

missioner of highways the cancellation of the child's license for any period up to the child's eighteenth birthday, and the commissioner is hereby authorized to cancel such license without a hearing. At any time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of highways that the child be authorized to apply for a new license, and the commissioner may so authorize.

Approved April 11, 1974.

CHAPTER 470—H.F.No.951
[Coded in Part]

An act relating to conduct of public officers including campaigns for the offices; authorizing tax credits for campaign contributions; providing penalties; appropriating money; amending Minnesota Statutes 1971, Sections 210.20; Chapter 211, by adding a section; 211.01, Subdivision 3; 211.06; 211.20, Subdivision 3; 290.06, by adding a subdivision; repealing Minnesota Statutes 1971, Sections 3.87; 3.88; 3.89; 3.90; 3.91; and 3.92.

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

Section 1. [10A.01] ETHICS IN GOVERNMENT; DEFINITIONS.

Subdivision 1. For the purposes of sections 1 to 34, the terms defined in this section have the meanings given them unless the context clearly indicates otherwise.

Subd. 2. "Administrative action" means an action of a non-ministerial nature by any official, board, commission or agency of the executive branch.

Subd. 3. "Association" means business, corporation, firm, partnership, committee, labor organization, club, or any other group of two or more persons, which includes more than an immediate family, acting in concert.

Subd. 4. "Business with which he is associated" means any association in connection with which the individual is compensated in excess of \$50 except for actual and reasonable expenses in any month as a director, officer, owner, member, partner, employer or employee, or is a holder of securities worth \$2,500 or more at fair market value.

Subd. 5. "Candidate" means an individual who seeks nomination for election or election to any statewide office or legislative office, other than a federal office for which candidates are required to report under federal laws. The term candidate shall also include supreme court and district court judges of the state. An individual shall be deemed to seek nomination for election or election if he has taken the

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action necessary under the law of the state of Minnesota to qualify himself for nomination for election or election to an office, has received contributions or made expenditures in excess of \$100, or has given his consent, implicit or explicit, for any other person to receive contributions or make expenditures in excess of \$100 with a view to bringing about his nomination for election or election to an office.

Subd. 6. "Commission" means the state ethics commission.

Subd. 7. "Contribution" means:

(a) A gift, subscription, loan, advance, the providing of supplies, materials or equipment, or deposit of money or anything else of value made to influence the nomination for election or election of a candidate to office;

(b) A transfer of funds between political committees or political funds; or

(c) The payment of compensation for the personal services of another person which are rendered to a candidate, political committee or political fund to influence the nomination for election or election of a candidate to office by any person other than that candidate, political committee or political fund.

"Contribution" does not include services provided without compensation by individuals volunteering their time on behalf of a candidate, political committee or political fund, or coverage by news media, but only while acting in the ordinary course of business of publishing or broadcasting news items, editorials or other comments.

Subd. 8. "Depository" means any bank, savings and loan association or credit union, organized under federal or state law and transacting business within Minnesota.

Subd. 9. "Election" means a general, special, primary or special primary election, or a convention or caucus of a political party held to nominate or endorse a candidate.

Subd. 10. "Expenditure" means:

(a) A purchase, payment, distribution, loan, advance, deposit or gift of money or anything of value, made for the purpose of influencing the nomination for election or election of any candidate to office; or

(b) A transfer of funds between political committees or political funds.

"Expenditure" does not include: (a) Services provided without compensation by individuals volunteering their time on behalf of a candidate, political committee, or political fund; or (b) expenses incurred

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by a member of the legislature or a person holding constitutional office in the executive branch, in performing services for constituents. The commission shall have the power to determine whether the expense was incurred primarily for the purpose of providing a constituent service or is an expenditure within the meaning of this subdivision.

Subd. 11. "Lobbyist" means any:

(a) Individual who is engaged for pay or other consideration or is authorized by another person to spend money for the purpose of attempting to influence legislative or administrative action by communicating with public officials;

(b) Officially designated representatives of any person or association which has as a major purpose the influencing of legislative or administrative action who attempt to influence an action by communicating with public officials; or

(c) Individual who spends more than \$250, not including traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action by communicating with public officials.

"Lobbyist" does not include:

(a) A public official or employee of the state or any of its political subdivisions or public bodies acting in his official capacity;

(b) Parties and their representatives appearing in a proceeding before a state board, commission or agency of the executive branch unless the board, commission or agency is acting in a non-ministerial capacity;

(c) Individuals in the course of selling goods or services to be paid for by public funds; or

(d) News media or their employees or agents, but only while acting in the ordinary course of business of publishing or broadcasting news items, editorials or other comments or paid advertisements which directly or indirectly urge official action.

(e) Paid expert witnesses whose testimony is requested by the body before which they are appearing or one of the parties to a proceeding, but only while acting in the ordinary course of preparing or delivering testimony.

Subd. 12. "Major political party" means a political party as defined in Minnesota Statutes; Section 200.02, Subdivision 7.

Subd. 13. "Minor political party" means any party other than a major political party which ran a candidate on the statewide or legisla-

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tive ballot in the last general election or files a petition with the secretary of state containing the names of 2,000 persons registered to vote in Minnesota and declaring that the signators desire to enable the party to receive money from the state elections campaign fund in the same manner as a major political party. For the purposes of this act prior to the general election in 1974, all persons who are eligible to vote in areas where there is no registration shall be considered registered voters.

Subd. 14. "Non-ministerial action" means making rules, regulations or general policy and does not include the application or administration of those rules, regulations or policies in specific instances, except in cases of rate-setting, power plant siting, and others which the commission may specify.

Subd. 15. "Political committee" means any political party, association or person other than an individual which has as its major purpose to support or oppose any candidate or to influence the nomination for election or election of a candidate.

Subd. 16. "Political fund" means any accumulation of dues or voluntary donations by an association other than a political committee, which accumulation is collected or expended for the purpose of influencing the nomination for election or election of a candidate.

Subd. 17. "Political party" means either a major political party or a minor political party.

Subd. 18. "Public official" means any:

(a) Member of the legislature;

(b) Person holding a constitutional office in the executive branch and his chief administrative deputy;

(c) Member of a state board or commission which has rule making authority, as "rule" is defined in Minnesota Statutes, Section 15.0411, Subdivision 3;

(d) Person employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher or attorney in the office of legislative research;

(e) Person employed by the executive branch in any position specified in Minnesota Statutes, Section 15A.081; and

(f) Member of the metropolitan council, metropolitan transit commission, metropolitan sewer board or metropolitan airports commission.

Sec. 2. [10A.02] STATE ETHICS COMMISSION. Subdivision 1.

