyist if the individual’s job duties include offering direct or indirect advice or consulting that the business uses to provide those services to clients.

The Board recommended several changes to the reporting requirements for lobbyist and those recommendations were enacted in 2023. The lobbying statutes have new reporting requirements for the lobbyist disbursement report. The disbursement report must include the specific subjects of interest lobbied on for the principal along with the public entity that was the focus of the lobbying. The section eliminates the reporting of administrative costs related to lobbying and provide more meaningful public disclosure.

## Legislative Action and Rulemaking (cont.)

For administrative lobbying the lobbyist must report each state agency that the principal sought to influence during the reporting period, the revisor number assigned to the agency's administrative rulemaking, and the principal's specific subjects of interest within the rulemaking.

For local lobbying the lobbyist must report each political subdivision that the principal sought to influence during the reporting period, the official action of the political subdivision that was the subject of lobbying, and the specific subjects of interest for the principal within the official action.

For legislative lobbying the lobbyist must report the general lobbying categories on which the lobbyist attempted to influence legislative action, and up to four specific subjects of interest for each of the general lobbying categories during the reporting period. If the lobbyist attempted to influence more than four specific subjects of interest for a general lobbying category then the lobbyist must confer with the represented association to determine which four specific subjects of interest were the highest priorities during the reporting period, and report only the four highest priority specific subjects of interest.

For lobbying of the Public Utilities Commission, the lobbyist must report the project name for each rate setting, power plant/power line siting, or certificate of need that the represented association sought to influence.

## Legislative Action and Rulemaking (cont.)

The registration threshold for citizen lobbyists have been increased to registration being required if the individual exceeds \$3,000 in personal expenses in a year, not including travel and membership fees.

The new changes to the gift prohibition apply to any elected local official of a political subdivision, and any appointed or employee of the political subdivision that has the authority to recommend or make major decisions regarding expenditures or investments of public money. Local officials will vary by municipality and type of political subdivision. These changes are in addition to the gift prohibition in Minnesota Statutes section 471.895.

The statutory changes include modifications to the annual lobbyist principal report. The principal may round the total amount spent on each lobbying type during a calendar year to the nearest \$9,000 (the current statute allows rounding to the nearest \$20,000). The principal must report the total amount spent to influence legislative lobbying, administrative action, lobbying to influence the Public Utilities Commission, and lobbying to influence the official action of a political subdivision.

Additionally, a principal that paid more than \$2,000 for advertising that urges members of the public to contact public or local officials in order to influence official actions must itemize the advertising costs. The principal report will disclose the date the advertising was purchased, the name and address of the vendor, a description of the advertising purchased, and identify any specific subjects of interest addressed in the advertisement.

## Advisory Opinions Issued Related to Lobbyist Program

In fiscal year 2023 the Board did not issue any advisory opinions related to the lobbying program.

## Lobbyist Disbursement Reports

The Board has developed a web-based reporting system for lobbyists. Use of the system is voluntary, but as shown below it is used by most lobbyists as the reporting method of choice. Lobbyist disbursement reports are available for review on the Board website.

Reporting year	Reports filed	Electronically filed
2022	4,444	93%
2021	4,319	94%
2020	4,292	94%
2019	4,338	93%
2018	4,201	97%
2017	4,231	95%
2016	4,174	98%
2015	4,076	97%
2014	4,041	96%
2013	3,998	97%
2012	3,823	93%

## Principal Reporting

Chapter 10A requires principals to file an annual report disclosing expenditures made in Minnesota to influence legislative actions, administrative actions, or official actions by a metropolitan governmental unit. The disclosure is a single number which may be rounded to the nearest \$20,000. Starting in 2012 principals are required to break out the amount spent influencing administrative action of the Minnesota Public Utilities Commission from all other lobbying.

