

salary of the secretary. He shall be chosen solely on the basis of his training, experience and administrative qualifications and need not be a resident of the county at the time of his appointment. The executive secretary serves at the pleasure of the board and his employment may be terminated by the board without notice. The county board may provide for a termination allowance.

Approved February 23, 1978.

CHAPTER 463-H.F.No.404

[Coded in Part]

An act relating to elections; revising ethical practices board procedures regarding regulating lobbyist registration and activity, disclosure of economic interest, and campaign finance disclosure; revising certain reporting requirements; imposing limitations on political expenditures and contributions; distributing money from the state elections campaign fund to legislative candidates; defining terms; removing obsolete provisions; imposing late filing fees and penalties; increasing credits against tax due for contributions to candidates; providing credits against tax due for contributions to candidates who voluntarily abide by spending limits; appropriating money; amending Minnesota Statutes 1976, Sections 10A.01, Subdivisions 2, 5, 7, 9, 10, 11, 13, 15, 16, 18, and by adding subdivisions; 10A.02, Subdivisions 1, 2, 4, 8, 9, 11, 12, 13, and by adding a subdivision; 10A.03, Subdivision 1, and by adding a subdivision; 10A.04, Subdivisions 1, 2, and 5; 10A.07; 10A.08; 10A.09, Subdivisions 5, 6, and 7; and 10A.10; 10A.11, Subdivision 1; 10A.12, Subdivisions 1, 4 and 5; 10A.13; 10A.14, Subdivisions 1, 2, and 4; 10A.15; 10A.16; 10A.17; 10A.19, Subdivision 1; 10A.20, Subdivisions 2, 3, 4, 5, 6, 8, 12, and by adding a subdivision; 10A.21, Subdivisions 1 and 3; 10A.22, Subdivisions 1, 4, 5, and 7; 10A.24; 10A.25, Subdivisions 1, 2, 3, 4, 5, 6, 7 and by adding a subdivision; 10A.27, Subdivisions 1, 2, 4 and by adding subdivisions; 10A.28; 10A.29; 10A.30, Subdivision 1; 10A.31, Subdivisions 1, 3, 3a, 4, 5, 6, 7, 10, and by adding a subdivision; 10A.32, Subdivisions 1, 2, 3, 3a, 4, and by adding a subdivision; 10A.33; 10A.34, by adding a subdivision; 210A.01, Subdivision 3, 290.06, Subdivision 11; 290.21, by adding a subdivision; and Chapter 10A, by adding sections; and Minnesota Statutes, 1977 Supplement, Section 10A.20, Subdivision 10; repealing Minnesota Statutes 1976, Sections 10A.09, Subdivision 4; 10A.11, Subdivision 6; 10A.20, Subdivision 9; 10A.22, Subdivision 3; 10A.25, Subdivisions 8 and 9; 10A.26; and 10A.27, Subdivision 3.

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

Section 1. Minnesota Statutes 1976, Section 10A.01, Subdivision 2, is amended to read:

Subd. 2. "Administrative action" means an action by any official, board, commission or agency of the executive branch to ~~make rules adopt, amend, or repeal a rule or to adjudicate a contested case pursuant to chapter 15.~~ "Administrative action" does not include the application or administration of those rules an adopted rule, except in cases of rate setting, power plant and powerline siting and others specified by the commission granting of certificates of need under chapter 116H.

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Sec. 2. Minnesota Statutes 1976, Section 10A.01, Subdivision 5, is amended to read:

Subd. 5. "Candidate" means an individual who seeks nomination for election or election to any statewide office or legislative office; ~~either than a federal office for which candidates are reporting is not required to report under federal laws.~~ The term candidate shall also include an individual who seeks nomination for election or election to supreme court and district court judgeships of the state. An individual shall be deemed to seek nomination for election or election if he has taken the 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 implicit or explicit consent; ~~implicit or explicit~~; for any other person to receive contributions or make expenditures in excess of \$100 with a view to, for the purpose of bringing about his nomination for election or election to an office. A candidate remains a candidate until his principal campaign committee is dissolved as provided in section 10A.24.

Sec. 3. Minnesota Statutes 1976, Section 10A.01, Subdivision 7, is amended to read:

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 a donation in kind.

(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 includes any loan or advance of credit to a political committee, political fund, or principal campaign committee, which loan or advance of credit is (a) forgiven, or (b) paid by an entity other than the political committee, political fund, or principal campaign committee to which the loan or advance of credit is made. If an advance of credit or a loan is forgiven or paid as provided in this subdivision, it is a contribution in the year in which the loan or advance of credit is made.

A contribution made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate.

"Contribution" does not include services provided without compensation by individuals an individual volunteering their his 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 the publishing or broadcasting of news items, editorials or other editorial comments by the news media.

