

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

.....  
**April 4, 2018**  
**St Croix Room**  
**Centennial Office Building**  
.....

**MINUTES**

The meeting was called to order by Chair Flynn.

Members present: Flynn, Haugen, Leppik, Swanson

Members absent: Moilanen, Rosen

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

The meeting did not strictly follow the order of business set forth in the agenda.

**MINUTES** (March 7, 2018)

After discussion, the following motion was made:

Member Leppik's motion: To approve the March 7, 2018, minutes as drafted.

Vote on motion: Unanimously passed.

**CHAIR'S REPORT**

**A. Meeting schedule**

The next Board meeting is scheduled for 10 a.m. on Wednesday, May 2, 2018.

**EXECUTIVE DIRECTOR REPORT**

Mr. Sigurdson presented members with a memorandum regarding this matter that is attached to and made a part of these minutes. Mr. Sigurdson told members that there had been media interest in the lobbyist principal reports filed on March 15, 2018. Mr. Sigurdson said that those reports showed that principal expenditures overall had increased in 2017 but that most of this change was due to an increase in expenditures to influence administrative actions by the Public Utilities Commission. Mr. Sigurdson also said that staff was busy processing new registrations for lobbyists and candidate committees. Sigurdson finally stated that an open house would be held on the afternoon of Thursday, April 26, 2018, to celebrate the careers of staff members Gary Goldsmith and Joyce Larson, who would be retiring on May 1, 2018.

## **PRIMA FACIE DETERMINATION**

Ms. Engelhardt presented members with a memorandum regarding this matter that is attached to and made a part of these minutes. Ms. Engelhardt told members that in March, the chair had dismissed a complaint regarding candidate Michael Northbird because the complaint failed to state a prima facie violation of the campaign finance laws. Ms. Engelhardt said that the complaint alleged that Mr. Northbird had not included the required disclaimer on his campaign material. Ms. Engelhardt stated that the chair had determined that because Mr. Northbird's expenditures had not reached the threshold at which committee registration was required, his campaign material did not require a disclaimer.

## **ENFORCEMENT REPORT**

### **A. Discussion items**

#### **1. Request to amend lobbyist termination statement – Dustin Brighton**

Ms. Pope told members that in January 2018, Mr. Brighton terminated his registration as a lobbyist for the Internet Association because he had left his position with that organization. Ms. Pope explained that because Mr. Brighton had used the January 2018 date as his termination date, he was required to file a lobbyist disbursement report by June 15, 2018, for the short time that he had worked during this year. Ms. Pope said that the Internet Association was asking the Board to amend Mr. Brighton's termination statement to be effective on December 31, 2017. Ms. Pope stated that approval of this request would eliminate the need for Mr. Brighton to file the June 2018 lobbyist disbursement report. Ms. Pope said that the Internet Association had stated that Mr. Brighton had not conducted any lobbying in 2018 nor made any lobbying disbursements.

After discussion, the following motion was made:

Member Swanson's motion:                      To amend Mr. Brighton's lobbyist termination statement as requested.

Vote on motion:                                      Unanimously passed.

#### **2. Request to suspend efforts to obtain economic interest statement and accrual of late fees and civil penalties – Rolf Hagen**

Ms. Pope told members that Mr. Hagen was a public official with the Office of Administrative Hearings. Ms. Pope said that due to health issues, Mr. Hagen was not able to file his annual statement of economic interest statement himself or direct someone else to complete it for him. Ms. Pope stated that Mr. Hagen's family was in the process of obtaining the authority necessary to act for him. After that authority was obtained, Mr. Hagen's representative would file the statement and submit a waiver request for the accrued late fees. Ms. Pope said that Mr. Hagen's family was asking the Board to suspend its efforts to obtain the statement and the accrual of the late fees until that time.

After discussion, the following motion was made:

Member Leppik's motion: To suspend efforts to obtain Rolf Hagen's statement of economic interest and the accrual of late fees and civil penalties until his family has authority to act for him.

Vote on motion: Unanimously passed.