	All Other Lobbying in Minnesota	MN Public Utilities Commission	Total
2022	\$77,134,544	\$6,137,008	\$83,271,552
2021	\$69,005,045	\$5,194,947	\$74,199,992
2020	\$62,974,403	\$5,049,004	\$68,023,406
2019	\$68,408,333	\$7,809,960	\$76,218,293
2018	\$63,727,954	\$15,029,661	\$78,757,615
2017	\$66,029,622	\$9,641,044	\$75,670,666
2016	\$62,140,012	\$6,222,560	\$68,362,572
2015	\$63,947,699	\$5,177,020	\$69,124,719
2014	\$64,517,472	\$5,889,000	\$70,406,472
2013	\$69,185,283	\$5,568,210	\$74,753,493
2012	\$59,060,155	\$2,749,590	\$61,809,745

## Lobbyist Program Enforcement Actions

In fiscal year 2023, the Board resolved two complaints and resolved an additional complaint after an investigation.

Also, during fiscal year 2023, the Board entered into three conciliation agreements with lobbyists to resolve campaign finance violations.



## Economic Interest Statement Program Overview

The Board administers the provisions of Chapter 10A of the Minnesota Statutes that govern disclosure of economic interests by public officials and local officials in metropolitan governmental units. There were over 3,380 public officials who filed with the Board in fiscal year 2023. Local officials use forms developed by the Board, but file with the local governmental unit.

Original statements of economic interest must be filed at the time of appointment or, for candidates, when the candidate files for office. All incumbent office holders and appointed officials must annually review and recertify their statements. The annual recertification is due by the last Monday in January and covers all time served during the previous calendar year. The Board has developed a web based system for submitting economic interest statements.

## Filing of Statements

During fiscal year 2023, there were 356 state offices, boards, agencies, or commissions with elected or appointed public officials. The Board processed 3,733 statements of economic interest during the fiscal year, 92% of which were submitted using the Board's electronic filing system, and 8% of which were submitted on paper forms.

During the annual recertification period in January of 2022, staff processed 2,449 statements. Of those statements, 94% were filed electronically.

## Legislative Action and Rulemaking

The Board's legislative recommendations regarding the economic interest statement program were adopted in whole. The recommended changes included three major changes. First, expanding the disclosure of associated businesses to include the sources of income and investments held by a public official's spouse.

Second, the disclosure of any contract, professional license, or lease issued to the public official or to a business in which the public official has at least a 25% ownership interest by the government agency on which the official serves.

Finally, the Legislature accepted the Board's recommendation to require less disclosure on the economic interest statement from public officials who serve as a soil and water conservation district supervisor, manager of a watershed district, or member of a watershed management organization.

## Advisory Opinions Issued Related to the Economic Interest Program

No advisory opinions were issued in the economic interest program in fiscal year 2023.

## Other Board Programs

## Potential Conflict of Interest

A public or local official who in the discharge of the official's duties would be required to take an action or make a decision that would substantially affect the official's financial interests or those of an associated business must under certain circumstances file a Potential Conflict of Interest Notice, or a written statement describing the potential conflict. If there is insufficient time to comply with the written requirements, oral notice must be given to the official's immediate supervisor of the possible conflict.

If the official is not permitted or is otherwise unable to abstain from action in connection with the matter, the public official must file the notice with the Board and a local official must file with the governing body of the official's political subdivision. The statement must be filed within one week of the action taken.

## Local Pension Plans

Members of a governing board of a covered pension plan and the chief administrative officer of the plan are required to file certain statements of economic interest with the governing board under Minnesota Statutes section 356A.06, subdivision 4.

The Office of the State Auditor prescribes the statement and instructions for completing the statement. The chief administrative officer of each covered pension plan must submit to the Campaign Finance and Public Disclosure Board a certified list of all individuals who filed a statement with the pension plan no later than January 15th of each year. Several hundred pension plans are required to file with the Board under this law and 246 plans filed the list by January 15, 2023. This number has gone down in recent years as covered local pension plans dissolve to join the Statewide Volunteer Firefighter Retirement Plan. The Board does not have jurisdiction over the enforcement of this certification requirement.