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There is hereby created a state ethics commission composed of six members. The members shall be appointed by the governor with the advice and consent of three-fifths of both the senate and the house of representatives acting separately. Failure by either house to confirm the appointment of a commission member within 45 legislative days after his appointment shall be deemed to be a refusal to advise and consent and his appointment shall terminate immediately after 45 legislative days or non-confirmation, whichever is earlier. One member shall be a former state legislator from a political party different from that of the governor; one member shall be a former state legislator from the same political party as the governor; two members shall be persons who have not been public officials, held office in a political party other than precinct delegate, or been elected to public office for which party designation is required by statute in the three years prior to the time of their appointment; and the other two members shall not support the same political party. No more than three of the members of the commission shall support the same political party.

Subd. 2. The appointments shall be for a term of four years. One of the original six appointees shall serve for a one-year term, two shall serve a two-year term, one shall serve a three-year term, and two shall serve a four-year term, as determined by lot. All appointments to terms subsequent to the original term, except one made to fill a vacancy, shall be for terms of four years. Any appointment to fill a vacancy in an original or subsequent term shall be made only for the unexpired term of a member who is being replaced and shall be made within 60 days of the date on which a vacancy occurs and shall retain the same stated qualifications as the member being replaced.

Subd. 3. The concurring vote of four members of the commission shall be required to decide any matter before the commission.

Subd. 4. The commission shall hold an organizational meeting within 45 days after the effective date of this act at which time the members of the commission shall elect from among their members a chairman, a vice-chairman and a secretary. The secretary shall keep a record of all proceedings and actions by the commission. Meetings of the commission shall be at the call of the chairman or at the call of any four members of the commission acting together.

Subd. 5. The commission shall appoint an executive director who shall be in the unclassified service. The commission may also employ and prescribe the duties of other permanent or temporary employees in the unclassified service as may be necessary to administer sections 1 to 34, subject to appropriation. The executive director and all other employees shall serve at the pleasure of the commission. All administrative services such as supplies, office space and furnishings, payroll preparation and accounting services shall be provided to the commission by the secretary of state. Expenses of the commission shall be approved by the chairman or such other member as the rules of the commission may provide and the expenses shall then be paid in the same

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manner as other state expenses are paid.

Subd. 6. Members of the commission shall receive \$35 for each day spent in the performance of their duties, and necessary and ordinary expenses in the same manner and amount as state employees.

Subd. 7. All members and employees of the commission shall be subject to any provisions of law regulating political activity by state employees. In addition, no member or employee of the commission shall be a candidate for, or holder of, (a) a national, state, congressional district, legislative district, county or precinct office in a political party, or (b) an elected public office for which party designation is required by statute.

Subd. 8. The commission shall: (a) Report at the close of each fiscal year to the legislature, the governor and the public concerning the action it has taken, the names, salaries, and duties of all individuals in its employ and the money it has disbursed. The commission shall include and identify in its report any other reports it has made during the fiscal year. It may indicate apparent abuses and offer legislative recommendations;

(b) Prescribe forms for statements and reports required to be filed under sections 1 to 34 and make the forms available to persons required to file them;

(c) Make available to the persons required to file the reports and statements a manual setting forth the recommended uniform methods of bookkeeping and reporting;

(d) Develop a filing, coding and cross-indexing system consistent with the purposes of sections 1 to 34;

(e) Make the reports and statements filed with it available for public inspection and copying by the end of the second day following the day on which they were received. Any person may copy a report or statement by hand or by duplicating machine and the commission shall provide duplicating services at cost for this purpose. No information copied from reports and statements shall be sold or utilized by any person for any commercial purpose;

(f) Preserve reports and statements for a period of six years from the date of receipt;

(g) Compile and maintain a current list and summary of all statements or parts of statements pertaining to each candidate; and

(h) Prepare and publish reports as it may deem appropriate.

Subd. 9. The executive director of the commission or his staff shall inspect all material filed with the commission as promptly as is

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necessary to comply with the provisions of sections 1 to 34. The executive director shall immediately notify the person required to file a document with the commission if a written complaint is filed with the commission by any registered voter alleging, or it otherwise appears, that a document filed with the commission is inaccurate or does not comply with the provisions of sections 1 to 34 or that a person has failed to file a document required by sections 1 to 34.

Subd. 10. The commission may make audits and investigations with respect to statements and reports which are filed or which should have been filed under the provisions of sections 1 to 34. In all matters relating to its official duties, the commission shall have the power to issue subpoenas and cause them to be served. If a person does not comply with a subpoena, the commission may apply to the district court of Ramsey county for issuance of an order compelling obedience to the subpoena. A person failing to obey the order is punishable by the court as for contempt.

Subd. 11. Any hearing or action of the commission concerning any complaint or investigation shall be confidential and all information obtained by the commission shall be privileged until the commission makes a finding that the commission believes there is or is not probable cause to conclude that a violation of this act or other campaign laws has occurred. Any person, including any member or employee of the commission, violating the confidentiality provisions of this subdivision shall be guilty of a gross misdemeanor. After determination of its findings the commission shall report any finding of probable cause to the appropriate law enforcement authorities.

Subd. 12. The commission may issue and publish advisory opinions on the requirements of sections 1 to 34 based upon real or hypothetical situations. An application for an advisory opinion may be made only by those who wish to use the opinion to guide their own conduct. The commission shall issue written opinions on all such questions submitted to it within 30 days after receipt of written application, unless a majority of the commission agrees to extend the time limit.

Subd. 13. The provisions of Minnesota Statutes, Chapter 15, shall apply to the commission including the power to prescribe rules and regulations to carry out the purposes of sections 1 through 34.

Sec. 3. **[10A.03] LOBBYIST REGISTRATION.** Subdivision 1. Each lobbyist shall file a registration form with the commission within five days after he commences lobbying.

Subd. 2. The registration form shall be prescribed by the commission and shall include (a) the name and address of the lobbyist, (b) the principal place of business of the lobbyist, (c) the name and address of each person, if any, by whom the lobbyist is retained or employed or on whose behalf the lobbyist appears, and (d) a general description of the subject or subjects on which the lobbyist expects to lobby. If the

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lobbyist lobbies on behalf of an association the registration form shall include the name and address of the officers and directors of the association.

Sec. 4. [10A.04] LOBBYING REPORTS. Subdivision 1. Each lobbyist shall file reports of his activities with the commission as long as he lobbies.

Subd. 2. Each report shall cover the time from the last day of the period covered by the last report to 15 days prior to the current filing date. The reports shall be filed with the commission by the following dates:

- (a) February 15
- (b) March 15
- (c) April 15
- (d) June 15
- (e) October 15

Subd. 3. Each person or association about whose activities a lobbyist is required to report shall provide the information required by sections 3 to 5 to the lobbyist no later than five days before the prescribed filing date.