**3. Confirmation of lobbyist termination and cessation of efforts to collect lobbyist report – Jim du Bois**

Ms. Pope told members that Mr. du Bois was the executive director of the Minnesota Broadcaster's Association and also was registered as a lobbyist for the Association. Ms. Pope said that the Association had notified Board staff that Mr. du Bois had resigned as executive director in December 2017 after the discovery of irregularities in the Association's management. Staff then administratively terminated the lobbyist registration of Mr. du Bois. Ms. Pope said that staff was asking the Board to confirm this termination.

Ms. Pope stated that, in addition, Mr. du Bois had not filed the lobbyist disbursement report that was due on January 15, 2018. The Association had examined its records and concluded that Mr. du Bois had not made any lobbyist disbursements during the time covered by the missing report. Ms. Pope said that the Association's other two lobbyists had filed their reports and the Association had filed its 2017 principal report. Ms. Pope said that staff therefore was asking the Board to confirm the cessation of staff efforts to obtain the January 2018 lobbyist report from Mr. du Bois.

After discussion, the following motion was made:

Member Leppik's motion: To confirm the termination of the lobbyist registration of Jim du Bois and the cessation of staff efforts to collect a January 15, 2018, lobbyist disbursement report from him.

Vote on motion: Unanimously passed.

**B. Waiver requests**

<u>Name of Candidate or Committee</u>	<u>Late Fee &amp; Civil Penalty Amount</u>	<u>Reason for Fine</u>	<u>Factors for waiver</u>	<u>Board Member's Motion</u>	<u>Motion</u>	<u>Vote on Motion</u>
Gerald Johnson, Browns Creek WD	\$100 LFF	Annual EIS	Official was out of state during the due date time period due to his father-in-law's serious health issues.	Member Leppik	To waive the late filing fee	Passed unanimously
Roger Stenhoff, Root River SWCD	\$100 LFF	Annual EIS	Official has health issues that prevented him from completing the statement on his own. Official's spouse eventually was able to help but statement was delayed due to misplacement of form and spouse's work issues.	Member Leppik	To waive the late filing fee	Passed unanimously

Leigh Lenzmeier, Stearns County commissioner & PERA Board	\$100 LFF	Annual EIS	Official has had health issues and has relied on county staff to help him with tasks during this time. Official prepared statement and asked county staff to submit it. Official submitted statement as soon as he learned that Board had never received first statement.	Member Leppik	To waive the late filing fee	Passed unanimously
Kurt Rogness, Minnehaha Creek WD	\$100 LFF	Annual EIS	Official attempted to file online three times but encountered problems. Official's travel outside the country also hindered his efforts to file online and to get help filing from Board staff.	Member Leppik	To waive the late filing fee	Passed unanimously
Kevin Ha, Attorney General's Office	\$75 LFF	Annual EIS	Official tried to log in to complete statement but never received email verifications. Official then contacted Board staff and filed paper statement.	Member Leppik	To waive the late filing fee	Passed unanimously
Barb Johnson, PERA Board	\$70 LFF	Annual EIS	Official did not timely receive notices sent to city council address because she had left office in January 2018. Official filed statement as soon as she received notices forwarded by the city.	Member Leppik	To waive the late filing fee	Passed unanimously
Kristine DeMay, 9 <sup>th</sup> Judicial District	\$20 LFF	Annual EIS	Official did not timely receive notices sent to main judicial district office. Official filed statement as soon as she received forwarded notices.	Member Leppik	To waive the late filing fee	Passed unanimously
Thomas Ryan, Greater MN Regional Parks & Trails Comm	\$95 LFF	Annual EIS	Official did not timely receive email notices sent to work address because he retired in May 2017. Official forgot about annual reporting requirement until he returned home from an extended time away and opened notice sent to his home. Official then promptly filed statement.	Member Leppik	To waive the late filing fee	Passed unanimously
Dave Esselink, Rock SWCD	\$5 LFF	Annual EIS	Official called staff on first day of late fee accrual to obtain paper statement and believed that he was told that there would be no late fee if he returned the statement that day. Official then completed and returned statement that day.	Member Leppik	To waive the late filing fee	Passed unanimously
Scott Moen, lobbyist	\$375 LFF (3 X \$125)	1/15/2018 lobbyist report	Lobbyist represents three entities: Intl Council of Shopping Centers; Public Employee Pension Service Assn; and Fish & Wildlife Legislative Alliance. During the last part of 2017 and early 2018, he was away from home caring for his terminally ill mother and then dealing with the issues created by her death. Lobbyist filed reports as soon as he returned home.	Member Leppik	To waive the late filing fee	Passed unanimously
MN Broadcaster's Assn	\$1,000 LFF \$1,000 CP	3/15/2017 lobbyist principal report	Principal's executive director left organization in December 2017 after discovery of management irregularities. Principal did not know that its 3/15/2017 report required amendment or that the executive director had not filed this amendment. Principal filed amendment immediately after receiving notice from Board staff. Principal also asked for termination of executive director's lobbyist registration.	Member Leppik	To waive the late filing fee	Passed unanimously