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Sec. 4. Minnesota Statutes 1976, Section 10A.01, is amended by adding a subdivision to read:

Subd. 7a. "Transfer of funds" or "transfer" means money or negotiable instruments given by an individual or association to a political committee, political fund, or principal campaign committee for the purpose of influencing the nomination or election of a candidate.

Sec. 5. Minnesota Statutes 1976, Section 10A.01, is amended by adding a subdivision to read:

Subd. 7b. "Donation in kind" means anything of value other than money or negotiable instruments given by an individual or association to a political committee, political fund, or principal campaign committee for the purpose of influencing the nomination or election of a candidate. Donation in kind includes an approved expenditure.

Sec. 6. Minnesota Statutes 1976, Section 10A.01, Subdivision 9, is amended to read:

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

Sec. 7. Minnesota Statutes 1976, Section 10A.01, Subdivision 10, is amended to read:

Subd. 10. "Campaign expenditure" or "expenditure" means:

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

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

An expenditure is considered to be made in the year in which the goods or services for which it was made are used or consumed.

An expenditure made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate.

Except as provided in clause (a), expenditure includes the dollar value of a donation in kind.

" Expenditure " does not include:

(a) Noncampaign disbursements as defined in section 10 of this act;

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(b) Transfers as defined in section 4 of this act:

(c) Services provided without compensation by individuals an individual volunteering their his time on behalf of a candidate, political committee, or political fund; or (b) expenses incurred by a member of the legislature or a person holding constitutional office in the executive branch, in performing services for constituents. The board 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

(d) The publishing or broadcasting of news items or editorial comments by the news media.

Sec. 8. Minnesota Statutes 1976, Section 10A.01, is amended by adding a subdivision to read:

Subd. 10a. "Approved expenditure" means an expenditure made on behalf of a candidate by an entity other than the principal campaign committee of that candidate, which expenditure is made with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of that candidate, his principal campaign committee or his agent. An approved expenditure is a contribution to that candidate.

Sec. 9. Minnesota Statutes 1976, Section 10A.01, is amended by adding a subdivision to read:

Subd. 10b. "Independent expenditure" means an expenditure expressly advocating the election or defeat of a clearly identified candidate, which expenditure is made without the express or implied consent, authorization, or cooperation of any candidate, his principal campaign committee or his agent and is not made in concert with or at the request or suggestion of any candidate, his principal campaign committee or his agent. An independent expenditure is not a contribution.

Sec. 10. Minnesota Statutes 1976, Section 10A.01, is amended by adding a subdivision to read:

Subd. 10c. "Noncampaign disbursement" means a purchase or payment of money or anything of value made, or an advance of credit incurred, by a political committee, political fund, or principal campaign committee for any purpose other than to influence the nomination or election of a candidate.

Noncampaign disbursement includes:

(a) Payment for accounting and legal services;

(b) Return of a contribution to the source;

(c) Repayment of a loan made to the political committee, political fund, or

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principal campaign committee by that committee or fund;

(d) Return of moneys from the state elections campaign fund;

(e) Payment for food and beverages consumed at a fundraising event;

(f) Services for a constituent by a member of the legislature or a constitutional officer in the executive branch, performed from the beginning of the term of office to adjournment sine die of the legislature in the election year for the office held; and

(g) A donation in kind given to the political committee, political fund, or principal campaign committee for purposes listed in clauses (e) and (f). The board shall determine whether an activity involves a noncampaign disbursement within the meaning of this subdivision.

Sec. 11. Minnesota Statutes 1976, Section 10A.01, Subdivision 11, is amended to read:

Subd. 11. "Lobbyist" means any individual:

(a) Engaged for pay or other consideration, or authorized by another individual or association to spend money, who spends more than five hours in any month or more than \$250, not including his own travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials; or

(b) Who spends more than \$250, not including his own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials.

"Lobbyist" does not include any:

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

(b) Party or his representative appearing in a proceeding before a state board, commission or agency of the executive branch unless the board, commission or agency is taking administrative action;

(c) Individual while engaged in the ~~course~~ of selling goods or services to be paid for by public funds;

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

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(e) Paid expert witness whose testimony is requested ~~either~~ by the body before which he is appearing or ~~one of the parties to a proceeding~~, but only to the extent of preparing or delivering testimony; or

(f) Stockholder of a family farm corporation as defined in section 500.24, subdivision 1, who does not spend over \$250, excluding his own travel expenses, in any year in communicating with public officials.