Subd. 4. The report shall include all information required on the registration form and the following information for the reporting period:

(a) The lobbyist's total disbursements on lobbying and a breakdown of those disbursements into categories specified by the commission, including but not limited to the cost of publication and distribution of each publication used in lobbying; other printing; media, including the cost of production; postage; travel; fees, including allowances; entertainment; telephone and telegraph; and other expenses;

(b) Each honorarium, gift or loan, excluding contributions to a candidate, equal in value to \$20 or more, given or paid to any public official by the lobbyist or any employer or any employee of the lobbyist. The list shall include the name and address of each public official to whom the honorarium, gift, loan, item or benefit was given or paid and the date it was given or paid; and

(c) Each original source of funds in excess of \$500 in any year used for the purpose of lobbying. The list shall include the name, address and employer, or, if self employed, the occupation and principal place of business, of each payer of funds in excess of \$500.

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Subd. 5. The commission shall notify by registered mail any lobbyist who fails after five days after a filing date imposed by section 3 or 4 to file a report or statement required by section 3 or 4. A lobbyist who knowingly fails to file such a report or statement within seven days after receiving notice from the commission is guilty of a misdemeanor.

Sec. 5. **[10A.05] LOBBYIST REPORT.** Within 30 days after each lobbyist filing date set by section 4, the executive director of the commission shall report to the governor, and the presiding officer of each house of the legislature, the names of the lobbyists registered who were not previously reported, the names of the persons or associations whom they represent as lobbyists and the subject or subjects on which they are lobbying.

Sec. 6. **[10A.06] CONTINGENT FEES PROHIBITED.** No person shall employ a lobbyist for compensation which is dependent upon the result or outcome of any legislative or administrative action. Any person who violates the provisions of this section is guilty of a gross misdemeanor.

Sec. 7. **[10A.07] CONFLICTS OF INTEREST.** Subdivision 1. Any public official who in the discharge of his official duties would be required to take an action or make a decision which would substantially affect his financial interests or those of a business with which he is associated, unless the effect on him is no greater than on other members of his business classification, profession or occupation, shall take the following actions:

(a) He shall prepare a written statement describing the matter requiring action or decision and the nature of his potential conflict of interest;

(b) He shall deliver copies of the statement to the commission and to his immediate superior, if any;

(c) If he is a legislator, he shall deliver a copy of the statement to the presiding officer of the house in which he serves; and

(d) If a potential conflict of interest presents itself and there is insufficient time to comply with the provisions of clauses (a) to (c), the public official shall verbally inform his superior or the official body, or committee thereof, in which he serves of the potential conflict. He shall file a written statement with the commission within one week after the potential conflict presents itself.

Subd. 2. If the public official is not a legislator, his superior shall assign the matter, if possible, to another employee who does not have a potential conflict of interest. If he has no immediate superior, the public official shall remove himself, if possible, in a manner prescribed by the commission from influence over the action or decision in ques-

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tion. If the public official is a legislator, the house of which he is a member may, at his request, excuse him from taking part in the action or decision in question.

Sec. 8. [10A.08] REPRESENTATION DISCLOSURE. Any public official who represents a client for a fee before any board or commission which has rule making authority in a hearing conducted under Minnesota Statutes, Chapter 15, shall disclose his participation in the action to the commission within 14 days after his appearance.

Sec. 9. [10A.09] STATEMENTS OF ECONOMIC INTEREST. Subdivision 1. Except for a candidate for elective office in the judicial branch, an individual shall file a statement of economic interest with the commission:

(a) Within 60 days of accepting employment as a public official; or

(b) Within 14 days after filing an affidavit of candidacy or petition to appear on the ballot for an elective public office; or

(c) In the case of a public official requiring the advice and consent of the senate, prior to the submission of his name to the senate, and in any event, within 60 days after he undertakes the duties of his office.

Subd. 2. The secretary of state or the appropriate county auditor upon receiving an affidavit of candidacy or petition to appear on the ballot from an individual required by this section to file a statement of economic interest, and any official who nominates or employs a public official required by this section to file a statement of economic interest, shall notify the commission of the name of the individual required to file a statement and the date of the affidavit, petition or nomination.

Subd. 3. The commission shall notify the secretary of state or the appropriate county auditor and, when necessary in the case of appointive office, the presiding officer of the house that will approve or disapprove the nomination, of the name of the individual who has filed a statement of economic interest with the commission and the date on which the statement was filed.

Subd. 4. The commission shall notify by registered mail any candidate for elective office who fails within 14 days after filing for office to submit a statement of economic interest required by this section. A candidate who knowingly fails to submit a statement of economic interest within seven days after receiving notice from the commission is guilty of a misdemeanor.

Subd. 5. A statement of economic interest required by this section shall be on a form prescribed by the commission. The individual filing shall provide the following information:

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(a) His name, address, occupation and principal place of business;

(b) The name of each business with which he is associated and the nature of that association; and

(c) A listing of all real property within the state, excluding home-
stead property, in which he has a fee simple interest, a contract for
deed or an option to buy, whether direct or indirect, and which interest
is valued in excess of \$2,500. The filing shall indicate the municipality,
if any, and the county wherein the property is located.

Subd. 6. Each individual who is required to file a statement of
economic interest shall file a supplementary statement on April 15 of
each year.

Subd. 7. All public officials in office on the effective date of this
act shall file with the commission a statement of economic interest
within 60 days after the date the commission issues statement of eco-
nomic interest forms.

Subd. 8. Any public official, except a member of the legislature or
a constitutional officer, who is required to file a statement of economic
interest and fails to do so by the prescribed deadline shall be sus-
pended without pay by the commission in the manner prescribed in the
contested case procedures in Minnesota Statutes, Chapter 15.

Sec. 10. **[10A.10] PENALTY FOR FALSE STATEMENTS.** A re-
port or statement required to be filed by sections 2 to 9 shall be signed
and certified as true by the person required to file the report. Any per-
son who signs and certifies to be true a report or statement which he
knows contains false information or who knowingly omits required in-
formation is guilty of a felony.

Sec. 11. **[10A.11] ORGANIZATION OF POLITICAL COMMIT-
TEES.** Subdivision 1. Every political committee shall have a chairman
and a treasurer. Nothing in this act shall prohibit them from being the
same person.

Subd. 2. No contribution shall be accepted and no expenditure
shall be made by or on behalf of a political committee at a time when
there is a vacancy in the office of treasurer.

Subd. 3. The treasurer of a political committee may appoint as
many deputy treasurers as necessary and shall be responsible for their
accounts.

Subd. 4. The treasurer of a political committee may designate not
more than two depositories in each county in which a campaign is con-
ducted.

Subd. 5. No funds of a political committee shall be commingled

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with any personal funds of officers, members or associates of the committee.

Subd. 6. Except for transfers of funds between political committees and transfers from the state election campaign fund, a political committee shall be financed solely through voluntary donations by natural persons or political funds.

Subd. 7. Any person who knowingly violates the provisions of this section is guilty of a misdemeanor.

Sec. 12. [10A.12] POLITICAL FUNDS. Subdivision 1. No association shall make a transfer of funds to a candidate or political committee or make an expenditure which has as its purpose the influencing of the nomination for election or election or defeat of a candidate unless it is a political committee or unless the funds for the contribution or expenditure come solely from a political fund.