Stonewall DFL	\$350 LFF	2017 year-end report	Committee mailed report before due date but it was returned for lack of adequate postage. Committee resent report shortly after due date but it was never received by Board. Committee then hand-delivered a report to the Board. Committee has terminated.	Member Leppik	To waive the late filing fee	Passed unanimously
John Magedanz, Sauk River WD	\$25 LFF	Annual EIS	Official stated on his annual statement that he objected to late fees. Official later explained to Board staff that he believes that level of disclosure required for watershed district (WD) managers is excessive given their duties.	No motion		
Rob Rafferty, Vadnais Lake Area WMO	\$5 LFF	Annual EIS	Official volunteers for watershed management organization (WMO) and several other boards. Official feels there should not be a late fee for volunteer positions. Official also told Board staff that he believes that level of disclosure required for WMO members is excessive given their duties.	No motion		
Lon Moen, Big Stone SWCD	\$20 LFF, Paid \$5	Annual EIS	Official called staff on due date to report that his computer was down. Official believes that he was told that there would be no late fee because he called. Official later explained to Board staff that he believed that a \$5 late fee was fair, but that he would like the remaining \$15 waived.	Member Leppik	To waive the late filing fee	Passed unanimously
Bois Forte Political Education Fund	\$375 LFF	2017 year-end report	Long-term employee responsible for filing report retired in December 2017 and was not replaced until March 2018. There was additional significant turnover and major illnesses in the accounting department during December and January. The employees out for medical reasons returned in February 2017. The fund then was able to file its report.	Member Haugen	To reduce the late filing fee to \$200	Passed unanimously
Jennifer Breitingner, lobbyist	\$75 LFF	1/15/2018 lobbyist report	Lobbyist represents ten principals and believed that all ten reports had been timely filed. The report for the Film Board, however, was never actually filed. Lobbyist does not know why this error occurred, but believes it may have been due to failure to push the send button for that report. Lobbyist immediately submitted report after receiving notice that it had not been filed.	Member Swanson	To waive the late filing fee	Passed unanimously
Mary (Hernandez) for Minnesota House Committee	\$1,000 LFF \$1,000 CP	2016 year-end report	Committee did not amend report after being notified of reconciliation errors. Committee states that treasurer incorrectly told candidate that all required reports had been submitted. Committee terminated effective 12/31/2017. Candidate registered a new committee on 3/2/2018.	Member Swanson	To waive the civil penalty but not the late filing fee	Passed unanimously
Brad Gerten for MN House	\$750 LFF	2017 year-end report	Committee treasurer moved out of the district and candidate had personal/legal issues that prevented him from filing the report on time. Committee plans to contribute balance to local party unit and then terminate.	No motion		