Sec. 12. Minnesota Statutes 1976, Section 10A.01, Subdivision 13, is amended to read:

Subd. 13. "Minor political party" means any party other than a major political party ~~which ran~~:

(a) Under whose name in the last applicable general election a candidate ~~on the filed for legislative office and received not less than 10 percent of the vote for that office, or filed for statewide or legislative ballot in the last general election office~~; or

(b) Which files a petition with the secretary of state containing the names of 2,000 persons individuals registered to vote in Minnesota and declaring that the ~~signators signers~~ desire ~~to enable that~~ the party be eligible to receive money from the state elections campaign fund in the same manner as a major political party.

For the purposes of ~~Laws 1974, Chapter 470~~ prior to the general election in 1974 chapter 10A, all persons individuals who are eligible to vote in areas where there is no permanent system of registration shall be considered registered voters.

Sec. 13. Minnesota Statutes 1976, Section 10A.01, Subdivision 15, is amended to read:

Subd. 15. "Political committee" means any ~~political party, association or person other than an individual which has as its~~ as defined in subdivision 3 whose major purpose is ~~to support or oppose any candidate or to influence the nomination for election or election of a candidate.~~

"Political committee" includes a major political party as defined in subdivision 12, a minor political party as defined in subdivision 13, and any principal campaign committee formed pursuant to section 10A.19.

Sec. 14. Minnesota Statutes 1976, Section 10A.01, Subdivision 16, is amended to read:

Subd. 16. "Political fund" means any accumulation of dues or voluntary ~~donations contributions~~ 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.~~

Sec. 15. Minnesota Statutes 1976, Section 10A.01, Subdivision 18, is amended to ~~Changes or additions indicated by underline deletions by strikeout~~

read:

Subd. 18. "Public official" means any:

(a) Member of the legislature;

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

(c) Member, chief administrative officer or deputy chief administrative officer of a state board or commission which has rule making authority; as "rule" is defined in section 15.041, subdivision 3 at least one of the following powers: (i) the power to adopt, amend or repeal rules, or (ii) the power to adjudicate contested cases or appeals;

(d) Commissioner, deputy commissioner or assistant commissioner of any state department as designated pursuant to section 15.01;

(e) Individual employed in the executive branch who is authorized to adopt, amend or repeal rules or adjudicate contested cases;

(f) Executive secretary of the state board of investment;

(g) Executive director of the Indian affairs intertribal board;

(h) Commissioner of the iron range resources and rehabilitation board;

(i) Director of mediation services;

(j) Deputy of any official listed in clauses (e) to (i);

(k) Judge of workers' compensation;

(l) Hearing examiner in the state office of hearing examiners or department of economic security;

(m) Solicitor general or deputy, assistant or special assistant attorney general;

(n) Person (n) Individual 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 senate research, senate counsel, or house research; or

(o) Person employed by the executive branch in any

position specified in section 15A.001; and

(p) (o) Member or chief administrative officer of the metropolitan council, metropolitan transit commission, metropolitan ~~sewer board or waste control commission,~~ metropolitan parks and open spaces commission, metropolitan airports commission or

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metropolitan sports facilities commission.

Sec. 16. Minnesota Statutes 1976, Section 10A.01, is amended by adding a subdivision to read:

Subd. 20. "Advance of credit" means any money owed for goods provided or services rendered. An advance of credit is an expenditure or a noncampaign disbursement in the year in which the goods or services are used or consumed. Advance of credit does not mean loan as defined in section 17 of this act.

Sec. 17. Minnesota Statutes 1976, Section 10A.01, is amended by adding a subdivision to read:

Subd. 21. "Loan" means an advance of money or anything of value made to a political committee, political fund, or principal campaign committee.

Sec. 18. Minnesota Statutes 1976, Section 10A.01, is amended by adding a subdivision to read:

Subd. 22. "Financial institution" means a lending institution chartered by an agency of the federal government or regulated by the commissioner of banks.

Sec. 19. Minnesota Statutes 1976, Section 10A.02, Subdivision 1, is amended to read:

10A.02 BOARD OF ETHICAL PRACTICES. Subdivision 1. There is hereby created a state ethical practices board 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~~ If either house fails to confirm the appointment of a board member within 45 legislative days after his appointment shall be deemed to be a refusal to advise and consent and his, the appointment shall terminate ~~immediately after 45 legislative days or non-confirmation, whichever is earlier on the day following the 45th legislative day.~~ One member shall be a former state legislator member of the legislature from a major political party different from that of the governor; one member shall be a former state legislator member of the legislature from the same political party as the governor; two members shall be persons who have not been public officials, held any political party 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 preceding the date~~ of their appointment; and the other two members shall not support the same political party. No more than three of the members of the board shall support the same political party.

Sec. 20. Minnesota Statutes 1976, Section 10A.02, Subdivision 2, is amended to read:

Subd. 2. 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 the appointee shall retain meet the same stated qualifications as the member being replaced.