Subd. 2. The contents of a political fund shall not be commingled with any other funds or with the personal funds of any officer or member of the fund.

Subd. 3. Each association which has a political fund shall elect or appoint a treasurer of the political fund.

Subd. 4. No donations to the political fund shall be accepted and no expenditures from the political fund shall be made while the office of treasurer of the political fund is vacant.

Subd. 5. Notwithstanding subdivision 1, any association may, if not prohibited by law, transfer to its political fund money from that part of its treasury financed by dues or membership fees. Pursuant to section 20, the source of the dues or membership fees must be disclosed if an aggregate amount in excess of \$50 of any member's dues, membership fees and voluntary contributions are transferred to the political fund within one year.

Subd. 6. Any person who knowingly violates the provisions of this section is guilty of a misdemeanor.

Sec. 13. [10A.13] ACCOUNTS WHICH MUST BE KEPT. Subdivision 1. It shall be the duty of the treasurer of a political committee or political fund to keep an account of:

(a) The sum of all contributions except any contribution in kind valued at less than \$20 made to or for the political committee or political fund;

(b) The name and address, if any, of any person making a contribution in excess of \$20, and the date and amount thereof; and

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(c) All expenditures made by or on behalf of the committee or fund.

Any person who knowingly violates any provision of this subdivision is guilty of a misdemeanor.

Subd. 2. The treasurer shall obtain a receipted bill, stating the particulars, for every expenditure made by or on behalf of a political committee or political fund of over \$100, and for any expenditure in a lesser amount if the aggregate amount of lesser expenditures to the same person during a year exceeds \$100. The treasurer shall preserve all receipted bills and accounts required to be kept by this section for four years.

Sec. 14. [10A.14] REGISTRATION OF POLITICAL COMMITTEES AND POLITICAL FUNDS. Subdivision 1. The treasurer of a political committee or political fund shall register with the commission by filing a statement of organization no later than 14 days after the date upon which the committee or fund has received contributions or made expenditures in excess of \$100. However, in the first year of this act, treasurers shall file within 30 days after the commission issues political committee or political fund registration forms.

Subd. 2. The statement of organization shall include:

(a) The name and address of the political committee or political fund;

(b) The names and addresses of the supporting associations of a political fund;

(c) The geographic area in which it will operate and the purpose of the political committee or political fund;

(d) The name, address and position of the custodian of books and accounts;

(e) The name and address of the chairman, the treasurer, and any other principal officers including deputy treasurers, if any;

(f) The name, address, office sought, and party affiliation, if any, of each candidate whom the committee or political fund is supporting, or, if the committee or political fund is supporting the entire ticket of any party, the name of the party;

(g) A statement as to whether the committee or political fund is a continuing one;

(h) A listing of all depositories or safety deposit boxes used; and

(i) A statement as to whether the committee is a principal cam-

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paign committee.

Subd. 3. Any change in information required in subdivision 2 shall be forwarded to the commission by the chairman or treasurer of the political committee or political fund within 14 days of the change.

Subd. 4. The commission shall notify any person who fails to file a statement required by this section. A person who knowingly fails to file the statement within seven days after receiving notice from the commission is guilty of a gross misdemeanor.

Sec. 15. [10A.15] CONTRIBUTIONS. Subdivision 1. Any anonymous contribution in excess of \$20 shall not be retained by any political committee or political fund, but shall be forwarded to the commission and deposited to the general account of the state elections campaign fund.

Subd. 2. Every person who receives a contribution in excess of \$20 for a political committee or political fund shall, on demand of the treasurer, and in any event within 14 days after receipt of the contribution, inform the treasurer of the amount, the name and, if known, the address of the person making the contribution and the date it was received.

Subd. 3. All monetary contributions received by or on behalf of any candidate or political committee or political fund shall within 14 days after the receipt thereof, Sundays and holidays excepted, be deposited in a designated depository in an account designated "Campaign Fund of (name of committee or fund)".

Subd. 4. Any person violating the provisions of this section is guilty of a misdemeanor.

Sec. 16. [10A.16] EARMARKING. Any person, political committee or political fund which receives contributions or transfers of funds from any person or association with the condition, express or implied, that those funds or any part of them be directed to a particular candidate shall disclose to the ultimate recipient of such funds and in the reports required by section 20, the original source of the funds, the fact that the funds were earmarked and the candidate to whom they are directed. The ultimate recipient of any funds so earmarked shall also disclose by report to the commission the original source of the funds, and the person, political committee, or political fund through which they were directed. This section applies only to those contributions required to be disclosed by section 20. Any person or association who knowingly accepts earmarked funds and fails to make the required disclosures is guilty of a gross misdemeanor.

Sec. 17. [10A.17] EXPENDITURES. Subdivision 1. All expenditures shall be authorized by the treasurer or deputy treasurer of the committee or fund making that expenditure.

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Subd. 2. No person or persons acting in concert other than the candidate and the treasurer of the candidate's principal campaign committee may make expenditures of more than \$20 with the authorization or consent, express or implied, of a candidate or his agent, or under the control, direct or indirect, of a candidate or his agent on behalf of a candidate without receiving from the treasurer of that candidate's principal campaign committee (i) prior written authorization and (ii) certification that the expenditures will not exceed the limits on expenditures as set forth in sections 25 and 27. All such expenditures shall be counted against the spending limitations of the candidate.

Subd. 3. The treasurer or deputy treasurer of a political committee may make an authorization for petty cash in any reporting period of not more than \$100 per week for statewide elections and \$20 per week in legislative elections to be used for miscellaneous expenditures.

Subd. 4. Each authorization shall state the amount and purpose of the expenditure and shall be signed by the treasurer or deputy treasurer of the committee making the expenditure and by the individual making the expenditure.

Subd. 5. Any political committee, political fund or person who solicits or accepts contributions or make expenditures on behalf of any candidate without the written authorization of the candidate shall publicly disclose its lack of authorization. In all written communications with those from whom it solicits or accepts contributions or to whom it makes expenditures, the committee, fund or person shall state in writing and in conspicuous type that it is not authorized by the candidate and that the candidate is not responsible for its activities. A similar oral statement shall be included in all oral communications. A similar written statement shall be included in conspicuous type on the front page of all literature and advertisements published or posted and a similar oral statement included at the end of all broadcast advertisements by committee, fund or person in connection with the candidate's campaign.

Subd. 6. Any person who knowingly violates the provisions of subdivisions 1, 2, 3 or 5 of this section or who falsely claims the lack of authorization is guilty of a misdemeanor.

Sec. 18. [10A.18] BILLS WHEN RENDERED AND PAID. Every person who has a bill, charge or claim against any political committee or political fund for any expenditure shall render in writing to the treasurer of the committee or fund the bill, charge or claim within 60 days after the material or service is provided. Failure to so present the bill, charge or claim is a misdemeanor.