Int'l Union of Operating Engineers Local 49	\$150 LFF	3/15/2018 lobbyist principal report	Principal's contact person also lobbies for principal. When contact person received notices for principal report, he believed they were for lobbyist report, which he had already filed. Contact person tried to log in to system but failed because he used wrong credentials. Contact person also looked at delinquent lobbyist list, didn't see his name, and thought that all reports had been filed. Contact person filed principal report as soon as staff explained which report was missing.	Member Swanson	To reduce the late filing fee to \$50.	Passed unanimously
Tim Walz for Governor	\$25 LFF	2017 year-end report	Committee filed report on due date using commercial software and received "transmission successful" report from that software. The software, however, had used the wrong registration number for the committee and the report therefore had not been filed. When treasurer learned of error, she immediately asked software company to change registration number and she then filed report.	No motion		

### **Informational Items**

#### **A. Security information requests**

During the annual economic interest statement recertification, the executive director received three requests to reclassify information as security information. Two requests were from judges who had personal safety concerns about disclosing the description of real property that they owned. The third request involved securities owned by an individual who had been a recent victim of identity theft. This individual had retired in 2017 and was no longer serving as a public official. In all three cases, the executive director determined that the request met the statutory requirements and granted the request.

#### **B. Payment of a late filing fee for 2017 year-end report of receipts and expenditures**

#### **C. Payment of a late filing fee for 2017 special election report**

#### **D. Payment of a late filing fees for 2016 pre-general election and year-end report of receipts and expenditures**

#### **E. Payment of a late filing fee for failure to file 2016 pre-primary-election report of receipts and expenditures**

#### **F. Payment of a late filing fee for June 15, 2016, lobbyist disbursement report**

#### **G. Payment of a late filing fee for January 16, 2018, lobbyist disbursement report**

#### **H. Payment of a late filing fee for 24-hour notice of 2016 large pre-election contribution**

**I. Payment of a civil penalty for false certification**

Branden Petersen, \$280

**J. Deposit to the General Fund**

**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 had nothing to add to the provided report.

**OTHER BUSINESS**

Mr. Sigurdson presented members with a memorandum regarding an advisory opinion request that had been received on March 29, 2018. This memorandum is attached to and made a part of these minutes. Mr. Sigurdson told members that the request concerned whether a candidate’s committee could pay for the candidate’s home security and identity theft protection expenses as a cost of serving in office. Mr. Sigurdson said that there had not been enough time to prepare a draft opinion before the meeting and that the matter therefore would need to be laid over to the next meeting. Mr. Sigurdson also stated that because the advisory opinion request had not been received in time to put it on the agenda at least seven days before the meeting, members first would need to agree to consider the matter by majority consent.

After discussion, the following motions were made:

Member Swanson’s motion: To consider the matter of the advisory opinion request.

Vote on motion: Unanimously passed.

Member Haugen’s motion: To lay over the advisory opinion request until the next meeting.

Vote on motion: Unanimously passed.

**LEGISLATIVE RECOMMENDATIONS**

Mr. Sigurdson presented members with a memorandum regarding this matter that is attached to and made a part of these minutes. Mr. Sigurdson told members that the Board’s legislative proposals had met the committee deadlines in both the house and senate. Mr. Sigurdson reviewed the amendments being proposed for the statute outlining the Board’s investigation authority. Mr. Sigurdson also reviewed the suggested changes being proposed by the League of Women Voters. Mr. Sigurdson said that when the bill reached the senate floor, he expected to see one additional amendment that would limit the application of the safe harbor provision for candidates who provide donor lists to other committees. Mr. Sigurdson then answered members’ questions regarding the proposed legislation and the timing of their confirmation hearings.

**EXECUTIVE SESSION**

The chair recessed the regular session of the meeting and called to order the executive session. Upon recess of the executive session, the regular session of the meeting was called back to order and the chair had nothing to report into regular session.