## Public Employees Retirement Association Trustee Candidates

Candidates for election as PERA Trustees are required to file certain campaign finance disclosure reports with the Campaign Finance and Public Disclosure Board under Minnesota Statutes, section 353.03, subdivision 1. Under this statute, the Board prescribes and furnishes to trustee candidates the reporting form and instructions for completing the form.

## State Board of Investment

Minnesota Statutes section 11A.075, requires certain disclosure by SBI members upon appointment and SBI employees upon hire and by both annually until termination of appointment or employment. Under this statute, the Board prescribes and furnishes to the members and employees the reporting form and instructions for completing the form.

## Representation Disclosure

A public official who represents a client for a fee before any individual board, commission, or agency that has rulemaking authority in a hearing conducted under Minnesota Statutes Chapter 14, and in the cases of rate setting, power plant and power line siting, and granting of certificates of need under Minnesota Statutes section 216B.243, must file a Representation Disclosure Statement within 14 days after the appearance has taken place, disclosing the official's part in the action.

## Staff Duties

### Executive Director

The executive director facilitates achievement of the Board's goals and objectives, sets the agenda and prepares materials for Board and committee meetings, and directs all agency and staff operations. The executive director also drafts advisory opinions for Board consideration, serves as the Board's representative to the Legislature and the Executive Branch. The executive director is responsible to insure that the information technology resources of the agency are best used to support the Board's missions and goals. The executive director is responsible for the calculation of public subsidy payments made to candidates and political party units. Lastly, the executive director administers the preparation of the biennial budget.

### Assistant Executive Director

The assistant executive director serves as advisor to the executive director and assists in management of the operations for the agency. The assistant executive director conducts complex investigations and prepares drafts for Board consideration, reconciles and reports on the Board's financial systems, and supervises the agency's compliance programs. The assistant executive director prepares and conducts training classes for clients on campaign finance reporting requirements.

### Legal Analyst—Management Analyst

Two staff members hold this position. The legal analysts—management analysts perform legal analysis, make recommendations, and assist in agency administrative rule-making, the conduct of Board investigations, and drafting findings and orders for Board consideration. These positions also serve as internal management consultants providing support and analysis to the executive director and assistant executive director.

### **Compliance Officer**

The compliance officer provides for distribution, collection, data entry, and filing of campaign finance registrations and reports required by Chapter 10A. The compliance officer reviews the reconciliation of reported contributions, performs compliance checks on campaign finance reports filed with the Board, assists in the conduct of Board audits, and monitors cases for Revenue Recapture

The compliance officer also provides compliance advice and guidance to Board staff and clients.

### **Lobbying Program Administrator**

The programs administrator provides for distribution, collection, data entry, and filing of lobbyist disclosure required by Chapter 10A. The programs administrator collects, stores, and retrieves data for the preparation and analysis of summaries of documents filed with the Board. The programs administrator also provides database advice and guidance to Board staff and clients.

### **Information Technology Specialist III Database Management**

This information technology specialist develops, maintains, and manages complex database applications to support administration of all Board programs and activities. The position provides technical service, LAN administration, and training to Board staff. The position also develops, administers, and provides technical support for the Board's website and provides client training and support in the use of the Campaign Finance Reporter software.

### **Information Technology Specialist III Application Development**

This information technology specialist ensures that the technology resources of the Board support applicable business rules and statutory obligations. The position develops online applications for use by clients in reporting to the Board. The position also develops and administers applications for use by staff and in response to management requests. The position also supports multiple complex relational databases.