Sec. 19. [10A.19] PRINCIPAL CAMPAIGN COMMITTEE. Subdivision 1. Every candidate shall designate and cause to be formed a single principal campaign committee.

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Subd. 2. A candidate may at any time without cause remove and replace the chairman, treasurer, deputy treasurer or any other officer of the candidate's principal campaign committee.

Sec. 20. **[10A.20] CAMPAIGN REPORTS.** Subdivision 1. Every treasurer of a political committee or political fund shall file the reports required by this section in any year it receives contributions or makes expenditures in excess of \$100.

Subd. 2. The reports shall be filed with the commission by the following dates:

(a) In years in which any candidate being supported does not stand for election:

(1) January 7; and

(2) July 7;

(b) In years in which any candidate being supported does stand for election:

(1) January 7;

(2) July 7;

(3) Five days before any primary election in which the candidate stands for election;

(4) Five days before any general election in which the candidate stands for election; and

(5) 30 days after the last election in which a candidate stands for election;

(c) In special or special primary elections in which a candidate stands for election:

(1) 30 days before the election; and

(2) Five days before the election.

Subd. 3. Each report under this section shall disclose:

(a) The amount of liquid assets on hand at the beginning of the reporting period;

(b) The name, address and employer, or, if self-employed, occupation of each person, political committee or political fund who has made one or more contributions to or for the political committee or political fund including the purchase of tickets for dinners, luncheons, rallies,

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and similar fund raising events within the year in an aggregate amount or value in excess of \$50 for legislative candidates and in excess of \$100 for statewide candidates, together with the amount and date of the contributions, and the aggregate amount of contributions within the year of each contributor so disclosed. The lists of contributors shall be in alphabetical order;

(c) The total sum of individual contributions made to or for the political committee or political fund during the reporting period and not reported under clause (b);

(d) The name and address of each political committee, political fund or candidate from which the reporting committee or fund received, or to which that committee made, any transfer of funds, together with the amounts and dates of all transfers. The lists shall be in alphabetical order;

(e) Each loan to or from any person within the year in an aggregate amount or value in excess of \$100, together with the full names and mailing address, occupations and the principal places of business, if any, of the lender or endorsers, if any, and the date and amount of the loans;

(f) Each receipt in excess of \$100 not otherwise listed under clauses (b) to (e);

(g) The total sum of all receipts by or for the political committee or political fund during the reporting period;

(h) The name, address, occupation and the principal place of business, if any, of each person to whom expenditures have been made by the political committee or political fund or on its behalf within the year in an aggregate amount in excess of \$100, the amount, date and purpose of each expenditure and the name and address of, and office sought by, each candidate on whose behalf the expenditure was made;

(i) The sum of individual expenditures which is not otherwise reported under clause (h);

(j) The name, address, occupation and the principal place of business, if any, of each person to whom an expenditure for personal services, salaries, and reimbursable expenses in excess of \$100 has been made, and which is not otherwise reported, including the amount, date and purpose of the expenditure;

(k) The sum of individual expenditures for personal services, salaries and reimbursable expense which is not otherwise reported under (j);

(l) The total expenditures made by the political committee or political fund during the reporting period;

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(m) The amount and nature of debts and obligations owed by or to the political committee or political fund, and a continuous reporting of their debts and obligations after the election until the debts and obligations are extinguished;

(n) The amount and nature of any contract, promise or agreement, in writing, whether or not legally enforceable, to make a contribution or expenditure;

(o) The name of each person, committee or political fund, which has been authorized by the treasurer to make expenditures on behalf of the candidate and the nature and amount of each authorized expenditure.

Subd. 4. The reports shall cover the time from the last day of the period covered by the last report to seven days prior to the filing date.

Subd. 5. In any statewide election any contribution or contributions from a person or association totaling \$2,000 or more, or in any legislative election any contribution of \$200 or more, received after the period covered in the last report prior to an election and prior to the election shall be reported to the commission by telegram within 48 hours after its receipt and in the next required report.

Subd. 6. Every person, other than a political committee or political fund, who makes expenditures, other than by contribution to a political committee or political fund, in an aggregate amount in excess of \$100 within a year shall file with the commission a statement containing the information required of a political committee, political fund or candidate. Statements required by this subdivision shall be filed on the dates on which reports by committees are filed.

Subd. 7. If no contribution is received or expenditure made by or on behalf of a candidate, political fund or political committee during a reporting period, the treasurer of the committee or fund shall file with the commission at the time required by this section a statement to that effect.

Subd. 8. The commission shall exempt any association or any of its members or contributors from the provisions of this section if disclosure would expose any or all of them to economic reprisals, loss of employment or threat of physical coercion.

An association may seek an exemption for all of its members or contributors only if it proves by clear and convincing evidence that a substantial number of its members or contributors would suffer a restrictive effect on their freedom of association if members were required to seek exemptions individually.

Subd. 9. The commission shall exempt any individual from the provisions of this section who, by written request, demonstrates by

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clear and convincing evidence that disclosure would expose him to economic reprisals, loss of employment or threat of physical coercion.

The commission shall issue a written order to exempt the individual.

Subd. 10. A political committee or a political fund or any of its members or contributors shall have standing to seek an exemption. All applications by associations for exemption shall be treated as contested cases within the meaning of Minnesota Statutes, Chapter 15. The commission by rule shall establish a procedure so that any individual seeking an exemption may proceed anonymously if he would be exposed to the reprisals listed in subdivision 9 were he to reveal his identity for the purposes of the hearing.

Subd. 11. No person or association shall engage in economic reprisals or threaten loss of employment or physical coercion against any person or association because of that person's or association's political contributions or political activity. This subdivision shall not apply to compensation for employment or loss of employment when the political affiliation or viewpoint of the employee is a bonafide occupational qualification of the employment. Any person or association which violates this subdivision is guilty of a gross misdemeanor.

Sec. 21. **[10A.21] REPORTS TO COUNTY AUDITOR.** Subdivision 1. All reports or statements that must be filed with the commission by the principal campaign committee of legislative candidates shall also be filed with the county auditor of each county in which the legislative district lies.

Subd. 2. The copies of reports filed with the county auditor need not be certified copies.

Subd. 3. Statements and reports filed with county auditor shall be available to the public in the manner prescribed by section 2, subdivision 8, clause (e) and retained until four years after the election to which they pertain.

Sec. 22. **[10A.22] REQUIREMENTS RESPECTING REPORTS AND STATEMENTS.** Subdivision 1. A report or statement required by sections 11 to 34 to be filed by a treasurer of a political committee or political fund, or by any other person, shall be signed and certified as true by the person required to file the report. Any person who signs and certifies to be true a report or statement which he knows contains false information or who knowingly omits required information is guilty of a felony.