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The membership terms, compensation, and removal of members on the board shall be as provided in section 15.0575, except that the extension of terms and the filling of vacancies shall be subject to the advice and consent of the legislature in the same manner as provided in subdivision 1.

Sec. 21. Minnesota Statutes 1976, Section 10A.02, Subdivision 4, is amended to read:

Subd. 4. The board shall ~~hold an organizational meeting within 45 days after April 13, 1974 at which time the members of the board shall~~ elect from among ~~their~~ its members a chairman, a vice-chairman and a secretary. The secretary shall keep a record of all proceedings and actions by the board. Meetings of the board shall be at the call of the chairman or at the call of any four members of the board acting together.

Sec. 22. Minnesota Statutes 1976, Section 10A.02, Subdivision 8, is amended to read:

Subd. 8. The board 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 board 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 10A.01 to 10A.34 and make the forms available to ~~persons~~ individuals required to file them;

(c) Make available to the ~~persons~~ individuals 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 10A.01 to 10A.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~~ individual may copy a report or statement by hand or by duplicating machine and the board shall provide duplicating services at cost for this purpose. No information copied from reports and statements shall be sold or utilized by any ~~person~~ individual or association for any commercial purpose;

(f) Notwithstanding the provisions of section 138.163, preserve reports and statements for a period of five 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

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

Sec. 23. Minnesota Statutes 1976, Section 10A.02, Subdivision 9, is amended to read:

Subd. 9. The executive director of the board or his staff shall inspect all material filed with the board as promptly as is necessary to comply with the provisions of sections 10A.01 to 10A.34. The executive director shall immediately notify the ~~person~~ individual required to file a document with the board if a written complaint is filed with the board by any registered voter alleging, or it otherwise appears, that a document filed with the board is inaccurate or does not comply with the provisions of sections 10A.01 to 10A.34, or that a ~~person~~ the individual has failed to file a document required by sections 10A.01 to 10A.34.

Sec. 24. Minnesota Statutes 1976, Section 10A.02, Subdivision 11, is amended to read:

Subd. 11. The board may investigate any alleged violation of chapter 10A. The board shall investigate any violation which is alleged in a written complaint filed with the board and, except for alleged violations of section 10A.25 or 10A.27, shall within 30 days after the filing of the complaint make a public finding of whether or not there is probable cause to believe a violation has occurred. In the case of a written complaint alleging a violation of section 10A.25 or 10A.27, the board shall either enter a conciliation agreement or make a public finding of whether or not there is probable cause, within 60 days of the filing of the complaint. The deadline for action on any written complaint may be extended by majority vote of the board. Within a reasonable time after beginning an investigation of an individual or association, the board shall notify that individual or association of the fact of the investigation. The board shall make no finding of whether or not there is probable cause to believe a violation has occurred without notifying the individual or association of the nature of the allegations and affording an opportunity to answer those allegations. Any hearing or action of the board concerning any complaint or investigation other than a finding concerning probable cause or a conciliation agreement shall be confidential and all information obtained by the board shall be privileged. Until the board makes a public finding that the board believes there is or is not concerning probable cause to conclude that a violation of Laws 1974, Chapter 470 has occurred. Any person, including any member or employee of the board, violating the confidentiality or enters a conciliation agreement:

(a) No member, employee or agent of the board shall disclose to any individual any information obtained by that member, employee or agent concerning any complaint or investigation except as required to carry out the investigation or take action in the matter as authorized by chapter 10A;

(b) No individual who files or is the subject of any written complaint or supplies information to the board concerning a complaint or investigation shall disclose to any other individual any information supplied to or received from the board concerning the complaint or investigation; and

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(c) Notwithstanding the provisions of clause (b), any individual subject to the provisions of that clause may reveal any information to his attorney or another individual from whom he seeks advice or guidance in the matter, or to any other individual who is subject to the provisions of clause (b) with respect to the same complaint or investigation; provided that any individual to whom information concerning a complaint or investigation is revealed as provided in this clause shall not disclose that information to any other individual. Any individual who discloses information contrary to the provisions of this subdivision shall be guilty of a gross misdemeanor. The board shall make a finding within 30 days of receipt of a written complaint unless a majority of the board agrees to extend the time limit. After determination of its findings Except as provided in section 10A.28, after the board makes a public finding of probable cause the board shall report any that finding of probable cause to the appropriate law enforcement authorities.

Sec. 25. Minnesota Statutes 1976, Section 10A.02, is amended by adding a subdivision to read:

Subd. 11a. If, after making a public finding concerning probable cause or entering a conciliation agreement, the board determines that the record of the investigation contains statements, documents or other matter which if disclosed would unfairly injure the reputation of an innocent individual, the board may:

(a) Retain any such statement, document or other matter as a private record, as "private" is defined in section 15.162, subdivision 5a, for a period of one year after which it shall be destroyed; or

(b) Return any such statement, document or other matter to the individual who supplied it to the board.