## Staff Salaries FY 2023

Position	Staff Member	FY 2023
Executive Director	Jeffrey Sigurdson	\$126,147
Assistant Director	Megan Engelhardt	\$108,925
Legal—Management Analyst	Will Hager	\$67,162
Legal - Management Analyst	Andrew Olson	\$76,916
Investigator	Melissa Stevens	\$67,087
Information Technology Specialist 3	Jon Peterson	\$102,675
Information Technology Specialist 3	Gary Bauer	\$65,640
Management Analyst 1	Erika Ross	\$59,125
Office Specialist (part time position)	Jodi Pope	\$7,445
<b>Total Salaries</b>		<b>\$681,122</b>

## Board Financial Information FY 2023

The Campaign Finance and Public Disclosure Board is funded by a direct appropriation from the Minnesota Legislature. The Board's operational appropriation for fiscal 2023 was \$1,167,000. Funds not expended in the first year of a biennium roll forward into the next fiscal year and funds not expended in the second year of a biennium are returned to the state general fund.

Income Summary	FY 2022
Appropriation	\$1,167,000
Carry Forward from FY 2022	\$121,222
<b>Total Funding Available FY 2023</b>	<b>\$1,288,222</b>
Expenditure Summary	
Operating budget expenditures	(\$1,072,837)
<b>Returned to State General Fund</b>	<b>\$215,385</b>

## Board Operating Budget—FY 2023

Salary and Benefits	FY 2023
Full time staff (salary and fringe)	\$943,961
Per diem for Board Members	\$3,304
Workers compensation insurance	\$2,552
<b>Salary and Benefits Sub Total of Expenditures</b>	<b>\$949,817</b>

Operating Expenses	FY 2023
Office rent	\$43,694
Copier lease	\$5,497
Postage	\$14,513
Printing	\$17,927
Staff development	\$4,882
Supplies	\$3,756
MNIT services	\$14,925
Court reporter, subpoena, and court filing costs	\$1,727
Equipment	\$11,513
Computer systems development - software	\$7,624
Travel	\$4,305
Miscellaneous Costs	\$1,419
<b>Operating Expense Sub Total of Expenditures</b>	<b>\$131,782</b>

<b>Board Operating Total Expenditures</b>	<b>\$1,081,599</b>
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## Penalties Paid for Late Filing Fees and Other Violations of Chapter 10A

The following is a listing of fees and fines paid during the fiscal year. Some fees and fines may have been assessed prior to fiscal year 2023.

<b>Late Filing Fees</b>	<b>FY 2023 Dollars Paid</b>	<b>Number of Violations</b>
Candidate Campaign Committees	\$1,375	13
24-Hour Notice	\$23,375	29
Political Committees and Funds	\$5,725	29
Political Party Units	\$1,175	14
Economic Interest Statements	\$2,215	41
Lobbyist Disbursement Reports	\$2,225	30
Lobbyist Principal Annual Reports	\$1,775	15
<b>Total Late Fees</b>	<b>\$37,865</b>	<b>171</b>
<b>Civil Penalties</b>	<b>FY 2023 Dollars Paid</b>	<b>Number of Violations</b>
Contribution Limits Violations		
Candidates Accepted in Excess of Limit	\$5,325	10
Special Source Aggregate Limit	\$1,440	3
Candidate Exceed Spending Limit	\$3,854	1
Political Committee Contribution in Excess of Limit	\$2,000	2
Prohibited Contributions During Session		
Lobbyist	\$55	1
Candidate	\$365	3
Political Committee/Fund	\$185	2
Failure to File Disclosure Report		
Candidate Committees	\$170	1
Public Official	\$100	1
Lobbyists	\$1,000	1
Lobbyist Principals	\$4,000	1
Disclaimer Violations	\$1,300	6
Candidate Certified False Report	\$200	2
<b>Total Civil Penalties</b>	<b>\$19,994</b>	<b>34</b>
<b>Total Late Fees and Civil Penalties Deposited in State General Fund</b>	<b>\$57,859</b>	<b>205</b>

**CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD  
November 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
Thompson, John	John Thompson for 67A	Civil Penalty and late filing fee for the committee's 2022 year-end report	\$1,000 LFF \$1,000 CP	3/10/23	7/5/23	11/9/23		
	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	4/21/23	11/13/23		

**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