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State of Minnesota HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH SESSION

HOUSE FILE No. 524

February 1, 2007

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The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections

1.1 A bill for an act
1.2 relating to elections; campaign finance; changing certain disclosure
1.3 requirements; limiting independent expenditures by political party units;
1.4 regulating electioneering communications; increasing certain expenditure limits;
1.5 establishing a work group; amending Minnesota Statutes 2006, sections 10A.01,
1.6 by adding a subdivision; 10A.14, subdivision 1; 10A.20, by adding subdivisions;
1.7 proposing coding for new law in Minnesota Statutes, chapter 10A.

1.8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.9 Section 1. Minnesota Statutes 2006, section 10A.01, is amended by adding a
1.10 subdivision to read:

1.11 Subd. 16a. Electioneering communication. "Electioneering communication"
1.12 means a broadcast communication that refers to a clearly identified candidate and is
1.13 made within 60 days before a general or special election or 30 days before a primary or
1.14 special primary for the office sought by the candidate. "Electioneering communication"
1.15 does not include:

1.16 (1) a communication appearing in a news story, commentary, or editorial distributed
1.17 by a broadcasting station, unless the broadcasting station is owned or controlled by a
1.18 political party unit, political committee, or candidate;

1.19 (2) a campaign expenditure; or

1.20 (3) an independent expenditure.

1.21 Sec. 2. Minnesota Statutes 2006, section 10A.14, subdivision 1, is amended to read:

1.22 Subdivision 1. First registration. The treasurer of a political committee, political
1.23 fund, principal campaign committee, or party unit must register with the board by filing
1.24 a statement of organization no later than ~~14 days~~ 48 hours after the committee, fund,

2.1 or party unit has made a contribution, received contributions, or made expenditures in  
2.2 excess of \$100.

2.3 **Sec. 3. [10A.165] COORDINATED ELECTIONEERING COMMUNICATIONS;**  
2.4 **CONTRIBUTIONS; EXPENDITURES.**

2.5 If an individual, political committee, political fund, or political party unit makes  
2.6 an expenditure for an electioneering communication that is coordinated with a principal  
2.7 campaign committee or political party unit, the electioneering communication constitutes  
2.8 a contribution to, and an expenditure by, the principal campaign committee of the  
2.9 candidate named in the electioneering communication or of the political party unit whose  
2.10 candidate is named in the electioneering communication.

2.11 Sec. 4. Minnesota Statutes 2006, section 10A.20, is amended by adding a subdivision  
2.12 to read:

2.13 Subd. 6c. **Electioneering communications.** An individual, political committee,  
2.14 political fund, or political party unit that makes or contracts to make an expenditure for  
2.15 an electioneering communication in an aggregate amount in excess of \$500 within 60  
2.16 days before a general or special election or 30 days before a primary or special primary  
2.17 for the office sought by the candidate identified in the electioneering communication  
2.18 must, within 24 hours of making the expenditure, file a report with the board containing  
2.19 the following information:

2.20 (1) the amount of each expenditure over \$100, the name and address of the person  
2.21 to whom the expenditure was made or contracted to be made, and the purpose of the  
2.22 expenditure;

2.23 (2) the election or primary to which each electioneering communication pertains and  
2.24 the name of any candidate to be identified in the electioneering communication; and

2.25 (3) in the case of a report filed by an individual, the name, address, and employer  
2.26 or occupation, if self-employed, of the individual making or contracting to make the  
2.27 electioneering communication.

2.28 An additional report containing the information specified in this subdivision must be  
2.29 filed within 24 hours after each time an expenditure for an electioneering communication  
2.30 in an aggregate amount exceeding \$500 is made or contracted to be made within 60 days  
2.31 before a general or special election or 30 days before a primary or special primary for the  
2.32 office sought by the candidate.

3.1 Sec. 5. Minnesota Statutes 2006, section 10A.20, is amended by adding a subdivision  
3.2 to read:

3.3 Subd. 6d. **Independent expenditures.** (a) An individual, political committee,  
3.4 political party unit, or political fund must file a report with the board each time the  
3.5 individual, political committee, political party unit, or political fund makes or contracts  
3.6 to make, at any time up to and including the 20th day before an election, independent  
3.7 expenditures in an aggregate amount in excess of \$500. The report must be filed within 48  
3.8 hours after initially making or contracting to make such expenditures. An additional report  
3.9 must be filed within 48 hours after each time an independent expenditure in an aggregate  
3.10 amount in excess of \$500 is made or contracted to be made, up to and including the 20th  
3.11 day before an election. The report must include the information required to be reported  
3.12 under subdivision 3, paragraph (g), except that if the expenditure is reported at the time it  
3.13 is contracted, the report must include the contract amount.

3.14 (b) An individual, political committee, political party unit, or political fund must  
3.15 file a report with the board each time the individual, political committee, political party  
3.16 unit, or political fund makes or contracts to make, between the 19th day and the last  
3.17 day before an election, an independent expenditure in an aggregate amount in excess of  
3.18 \$100. The report must be filed within 24 hours after initially making or contracting to  
3.19 make such expenditures. An additional report must be filed within 24 hours after making  
3.20 or contracting to make an independent expenditure in an aggregate amount in excess of  
3.21 \$100 at any time up to and including the 20th day before an election. The report must  
3.22 include the information required to be reported under subdivision 3, paragraph (g), except  
3.23 that if the expenditure is reported at the time it is contracted, the report must include  
3.24 the contract amount.

3.25 Sec. 6. **INTERNET CAMPAIGN REPORTING AND PUBLIC SUBSIDY**  
3.26 **PAYMENT STUDY.**

3.27 A work group is established to study the feasibility of creating an online campaign  
3.28 finance reporting and public subsidy payment system. The work group must study the  
3.29 initial costs and long-term savings of creating a system for filing online all reports required  
3.30 by Minnesota Statutes, chapter 10A, and for electronically making subsidy payments  
3.31 under Minnesota Statutes, chapter 10A. The work group must report to the chairs of the  
3.32 Governmental Operations, Reform, Technology and Elections Committee and the State  
3.33 Government Finance Committee in the house of representatives and the chairs of the State  
3.34 and Local Government Operations and Oversight Committee and the State Government  
3.35 Budget Division in the senate by January 15, 2008.

4.1 The work group shall consist of one member of the Campaign Finance and Public  
4.2 Disclosure Board designated by the chair of the board and three members appointed by  
4.3 the governor, three members appointed by the speaker of the house, and three members  
4.4 appointed by the senate Committee on Committees.

4.5 The Campaign Finance and Public Disclosure Board and the Department of Revenue  
4.6 must provide staff resources to the work group.