Sec. 26. Minnesota Statutes 1976, Section 10A.02, Subdivision 12, is amended to read:

Subd. 12. The board may issue and publish advisory opinions on the requirements of sections 10A.01 to 10A.34 based upon real or hypothetical situations. An application for an advisory opinion may be made only by those an individual or association who wish wishes to use the opinion to guide their his or its own conduct. The board shall issue written opinions on all such questions submitted to it within 30 days after receipt of written application, unless a majority of the board agrees to extend the time limit. An advisory opinion shall lapse the day the regular session of the legislature adjourns in the second year following the date of the opinion.

Sec. 27. Minnesota Statutes 1976, Section 10A.02, Subdivision 13, is amended to read:

Subd. 13. The provisions of chapter 15; shall apply to the board including the power to prescribe. The board may promulgate rules and regulations to carry out the purposes of sections 10A.01 to 10A.34.

Sec. 28. Minnesota Statutes 1976, Section 10A.03, Subdivision 1, is amended to

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read:

10A.03 LOBBYIST REGISTRATION. Subdivision 1. Each lobbyist shall file a registration form with the board within five days after he ~~commences lobbying~~ becomes a lobbyist.

Sec. 29. Minnesota Statutes 1976, Section 10A.03, is amended by adding a subdivision to read:

Subd. 3. The board shall notify by certified mail or personal service any lobbyist who fails to file a registration form within five days after he becomes a lobbyist. If a lobbyist fails to file a form within seven days after receiving this notice, the board may impose a late filing fee at \$5 per day, not to exceed \$100, commencing with the eighth day after receiving notice. The board shall further notify by certified mail or personal service any lobbyist who fails to file a form within 21 days of receiving a first notice that the lobbyist may be subject to a criminal penalty for failure to file the form. A lobbyist who knowingly fails to file a form within seven days after receiving a second notice from the board is guilty of a misdemeanor.

Sec. 30. Minnesota Statutes 1976, Section 10A.04, Subdivision 1, is amended to read:

10A.04 LOBBYIST REPORTS. Subdivision 1. Each lobbyist shall file reports of his activities with the board as long as he lobbies. A lobbyist may file a termination statement at any time after he ceases lobbying.

Sec. 31. Minnesota Statutes 1976, Section 10A.04, Subdivision 2, is amended to read:

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 board by the following dates:

(a) ~~February 15~~

(b) ~~March 15~~

(c) ~~April 15~~

(d) ~~June 15~~

(e) ~~October 15~~

(a) January 15;

(b) April 15;

(c) July 15; and

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(d) October 15.

Sec. 32. Minnesota Statutes 1976, Section 10A.04, Subdivision 5, is amended to read:

Subd. 5. The board shall notify by ~~registered certified mail or personal service~~ any lobbyist who fails after ~~five~~ seven days after a filing date imposed by ~~section 10A.03~~ of this section to file a report or statement required by ~~section 10A.03~~ of this section. If a lobbyist fails to file a report within seven days after receiving this notice, the board may impose a late filing fee of \$5 per day, not to exceed \$100, commencing with the eighth day after receiving notice. The board shall further notify by certified mail or personal service any lobbyist who fails to file a report within 21 days after receiving a first notice that the lobbyist may be subject to a criminal penalty for failure to file the report. A lobbyist who knowingly fails to file such a report or statement within seven days after receiving a second notice from the board is guilty of a misdemeanor.

Sec. 33. Minnesota Statutes 1976, Section 10A.07, is amended to read:

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 board and to his immediate superior, if any;

(c) If he is a legislator member of the legislature, 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 in which he serves, or committee thereof, in which he serves of the potential conflict. He shall file a written statement with the board within one week after the potential conflict presents itself.

Subd. 2. If the public official is not a legislator member of the legislature, 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 board from influence over the action or decision in question. If the public official is a legislator member of the legislature, the house of in which he is a member serves may, at his request, excuse him from taking part in the action or decision in question.

Sec. 34. Minnesota Statutes 1976, Section 10A.08, is amended to read:

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10A.08 REPRESENTATION DISCLOSURE. Any public official who represents a client for a fee before any individual, board or, commission ~~which~~ or agency that has rule making authority in a hearing conducted under chapter 15, shall disclose his participation in the action to the board within 14 days after his appearance. The board shall notify by certified mail or personal service any public official who fails to disclose his participation within 14 days after his appearance. If the public official fails to disclose his participation within seven days of this notice, the board may impose a late filing fee of \$5 per day, not to exceed \$100, commencing on the eighth day after receiving notice.