Subd. 2. Contributions and expenditures in the nature of debts and other contracts, agreements, and promises to make contributions or expenditures shall be reported in separate schedules. In determining aggregate amounts of contributions and expenditures, such debts and

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other contracts, agreements and promises shall not be considered as part of the totals of receipts or expenditures until actual payment is made, but shall be reported according to section 20, subdivision 3, clause (n).

Subd. 3. Each contribution in kind shall be valued at fair market value and reported on the appropriate schedule of receipts, identified as to its nature and listed as "contribution in kind". The total amount of goods and services contributed in kind shall be deemed to have been consumed in the reporting period in which received. Each contribution in kind shall be declared as an expenditure at the same fair market value and reported on the appropriate expenditure schedule, identified as "contribution in kind".

Subd. 4. In determining the aggregate of a person's contributions, the treasurer shall list contributions from the same donor under the same name. In each instance when a contribution received from a person in a reporting period is added to previously reported unitemized contributions from the same contributor and the aggregate exceeds the disclosure threshold of section 20, the name, address and employer, or, if self-employed, occupation of that contributor shall then be listed on the prescribed reporting forms. A candidate may refuse to accept any contribution.

Subd. 5. A political committee or political fund making an expenditure, other than a transfer of funds, for or on behalf of more than one candidate for state or legislative office shall allocate the expenditure among the candidates on a reasonable cost basis and report this allocation for each candidate. The treasurer shall retain for audit any documents supporting the allocation.

Subd. 6. Each person required to file any report or statement shall maintain records on the matters required to be reported, including vouchers, cancelled checks, bills, invoices, worksheets, and receipts, which will provide in sufficient detail the necessary information from which the filed reports and statements may be verified, explained, clarified and checked for accuracy and completeness, and he shall keep the records available for audit, inspection, or examination by the commission or its authorized representatives for four years from the date of filing of the reports or statements or of changes or corrections thereto. Any person who knowingly violates any provisions of this subdivision is guilty of a misdemeanor.

Subd. 7. The treasurer of a political committee or political fund shall not accept a contribution of more than \$100 from a political committee or political fund not registered in this state unless the contribution is accompanied by a written statement which meets the disclosure requirements imposed by section 20. This statement shall be certified as true and correct by an officer of the contributing committee or political fund. The provisions of this subdivision shall not apply when the national affiliate of any political party in this state transfers money to

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its state affiliate and that money is expended by the state political party on behalf of candidates of that party generally, without referring to any of them specifically, in any advertisement published or posted, on any broadcast, or in any telephone conversation if that conversation mentions three or more candidates.

Subd. 8. The secretary of state shall cause one certified copy of each report or statement filed with him under section 309 of the federal election campaign act of 1971 to be delivered to the commission within 24 hours of the time he receives the report or statement.

Sec. 23. [10A.23] CHANGES AND CORRECTIONS. Any material changes in information previously submitted and any corrections to a report shall be reported in writing to the commission within ten days following the date of the event prompting the change or the date upon which the person filing became aware of the inaccuracy. The change or correction shall identify the form and the paragraph containing the information to be changed or corrected. Any person who wilfully fails to report a material change or correction is guilty of a gross misdemeanor.

Sec. 24. [10A.24] DISSOLUTION OR TERMINATION. No political committee or political fund shall dissolve until it has settled all of its debts and filed a termination report. The termination report shall include all information required in periodic reports and a statement as to the disposition of any residual funds.

Sec. 25. [10A.25] LIMITS ON CAMPAIGN EXPENDITURES. Subdivision 1. For the purposes of sections 11 to 34 a candidate for governor and a candidate for lieutenant governor, running together, shall be deemed to be a single candidate and all expenditures made by or on behalf of the candidate for governor and all expenditures made by or on behalf of the candidate for lieutenant governor shall be considered to be expenditures by or on behalf of the candidate for governor.

Subd. 2. In a year in which a candidate stands for election no expenditures shall be made and no obligations to make expenditures shall be incurred by a candidate or by a political committee, political fund or individual which makes expenditures with the authorization, express or implied, and under the control, direct or indirect, of the candidate or his agents which results in the aggregate expenditure on behalf of the candidate of an amount in excess of the following amounts:

(a) For governor and lieutenant governor, running jointly, 12 1/2 cents per capita or \$600,000, whichever is greater;

(b) For attorney general, 2 1/2 cents per capita or \$100,000, whichever is greater;

(c) For secretary of state, state treasurer and state auditor, sepa-

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rately, 1 1/4 cents per capita or \$50,000, whichever is greater;

(d) For state senator, 20 cents per capita or \$15,000, whichever is greater;

(e) For state representative, 20 cents per capita or \$7,500, whichever is greater.

Subd. 3. Notwithstanding subdivision 2, clause (a), a candidate for the endorsement for the office of lieutenant governor at the convention of a political party may spend \$30,000 or five percent of the amount in subdivision 2, clause (a), prior to the time of endorsement. This money shall be in addition to the money which may be expended pursuant to subdivision 2, clause (a).

Subd. 4. Notwithstanding subdivision 2 with respect to the 1974 general election, expenses incurred prior to the effective date of this act shall not be counted against the spending limitations imposed by subdivision 2.

Subd. 5. If the winning candidate in a contested race in a primary election receives less than twice as many votes as any one of his opponents in that election, he shall have added to the aggregate amount which may be expended by him or on his behalf an amount equal to one fifth of the applicable amount as set forth in subdivision 2 of this section, or the amount actually expended by him or on his behalf in the primary election, whichever is less.

Subd. 6. In a year in which a candidate does not stand for election, no expenditures shall be made and no obligations to make expenditures shall be incurred by a candidate or by a political committee, political fund or individual which makes expenditures with the authorization, express or implied, and under the control, direct or indirect, of the candidate or his agents which shall result in the aggregate expenditure on behalf of the candidate in that year of an amount in excess of 20 percent of the amount of the aggregate expenditure permitted by subdivision 2. Expenditures permitted by this subdivision shall be in addition to expenditures permitted by subdivision 2.

Subd. 7. On or before January 15 of each year, the commissioner of health shall certify to the commission the population of the state of Minnesota for the last calendar year ending before the date of certification. In determining the per capita amounts for each office in section 25, subdivision 2, the commission shall use:

(a) In the case of the elections for governor and lieutenant governor, attorney general, secretary of state, state treasurer and state auditor, the total population of the state;

(b) In the case of the elections for state senator, 1/67 of the total population of the state;

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(c) In the case of elections for state representative, 1/134 of the total population of the state.

Subd. 8. On or before January 31 of each year, the commission shall determine and publish the amount, rounded off to the nearest hundred dollars, of the limits on campaign expenditures in section 25, subdivision 2.

Subd. 9. An expenditure is made in the year in which the goods or services for which it was made are used or consumed.

Sec. 26. **[10A.26] TRANSFERS OF FUNDS EXCEPTED.** Any transfer of funds or anything of pecuniary value from any political committee, political fund or political party to a principal campaign committee of a candidate shall not be considered to be an expenditure of funds on behalf of the candidate by the political committee, political fund or political party, but shall be reported as required by this act.

