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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 2563

03/08/2016 Authored by Mullery

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy

1.1 A bill for an act  
1.2 relating to campaign finance; requiring consent for certain political activities by  
1.3 corporations, pension trust funds, and money market funds; providing penalties;  
1.4 amending Minnesota Statutes 2014, section 211B.15, by adding a subdivision;  
1.5 proposing coding for new law in Minnesota Statutes, chapter 211B.

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

1.7 Section 1. Minnesota Statutes 2014, section 211B.15, is amended by adding a  
1.8 subdivision to read:

1.9 Subd. 4a. Shareholder consent. (a) A corporation may not make a contribution,  
1.10 expenditure, or independent expenditure for political purposes unless all shareholders of  
1.11 the corporation have approved the contribution, expenditure, or independent expenditure  
1.12 by majority vote, and each individual shareholder whose proportional share of the  
1.13 corporation's profits will be used for the contribution, expenditure, or independent  
1.14 expenditure has consented to use of their profit interest for that purpose. The vote and  
1.15 consent procedure must be conducted according to the rules and bylaws of the corporation,  
1.16 and may authorize a specific contribution, expenditure, or independent expenditure,  
1.17 or may authorize a total budget for all contributions, expenditures, and independent  
1.18 expenditures by the corporation in a calendar year.

1.19 (b) As used in this subdivision, "shareholders" means, in the case of a corporation  
1.20 registered to do business in this state, all shareholders of the corporation residing in  
1.21 the state; in the case of a corporation incorporated in this state, all shareholders of the  
1.22 corporation; and in the case of a partnership registered to do business in this state, all  
1.23 partners.

1.24 (c) Nothing in this subdivision authorizes a corporation to make a contribution,  
1.25 expenditure, or independent expenditure that is not otherwise authorized by law.

2.1       Sec. 2. **[211B.155] CONTRIBUTIONS, EXPENDITURES, OR INDEPENDENT**  
2.2 **EXPENDITURES BY PENSION TRUST FUNDS AND MONEY MARKET FUNDS.**

2.3       Subdivision 1. **Pension trust funds.** A pension trust fund may not make a  
2.4 contribution, expenditure, or independent expenditure for political purposes unless  
2.5 all active members and beneficiaries have approved the contribution, expenditure,  
2.6 or independent expenditure by majority vote, and each individual active member or  
2.7 beneficiary whose proportional interest in the fund's earnings will be used for the  
2.8 contribution, expenditure, or independent expenditure has consented to use of their  
2.9 interest for that purpose. The vote and consent procedure must be conducted according to  
2.10 the rules and bylaws of the fund, and may authorize a specific contribution, expenditure,  
2.11 or independent expenditure, or may authorize a total budget for all contributions,  
2.12 expenditures, and independent expenditures by the fund in a calendar year.

2.13       Subd. 2. **Money market funds.** A money market fund may not make a contribution,  
2.14 expenditure, or independent expenditure for political purposes unless all shareholders of the  
2.15 fund have approved the contribution, expenditure, or independent expenditure by majority  
2.16 vote, and each individual shareholder whose proportional interest in the fund's earnings  
2.17 will be used for the contribution, expenditure, or independent expenditure has consented  
2.18 to use of their interest for that purpose. The vote and consent procedure must be conducted  
2.19 according to the rules and bylaws of the fund, and may authorize a specific contribution,  
2.20 expenditure, or independent expenditure, or may authorize a total budget for all  
2.21 contributions, expenditures, and independent expenditures by the fund in a calendar year.

2.22       Subd. 3. **Penalties.** The penalties and remedy procedures provided in section  
2.23 211B.15 related to political activity by corporations and individuals acting on behalf of a  
2.24 corporation apply to violations of this section by a pension trust fund or money market  
2.25 fund, and individuals acting on behalf of a pension trust fund or money market fund.

2.26       Subd. 4. **Limitation.** Nothing in this section authorizes a pension trust fund or  
2.27 money market fund to make a contribution, expenditure, or independent expenditure that  
2.28 is not otherwise authorized by law.

2.29       Sec. 3. **EFFECTIVE DATE.**

2.30       Sections 1 and 2 are effective the day following final enactment.