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

Respectfully submitted,



Jeff Sigurdson  
Executive Director

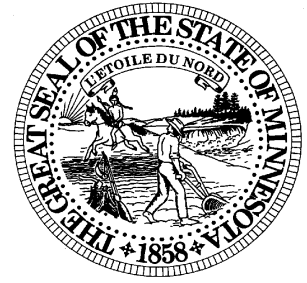
Attachments:

- Memorandum regarding executive director report
- Memorandum regarding prima facie determination
- Legal report
- Memorandum regarding advisory opinion request
- Memorandum regarding legislative recommendations



Minnesota

# *Campaign Finance and Public Disclosure Board*



**Date:** March 28, 2018

**To:** Board Members

**From:** Jeff Sigurdson, Executive Director

**Telephone:** 651-539-1189

**Re:** Executive Director's Report – Board Operations

## **Program Updates**

### **Lobbying Program.**

The legislative session is always a busy time for lobbyist registrations. To date the Board has received 341 new registrations in 2018.

The annual lobbyist principal report of expenditures made in 2017 was due on March 15, 2018. As of March 27, 2018, reports had been received from 1,422 of the 1,427 principals required to file. An updated chart of reported expenditures and a chart showing trend lines for lobbyist expenditures are found below. There is always media interest in the principal reports, including coverage from the Star Tribune <http://www.startribune.com/groups-spend-74m-to-lobby-policymakers-and-the-public-utilities-commission/477455423/> and Minnesota Public Radio <https://www.mprnews.org/story/2018/03/20/enbridge-spends-over-5-million-lobbying>

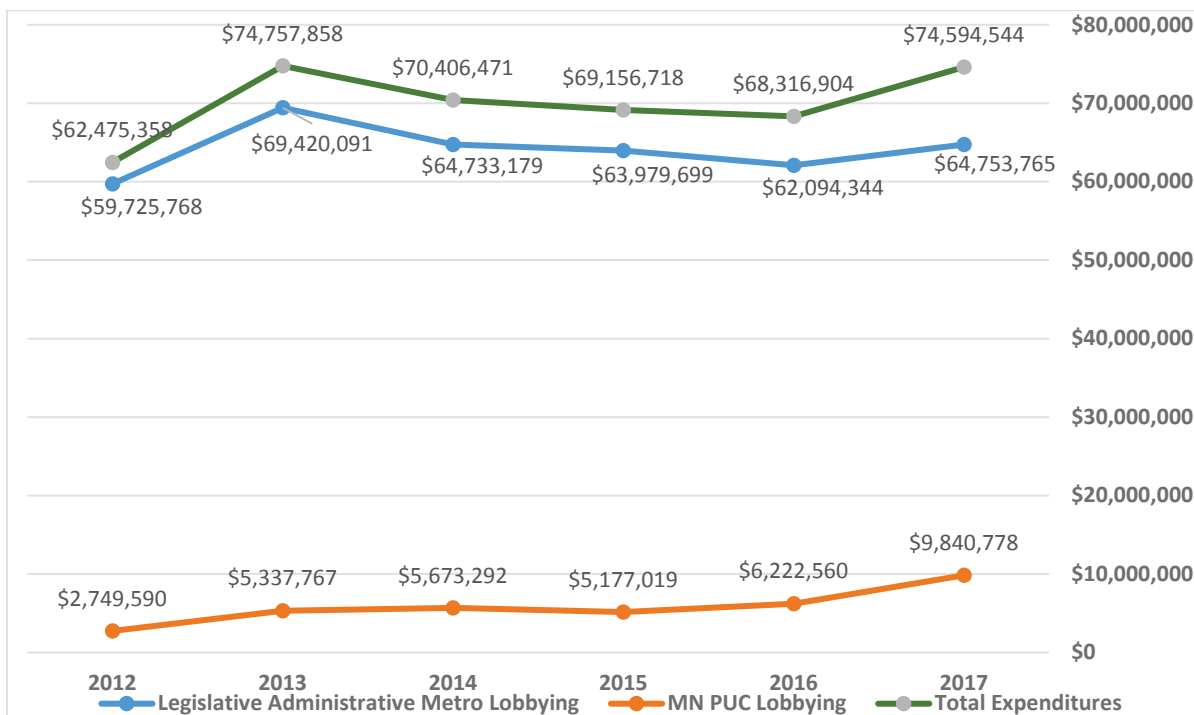
The reports filed so far disclose that **\$64,753,765** was spent in 2017 to influence the official actions of the legislature, administrative agencies, and metropolitan governmental units.