Sec. 35. Minnesota Statutes 1976, Section 10A.09, Subdivision 5, is amended to read:

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

(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 homestead property, in which he ~~has~~ holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, and which interest is valued in excess of \$2,500; or (ii) an option to buy, which property has a fair market value of \$50,000 or more; and

(d) A listing of all real property within the state in which a partnership of which he is a member holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if his share of the partnership interest is valued in excess of \$2,500 or (ii) an option to buy, which property has a fair market value of \$50,000 or more. The filing Any listing under clause (c) or (d) shall indicate the street address and the municipality or the section, township, range and approximate acreage, whichever applies, and the county wherein the property is located.

Sec. 36. Minnesota Statutes 1976, Section 10A.09, Subdivision 6, is amended to read:

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 that he remains in office . The statement shall include a space for each category of information in which the individual may indicate that no change in information has occurred since the previous statement. The supplementary statement shall include the amount of each honorarium in excess of \$50 received since the previous statement, together with the name and address of the source of the honorarium. A statement of economic interest submitted by an officeholder shall be filed with the statement he submitted as a candidate.

Sec. 37. Minnesota Statutes 1976, Section 10A.09, Subdivision 7, is amended to

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read:

Subd. 7. All public officials in office on April 13, 1974 shall file with the board a statement of economic interest within 60 days after the date the board issues statement of economic interest forms. The board shall notify by certified mail or personal service any individual who fails within the prescribed time to file a statement of economic interest required by section 10A.09. If an individual fails to file a statement within seven days after receiving this notice, the board may impose a late filing fee of \$5 per day, not to exceed \$100, commencing on the eighth day after receiving notice. The board shall further notify by certified mail or personal service any individual who fails to file a statement within 21 days after receiving a first notice that the individual may be subject to a criminal penalty for failure to file a statement. An individual who fails to file a statement within seven days after a second notice is guilty of a misdemeanor.

Sec. 38. Minnesota Statutes 1976, Section 10A.10, is amended to read:

10A.10 PENALTY FOR FALSE STATEMENTS. A report or statement required to be filed by sections 10A.02 to 10A.09 shall be signed and certified as true by the ~~person~~ individual required to file the report. Any ~~person~~ individual 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~~ gross misdemeanor.

Sec. 39. Minnesota Statutes 1976, Section 10A.11, Subdivision 1, is amended to read:

10A.11 ORGANIZATION OF POLITICAL COMMITTEES. Subdivision 1. Every political committee shall have a chairman and a treasurer. Nothing in ~~Laws 1974, Chapter 470~~ chapter 10A shall prohibit them from being the same ~~person~~ individual.

Sec. 40. Minnesota Statutes 1976, Section 10A.12, Subdivision 1, is amended to read:

10A.12 POLITICAL FUNDS. Subdivision 1. No association other than a political committee shall ~~make a transfer of funds more than \$100 in aggregate in any one year to a candidate candidates or political committee committees or make an any approved or independent 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 transfer or expenditure come is made solely from a political fund.~~

Sec. 41. Minnesota Statutes 1976, Section 10A.12, Subdivision 4, is amended to read:

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

Sec. 42. Minnesota Statutes 1976, Section 10A.12, Subdivision 5, is amended to

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read:

Subd. 5. Notwithstanding subdivision 1, any association may, if not prohibited by other law, transfer to deposit in its political fund money derived from that part of its treasury financed by dues or membership fees. Pursuant to section 10A.20, the source of the dues or membership fees must be disclosed if an aggregate amount in excess of \$50 of any member's treasurer of the fund shall disclose the name of any member whose dues, membership fees and voluntary contributions are transferred to deposited in the political fund within together exceed \$50 in any one year.

Sec. 43. Minnesota Statutes 1976, Section 10A.13, is amended to read:

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 shall~~ keep an account of:

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

(b) ~~The name and address, if any, of any person making each source of a contribution in excess transfer made to the political committee or political fund in excess of \$20, and together with~~ the date and amount ~~thereof of each; and~~

(c) ~~All expenditures~~ The name and address of each source of a donation in kind valued in excess of \$20, together with the date and amount;

(d) Each expenditure made by or ~~on behalf~~ of the committee or fund, together with the date and amount;

(e) Each approved expenditure made on behalf of the committee or fund, together with the date and amount; and

(f) The name and address of each political committee or political fund to which transfers in excess of \$20 have been made, together with the date and amount.

Any person individual 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 in excess of \$100 made by, or approved expenditure in excess of \$100 made on behalf of, a political committee or political fund ~~of over \$100,~~ and for any expenditure or approved expenditure in a lesser amount if the aggregate amount of lesser expenditures and approved expenditures made to the same person individual or association during a any year exceeds \$100. The treasurer shall preserve all receipted bills and accounts required to be kept by this section for four years.