Sec. 27. **[10A.27] ADDITIONAL LIMITATIONS.** Subdivision 1. No political committee, political fund, or individual, except a political party or the principal campaign committee of a candidate shall make expenditures on behalf or in opposition to the opponent of a candidate, or transfer funds to the principal campaign committee of a candidate, in an amount in excess of ten percent of the amount that may be spent by or on behalf of that candidate as set forth in section 25.

Subd. 2. No political party shall make expenditures on behalf of a candidate or transfer funds to the principal campaign committee of a candidate in an amount in excess of 50 percent of the amount that may be spent by or on behalf of that candidate as set forth in section 25.

Subd. 3. Expenditures by a political party on behalf of candidates of that party generally, without referring to any of them specifically in any advertisement published or posted, on any broadcast, or in any telephone conversation, if that conversation mentions three or more candidates, shall not be subject to the limitations of section 25, subdivision 2.

Subd. 4. For the purposes of this section, a political party includes a political party's organization within congressional districts, counties, legislative districts, municipalities, wards, precincts, and any legislative body.

Sec. 28. **[10A.28] PENALTY FOR EXCEEDING LIMITS.** Any person or association that makes expenditures in excess of the limitations imposed by sections 25 and 27 shall be subject to a fine equal to four times the amount by which its expenditure exceeded the limit. If the commission or county attorney has reason to believe that a person or association has made such excess expenditures, the commission or county attorney shall bring an action in the district court of Ramsey county or, in the case of a legislative candidate, the district court of a

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county within the legislative district, to impose this penalty. All moneys recovered pursuant to this section shall be deposited in the general account of state elections campaign fund.

Sec. 29. [10A.29] CIRCUMVENTION PROHIBITED. Any attempt by a person to circumvent the provisions of sections 11 to 41 by redirecting funds through, or contributing funds on behalf of, another person is a gross misdemeanor.

Sec. 30. [10A.30] STATE ELECTIONS CAMPAIGN FUND. Subdivision 1. There is hereby established an account within the general fund of the state to be known as the "state elections campaign fund".

Subd. 2. Within the state elections campaign fund account there shall be maintained separate accounts for the candidates of each political party and a general account.

Sec. 31. [10A.31] DESIGNATION OF INCOME TAX PAYMENTS. Subdivision 1. Effective with the taxable years beginning after December 31, 1973, every individual whose income tax liability after personal credit for the taxable year is \$1 or more may designate that \$1 shall be paid into the state elections campaign fund. In the case of a joint return of husband and wife having an income tax liability of \$2 or more, each spouse may designate that \$1 shall be paid.

Subd. 2. The taxpayer may designate that the \$1 be paid into the account of a political party or into the general account.

Subd. 3. The commissioner of the department of revenue shall on the first page of the income tax form notify the taxpayer of his right to allocate \$1 of his taxes (\$2 if filing a joint return) to finance the election campaigns of state candidates. The form shall also contain language prepared by the commissioner which permits the taxpayer to direct the state to allocate the \$1 (or \$2 if filing a joint return) to one of the following: (i) the major political parties; (ii) the name of any minor political party provided that if a petition is filed to qualify as a minor political party it be filed by June 1 of that taxable year; and (iii) distribution to all qualifying candidates as provided by this section.

Subd. 4. All moneys designated by individual taxpayers for the state elections campaign fund shall be credited to the appropriate account in the general fund of the state and shall be annually appropriated for distribution as set forth in subdivisions 5, 6 and 7.

Subd. 5. (a) In each fiscal year, 40 percent of the moneys in each account shall be set aside for candidates for statewide office.

(b) Of the amount set aside in clause (a), 40 percent shall be distributed to the candidates for governor and lieutenant governor jointly; 24 percent shall be distributed to the candidate for attorney general; and 12 percent each shall be distributed to the candidates for secretary

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of state, state treasurer and state auditor. If there is no nominee of that party for one of the offices, the share set aside for that office shall be distributed to the other statewide candidates of that party in the same proportions as the original amount.

(c) Within two weeks of the certification by the state canvassing board of the results of the primary election, the state treasurer shall distribute available funds in each account, other than the general account, of the state elections fund to the appropriate candidates who are to appear on the ballot for the general election as prescribed in clauses (a) and (b).

(d) Within two weeks of the certification by the state canvassing board of the results of the general election, the state treasurer shall distribute the available funds in the general account in the same proportions as provided in clause (b), in an equal amount to each candidate who received at least five percent of the vote cast in the general election for the office for which he was a candidate.

Subd. 6. (a) In each of the fiscal years during the period in which the state senate serves a four year term which commences after the effective date of this act, 20 percent of the moneys in each account shall be set aside for candidates for state senate. In each of the fiscal years during the period in which the state senate serves a two year term, and in 1975 and 1976, 30 percent of the moneys in each account shall be set aside for candidates for state senate.

(b) The amount set aside in clause (a) shall be distributed in equal shares to each of the candidates for state senate of that party.

(c) Within two weeks of the certification by the state canvassing board of the results of the primary election, the state treasurer shall distribute available funds in each account, other than the general account to the appropriate candidates who are to appear on the ballot for the general election as prescribed in clauses (a) and (b).

(d) Within two weeks of the certification by the state canvassing board of the results of the general election, the state treasurer shall distribute the available funds in the general account in an equal amount to each candidate who received at least ten percent of the votes cast in the general election for the office for which he was a candidate.

Subd. 7. (a) In each of the fiscal years during the period in which the state senate serves a four year term which commences after the effective date of this act, 40 percent of the moneys in each account shall be set aside for candidates for state representatives. In each of the fiscal years during the period in which the state senate serves a two year term, and in 1975 and 1976, 30 percent of the moneys in each account shall be set aside for candidates for state representatives.

(b) The amount set aside in clause (a) shall be distributed in equal shares to each of the candidates for state representative of that party.

(c) Within two weeks of the certification by the state canvassing board of the results of the primary election, the state treasurer shall distribute available funds in each account, other than the general account, to the appropriate candidates who are to appear on the ballot for the general election as prescribed in clauses (a) and (b).

(d) Within two weeks of the certification by the state canvassing board of the results of the general election, the state treasurer shall distribute the available funds in the general account in an equal amount to each candidate who received at least ten percent of the votes cast in the general election for the office for which he was a candidate.

Sec. 32. [10A.32] LIMITATIONS UPON THE STATE ELECTION CAMPAIGN FUND. Subdivision 1. No candidate shall be entitled to receive from the state elections campaign fund an amount greater than the total amount of expenditures which may be made by or on behalf of the candidate under sections 25 and 27.

Subd. 2. No candidate shall be entitled to receive from the state election campaign fund an amount greater than the total amount actually expended by or on behalf of the candidate during his campaign.