The amount spent to influence administrative action by the Minnesota Public Utilities Commission in cases of rate setting, power plant and power line siting, and granting of certificates of need is reported separately. In 2017, principals reported spending **\$9,840,778** to influence administrative actions of the Minnesota Public Utilities Commission. This amount is the highest amount ever reported to the Board for lobbying the Minnesota Public Utilities Commission.

Total lobbying expenditures reported for 2017 amount to **\$74,594,544**. This amount is the second only to 2013 for the highest reported amount. Below is a table showing the total spending reported on the Annual Principal Reports for the last six years. A principal is permitted to round the amount reported to the nearest \$20,000.

Year	Amount Spent to Influence Legislative Actions, Administrative Actions, and Actions of Metropolitan Governmental Units	Amount Spent to Influence the Actions of the MN Public Utilities Commission	Total Amount of Spending Reported by Principals
2017	\$64,753,765	\$9,840,778	\$74,594,544
2016	\$62,094,344	\$6,222,560	\$68,316,904
2015	\$63,979,699	\$5,177,019	\$69,156,718
2014	\$64,733,179	\$5,673,292	\$70,406,471
2013	\$69,420,091	\$5,337,767	\$74,757,858
2012	\$59,725,768	\$2,749,590	\$62,475,358

From 2012 to 2017 the amount spend on legislative, administrative, and metro lobbying increased by 8.4%, but spending in that category has been almost static over the last four years. Spending on lobbying the Public Utilities Commission has increased by over 250% from 2012 to 2017. However, lobbying expenditures on the Public Utilities Commission can fluctuate significantly in response to a single energy project. For example, in 2017, Enbridge Energy Partners LP alone spent \$5,080,000 seeking authorization of the Line 3 project.



### Campaign Finance Program.

The Board has registered 63 candidate committees and 9 new political committees and political funds so far this year. The first report of receipts and expenditures for constitutional candidates, appellate court candidates, political committees and funds, political party state central committees and legislative caucuses is due April 16, 2018. Approximately 450 reports are expected. House candidates, district court judges, and all other party units file their first report on July 30, 2018.

**Economic Interest Program.**

The Board has received notification of 107 new appointments of public officials. Staff works with all new appointments to secure economic interest statements.

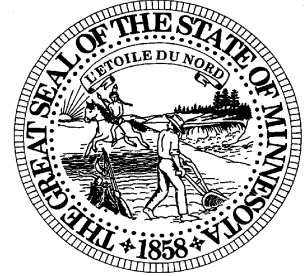
**Personnel**

An open house celebrating the careers of Gary Goldsmith and Joyce Larson will be held in the Board's office on Thursday, April 26, 2018, from 1:00 to 3:30 p.m.

The compliance officer position currently held by Ms. Larson has been posted on the state employment website. The posting closes on April 2, 2018.

Minnesota

# *Campaign Finance and Public Disclosure Board*



**Date:** March 28, 2018

**To:** Board members

**From:** Megan Engelhardt, Assistant Executive Director

**Telephone:** 651-539-1182

**Re:** Prima facie determination finding no violation

Complaints filed with the Board are subject to a prima facie determination made by the Board chair in consultation with staff. If the Board chair determines that the complaint states a violation of Chapter 10A or the provisions of Chapter 211B under the Board's jurisdiction, the complaint moves forward to a probable cause determination by the full Board.

If, however, the chair determines that the complaint does not state a prima facie violation, the Chair must dismiss the complaint without prejudice. When a complaint is dismissed, the complaint and the prima facie determination become public data. The following complaint was dismissed by the chair and the prima facie determination is provided here as an informational item to the other board members. No further action of the Board is required.