Sec. 44. Minnesota Statutes 1976, Section 10A.14, Subdivision 1, is amended to read:

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10A.14 REGISTRATION OF POLITICAL COMMITTEES AND POLITICAL FUNDS. Subdivision 1. The treasurer of a political committee or political fund shall register with the board 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 Laws 1974, Chapter 470, treasurers shall file within 30 days after the board issues political committee or political fund registration forms.~~

Sec. 45. Minnesota Statutes 1976, Section 10A.14, Subdivision 2, is amended to read:

Subd. 2. The statement of organization shall include:

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

(b) The ~~names~~ name and ~~addresses~~ address of the any supporting ~~associations~~ association of a political fund;

(c) The name and address of the chairman, the treasurer, and any deputy treasurers;

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

(e) A statement as to whether the committee is a principal campaign committee; and

(f) For political parties only, a list of categories of substate units as defined in section 10A.27, subdivision 4.

Sec. 46. Minnesota Statutes 1976, Section 10A.14, Subdivision 4, is amended to read:

Subd. 4. The board shall notify by certified mail or personal service any ~~person~~ individual who fails to file a statement required by this section. ~~A person~~ If an individual fails to file a statement within seven days after receiving a notice, the board may impose a late filing fee of \$5 per day, not to exceed \$100, commencing with the eighth day after receiving notice. The board shall further notify by certified mail or personal service any individual who fails to file a statement within 21 days after receiving a first notice that such individual may be subject to a criminal penalty for failure to file the report. An individual who knowingly fails to file the statement within seven days after receiving a second notice from the board is guilty of a gross misdemeanor.

Sec. 47. Minnesota Statutes 1976, Section 10A.15, is amended to read:

10A.15 CONTRIBUTIONS. Subdivision 1. ~~Any~~ No anonymous contribution in excess of \$20 shall ~~not~~ be retained by any political committee or political fund, but shall be forwarded to the board and deposited to in the general account of the state elections campaign fund.

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Subd. 2. Every person individual 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 source of the contribution , together with the amount of the contribution and the date it was received.

Subd. 3. All monetary contributions transfers 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 candidate, committee or fund)". All transfers shall be deposited promptly upon receipt and, except for transfers received during the last three days of any reporting period as described in section 10A.20, shall be deposited during the reporting period in which they were received. Any transfer received during the last three days of a reporting period shall be deposited within 72 hours of receipt and shall be reported as received during the reporting period whether or not deposited within that period. Any deposited transfer may be returned to the contributor within 60 days of deposit. A transfer deposited and not returned within 60 days of that deposit shall be deemed for the purposes of chapter 10A, to be accepted by the candidate, political committee or political fund.

Subd. 3a. No treasurer of a principal campaign committee of a candidate shall deposit any transfer which on its face exceeds the limit on contributions to that candidate prescribed by section 10A.27 unless, at the time of deposit, the treasurer issues a check to the source for the amount of the excess.

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

Sec. 48. Minnesota Statutes 1976, Section 10A.16, is amended to read:

10A.16 **EARMARKING.** Any person individual, political committee or political fund which receives contributions or transfers of funds a contribution from any person or association source with the express or implied condition; ~~express or implied;~~ that those funds the contribution or any part of them ~~it~~ be directed to a particular candidate shall disclose to the ultimate recipient of such funds, and in the reports required by section 10A.20, the original source of the funds contribution, the fact that the funds were contribution is earmarked and the candidate to whom they are it is directed. The ultimate recipient of any funds contribution so earmarked shall also disclose by report to the board the original source of the funds, and the person individual, political committee, or political fund through which they were it is directed. This section applies only to those contributions required to be disclosed by section 10A.20, subdivision 3, clause (b). Any person or association individual, political committee, or political fund who knowingly accepts any earmarked funds contribution and fails to make the required disclosures disclosure is guilty of a gross misdemeanor.

Sec. 49. Minnesota Statutes 1976, Section 10A.17, is amended to read:

10A.17 **EXPENDITURES.** Subdivision 1. All expenditures No expenditure shall be Changes or additions indicated by underline deletions by strikeout

made by a political committee, political fund, or principal campaign committee unless it is authorized by the treasurer or deputy treasurer of the that committee or fund making that expenditure.

Subd. 2. No person or persons acting in concert other than the candidate and the treasurer of the candidate's principal campaign committee individual or association may make an approved expenditures expenditure 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 until he receives written authorization as to the amount that may be spent and the purpose of the expenditure from the treasurer of that candidate's the 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 10A.25 and 10A.27. All such expenditures shall be counted against the spending limitations of the candidate who approved the expenditure.