Subd. 3. As a condition of receiving any funds from the state elections campaign fund, any candidate, prior to receipt of the funds, shall agree that his principal campaign committee shall not accept contributions exceeding 105 percent of the difference between the amount which may legally be expended by or on behalf of that candidate, and the amount which the candidate receives from the state elections campaign fund.

Subd. 4. If a political party for whose candidates funds have been accumulated in the state elections campaign fund does not have a candidate for statewide office, state representative or state senator, the moneys which would be used for distribution to that category or categories shall be transferred to the general account.

Sec. 33. [10A.33] APPLICATION. The provisions of sections 30 to 32 shall apply only in general elections and primary elections preceding general elections and shall not include special elections, special primary elections, conventions and caucuses of a political party.

Sec. 34. [10A.34] REMEDIES. Subdivision 1. A person charged with a duty under sections 2 to 34 shall be personally liable for the penalty for failing to discharge it.

Subd. 2. The commission or a county attorney may seek an injunction in the district court to enforce the provisions of sections 2 to

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34.

Subd. 3. Unless otherwise provided, a violation of sections 2 to 34 is not a crime.

Sec. 35. Minnesota Statutes 1971, Section 290.06, is amended by adding a subdivision to read:

Subd. 11. CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES. Effective for taxable years commencing after December 31, 1973, in lieu of the credit against taxable net income provided by section 290.21, subdivision 3, clause (e), a taxpayer may take a credit against the tax due under chapter 290 of 50 percent but not more than \$12.50 of his contributions to a political party and candidate. A married couple, filing jointly, may take a similar credit of not more than \$25. However, the taxpayer may take a credit for contributions of no more than \$5 in the case of an individual return or \$10 in the case of a joint return for contributions to a political party. For purposes of this subdivision, "candidate" means a candidate as defined in section 1, subdivision 5. Any taxpayer taking this credit shall attach to his individual income tax form a receipt or receipts substantiating his claim. The department of revenue shall provide on the first page of the Minnesota tax form an appropriate provision for the credit provided by this act.

Sec. 36. Minnesota Statutes 1971, Chapter 211, is amended by adding a section to read:

[211.035] ADVERTISING RATES. To the extent that any person sells advertising space used on behalf of any candidate, the charges made shall not exceed the charges made for any other comparable purpose or use according to the seller's rate schedule.

Sec. 37. Minnesota Statutes 1971, Section 210.20, is amended to read:

210.20 FAILURE BY CANDIDATE TO FILE STATEMENT. Every candidate for nomination or election to any elective office except governor, lieutenant governor, attorney general, secretary of state, state treasurer, state auditor, state senator and state representative, who intentionally fails to make and file the verified statement of moneys contributed, disbursed, expended, or promised by him, or by any other person, committee, or organization for him, so far as he can learn, in the manner, within the time, and with the details required by law-chapter 211, or who enters upon the duties of any such office, or receives any salary or emolument therefrom, before he has so filed-with knowledge that such statement has not been filed, and every officer who issues a commission or certificate of election to any person before-with knowledge that such statement shall have-not been so filed, shall be-is guilty of a gross misdemeanor.

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Sec. 38. Minnesota Statutes 1971, Section 211.01, Subdivision 3, is amended to read:

Subd. 3. "Candidate" means every person for whom it is contemplated or desired that votes may be cast at any election or primary, and who either tacitly or expressly consents to be so considered, except candidates for president and vice president of the United States. In sections 211.06, 211.16, 211.17, 211.19, 211.20, 211.21, 211.22, 211.25 and 211.32, "candidate" does not mean a person for whom it is contemplated or desired that votes may be cast at any election or primary, and who either tacitly or expressly consents to be so considered for governor, state officer, state senator or membership in the house of representatives.

Sec. 39. Minnesota Statutes 1971, Section 211.06, is amended to read:

211.06 EXPENDITURES, LIMIT. No disbursement shall be made and no obligation, express or implied, to make such disbursement, shall be incurred by any candidate or his personal campaign committee for any office under the ~~constitution~~ or laws of this state, or under the ordinance of any municipality of this state in his campaign for nomination and election, which shall be in the aggregate in excess of the amounts herein specified:

(a) ~~For governor, \$7,000; and in addition, five cents for each of the total number of persons who voted in the state at the last general election;~~

(b) ~~For other state officers, \$3,500; and in addition, five cents for each of the total number of persons who voted in the state at the last general election;~~

(c) ~~For state senator, \$800; and in addition, five cents for each of the total number of persons who voted in the district at the last general election;~~

(d) ~~For member of house of representatives, \$600; and in addition, five cents for each of the total number of persons who voted in the district at the last general election;~~

(e) For any county, city, village, or town officer, for any judge or for any officer not hereinbefore mentioned, who, if nominated and elected, would receive a salary, a sum not exceeding one third of the salary for the office in the year that the election is held, with the minimum sum allowed, \$100. If such person, when nominated and elected, would not receive a salary, a sum not exceeding one third of the compensation which his predecessor received during the first year of such predecessor's incumbency, with the minimum sum allowed, \$100. If such officer, when nominated and elected, would not receive a salary and if such officer had no predecessor, and in all cases not specifically

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provided for, \$100, and no more.

~~(f)~~ **(b)** The disbursements authorized in this section by a candidate for elective office shall be deductible as expenses for production of income or a business deduction under chapter 290.

Sec. 40. Minnesota Statutes 1971, Section 211.20, Subdivision 3, is amended to read:

Subd. 3. STATEMENTS OF POLITICAL COMMITTEES. Statements shall also be made by any political committee showing the total amount of receipts and disbursements, and for what purpose such disbursements were made. Such statement shall be filed within 30 days after any primary, municipal, or general election ; **as follows :**

(a) When the committee is organized to support a candidate for a federal ~~or state-wide~~ office with the filing officer of such candidate;

(b) When the committee is organized to support a candidate for a ~~legislative~~, judicial district ; or county office with the auditor of the county in which such committee has its headquarters;

(c) When the committee is organized to support or oppose any constitutional amendment with the secretary of state;

(d) When the committee is organized to support a candidate for municipal office in municipalities having more than 20,000 population or to support or oppose propositions in elections in such municipalities with the filing officer of the municipality.

Sec. 41. **EFFECTIVE DATE.** This act shall take effect the day following final enactment. The commission shall be appointed within 30 days of the effective date of this act and shall promulgate the rules within 30 days of its appointment. The commission has emergency power to issue rules and regulations through December 31, 1974. No statement or report required to be filed by this act need be filed until 30 days after the commission adopts and makes available the forms for the statements or reports.

Sec. 42. **APPROPRIATION.** There is appropriated to the state ethics commission from the general fund \$120,000 for the purposes of this act.

Sec. 43. Minnesota Statutes 1971, Sections 3.87; 3.88; 3.89; 3.90; 3.91; and 3.92 are repealed.

Approved April 12, 1974.

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