## **Complaint regarding Michael Northbird**

On March 8, 2018, the Campaign Finance and Public Disclosure Board received a complaint submitted by Soren Sorensen regarding Michael Northbird, the candidate. The complaint alleged that the candidate had sent a mailing to the delegates of the DFL's SD2 endorsing convention seeking support at the endorsing convention without the required disclaimer language. While the mailing did not include the required disclaimer language, at the time the mailing had been sent the candidate was not a registered candidate with the Board. Minnesota Statutes section 211B.04 does not apply "to an individual or association that is not required to register or report under Chapter 10A." Minnesota Statutes section 10A.14 requires "[t]he treasurer of a . . . principal campaign . . . to register with the board by filing a registration statement." Registration with the Board is required "no later than 14 days after the committee . . . has made a contribution, received contributions, or made expenditures in excess of \$750." It was unlikely that the mailing exceeded \$750, and therefore, the Board Chair made a determination on March 14, 2018, that the complaint did not state a prima facie violation.

### Attachments:

Prima Facie Determination  
Complaint

**CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD  
April, 2018**

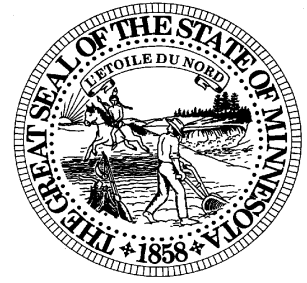
**ACTIVE FILES**

Candidate/Treasurer/ Lobbyist	Committee/Agency	Report Missing/ Violation	Late Fee/ Civil Penalty	Referred to AGO	Date S&C Served by Mail	Default Hearing Date	Date Judgment Entered	Case Status
Chilah Brown Michele Berger	Brown (Chilah) for Senate	Unfiled 2016 Year- End Report of Receipts and Expenditures  Unpaid late filing fee on 10/31/16 Pre- General Election Report	\$1,000 LF \$1,000 CP  \$50 LF	3/6/18				
Roxana Bruins	Roxana Bruins for Senate	Unfiled 2016 Year- End Report of Receipts and Expenditures	\$1,000 LF \$1,000 CP	7/28/17	9/6/17			Personal Service obtained. Drafting default documents
Brenden Ellingboe	Ellingboe (Brenden) for House	Unfiled 2015 Year- End Report of Receipts and Expenditures	\$1,000 LF \$1,000 CP	11/29/16	5/26/17			Hold by Board
Katy Humphrey, Kelli Latuska	Duluth DFL	Unfiled 2016 Year- End Report of Receipts and Expenditures	\$1,000 LF \$1,000 CP	3/6/18				
Kirsten Johnson		Unfiled Economic Interest Statement due June 14, 2016	\$100 LF \$1,000 CP	1/17/17	5/26/17			Hold by Board



Minnesota

*Campaign Finance and  
Public Disclosure Board*



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**Date:** April 3, 2018

**To:** Board members

**From:** Jeff Sigurdson, Executive Director

**Telephone:** 651-539-1189

**Re:** Advisory opinion 446 – Cost of Serving in Office

The request for this advisory opinion was received on March 29, 2018, from a legislator who does not wish to make the request public. The request asks if campaign committee funds may be used to pay for home security costs and protection against identity theft.

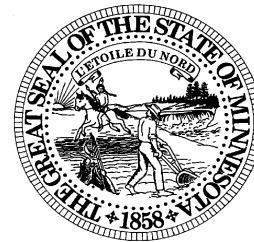
Because the request was received after the Board mailing of material, there was not enough time to prepare a draft advisory opinion for consideration at this meeting. The matter will need to be laid over to the May meeting because Minnesota Statutes section 10A.02, subdivision 12, requires advisory opinions to be issued within 30 days after receipt unless a majority of the Board agrees to extend this time limit.

Attachments:

Advisory opinion request

Minnesota

# Campaign Finance and Public Disclosure Board



**Date:** March 28, 2018

**To:** Board Members

**From:** Jeff Sigurdson, Executive Director

**Telephone:** 651-539-1189

**Re:** Legislative Update

The Board's policy recommendations and the codification of the draft administrative rules are found in SF 3306 (Kiffmeyer, Carlson) and HF 3837 (O'Driscoll, Nelson). In the Senate, SF 3306 was heard in the Committee on State Government Finance and Policy and Elections on March 15<sup>th</sup>, where it passed unanimously and then sent to the Judiciary and Public Safety Policy Committee. The bill was heard in Judiciary on March 21<sup>st</sup>, and passed without opposition, the bill has now had its second reading.

HF 3837 was heard in Government Operations and Election Policy on March 22<sup>nd</sup>. The bill passed on a voice vote, I believe the vote was 17 to 1. The bill has been sent to the Committee on Civil Law and Data Practices Policy, where it will be heard on March 29<sup>th</sup>.

The most recent engrossment of the bills are available on the legislative website at: <https://www.leg.state.mn.us/> click on either the search house bills, or search senate bills to access text and current status of the bill.

As anticipated there are differences between the recommendations suggested by the Board and the provisions of the bill. The following are the significant differences by subject area.

## Board Investigations

As discussed at the March Board meeting both the Senate and House bills include language that specifies the investigative authority of the Board, in particular when the investigation of a complaint discovers evidence of a potential violation not included in the complaint. The amended language specifies that the Board has authority to expand the scope of an investigation to include potential violations not alleged in the complaint. Before the scope of an investigation may be expanded the Board must hold a probable cause hearing on the new allegation, and the party under investigation has the right to appear at the determination. The proposed amendment to Minnesota Statutes, section 10A.022, subdivision 3, is underlined.

**Subd. 3. Investigation authority; complaint process.** (a) The board may investigate any alleged or potential violation of this chapter. The board may also investigate an alleged or potential violation of section 211B.04, 211B.12, or 211B.15 by or related to a candidate, treasurer, principal campaign committee, political committee, political fund, or party unit, as those terms are defined in this chapter. The board may only investigate an alleged violation if the board:

- (1) receives a written complaint alleging a violation;
- (2) discovers a potential violation as a result of an audit conducted by the board; or
- (3) discovers a potential violation as a result of a staff review.

(b) When the board investigates the allegations made in a written complaint and the investigation reveals other potential violations that were not included in the complaint, the



board may investigate the potential violations not alleged in the complaint only after making a determination under paragraph (d) that probable cause exists to believe a violation that warrants a formal investigation has occurred.

(d) If a determination is made that the complaint alleges a prima facie violation, the board shall, within 45 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.

### **Economic Interest Program**

The Board's policy recommendations on expanding economic interest disclosure to include the occupation and investments of the public official's spouse was not included in the legislation. The recommendation to establish a lower level of disclosure for soil and water district supervisors and water management organization members was also not included in the bill. The recommendation to raise the threshold for disclosure of investments and associated business from \$2,500 to \$10,000, and increase the income from businesses threshold from \$50 a month to \$250 a month were included. As were the draft administrative rule provisions.

### **Notice to Contributors**

The suggested statutory language that will require a political committee, political fund, political party unit, or principal campaign committee that raises funds through the sale of goods or services to disclose to potential customers that the proceeds from the purchase are a political contribution was included.

### **Codification of the proposed administrative rules**

The provisions of the draft rules are in the bills with the following exceptions:

- The two year period during which a candidate may not fundraise for a political committee that subsequently makes an independent expenditure provided in the rules is reduced to a one year period.
- A provision that specified that any expenditure made by a political committee in which the spouse or domestic partner of the candidate serves as an officer is a coordinated expenditure was not included.
- A provision was added that, taken by itself, the fact that a candidate's committee provided a party unit or political committee with its donor list is not an act of coordination that defeats the independence of expenditures. This provision was amended in the HF 3837 to clarify that a political committee could not inform the candidate that the list would be used for independent expenditures.

These changes have created opposition. Attached is a letter from the League of Women Voters to the Senate stating that the organization is in favor of the bill, but would prefer amendments on these three issues. My understanding is that Common Cause has similar concerns.

### Attachment

Letter from the League of Women Voters.