Subd. 3. The treasurer or deputy treasurer of a political committee may make an authorization sign vouchers for petty cash in any reporting period of not more than \$100 per week for statewide elections and or \$20 per week in for 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 individual, political committee, or political fund or person who independently solicits or accepts contributions or make makes independent expenditures on behalf of any candidate without the written authorization of the candidate shall publicly disclose its lack of authorization that the candidate has not approved the expenditure. ~~In~~ All written communications with those from whom it solicits or accepts contributions are independently solicited or accepted or to whom it makes independent expenditures are made on behalf of a candidate, the committee, fund or

person shall state in writing and contain a statement in conspicuous type that it the activity is not authorized approved by the candidate and that the candidate is not nor is he responsible for its activities it. A similar oral statement language 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 made by that individual, political committee or political fund on the candidate's campaign behalf.

~~Subd. 6:~~ Subd. 5. Any person who knowingly violates the provisions of subdivisions 1, 2, 3 or 5 subdivision 2 or 4, or who falsely claims the lack of authorization that the candidate has not approved the expenditure or activity is guilty of a misdemeanor.

Sec. 50. Minnesota Statutes 1976, Section 10A.19, Subdivision 1, is amended to read:

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10A.19 **PRINCIPAL CAMPAIGN COMMITTEE.** Subdivision 1. ~~Every~~ No candidate shall ~~designate and cause accept contributions from any source, other than himself, in aggregate in excess of \$100 or any moneys from the state elections campaign fund unless he designates and causes~~ to be formed a single principal campaign committee which shall be responsible for reporting contributions and authorized expenditures on behalf of the candidate.

Sec. 51. Minnesota Statutes 1976, Section 10A.20, Subdivision 2. is amended to read:

Subd. 2. The reports shall be filed with the board on or before January 31 of each year; ~~and~~. In each year in which the name of the candidate being supported is on the ballot, additional reports shall be filed ten days before the a primary or special primary and a general or special election, seven days before a special primary and a special election and 30 days after a special election.

If a scheduled filing date falls on a Saturday, Sunday or legal holiday, the filing date shall be the next regular business day.

Sec. 52. Minnesota Statutes 1976, Section 10A.20, Subdivision 3. is amended to read:

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: occupation if self-employed, ~~occupation~~ of each ~~person~~ individual, political committee or political fund who within the year has made one or more ~~contributions transfers or donations in kind~~ to ~~or for~~ the political committee or political fund, including the purchase of tickets for ~~dinners, luncheons, rallies, and similar~~ all fund raising events efforts within the year, which in an aggregate amount or value in excess of exceed \$50 for legislative candidates and in excess of or \$100 for statewide candidates, together with the amount and date of the contributions each transfer or donation in kind, and the aggregate amount of contributions transfers and donations in kind within the year from each contributor source so disclosed. A donation in kind shall be disclosed at its fair market value. An approved expenditure is listed as a donation in kind. A donation in kind is considered consumed in the reporting period in which it is received. The lists names of contributors shall be listed 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) Each loan ~~to or from any person made or received by the political committee or political fund~~ within the year in an aggregate amount or value in excess of \$100, continuously reported until repaid or forgiven, together with the name ~~and~~, address, occupation and the principal place of business, if any, of the lender ~~or and~~ any endorser and the date and amount of the loan. If any loan made to the principal campaign committee of a candidate is forgiven at any time or repaid by any entity other than that

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principal campaign committee, it shall be reported as a contribution for the year in which the loan was made;

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

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

(g) The name and address of each ~~person individual or association~~ to whom aggregate expenditures, including approved expenditures, have been made by or on behalf of the political committee or political fund ~~or on its behalf~~ within the year in an aggregate amount in excess of \$100, together with 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 and, in the case of independent expenditures made in opposition to a candidate, the name, address and office sought for each such candidate;

(h) The sum of individual expenditures not otherwise reported under clause (g);

(i) The ~~total sum~~ of all expenditures made by or on behalf of the political committee or political fund during the reporting period;

(j) (i) The amount and nature of any ~~debt or obligation owed~~ advance of credit incurred by ~~or to~~ the political committee or political fund, continuously reported until extinguished, and any written contract, promise or agreement to make a contribution or expenditure; ~~and paid or forgiven. If any advance of credit incurred by the principal campaign committee of a candidate is forgiven at any time by the creditor or paid by any entity other than that principal campaign committee, it shall be reported as a donation in kind for the year in which the advance of credit was incurred;~~

(k) ~~For principal campaign committees only: 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.~~

(l) The name and address of each political committee, political fund, or principal campaign committee to which aggregate transfers in excess of \$100 have been made within the year, together with the amount and date of each transfer;

(m) The sum of all transfers made by the political committee, political fund, or principal campaign committee during the reporting period;

(n) The sum of noncampaign disbursements made in each category listed in section 10 of this act by the political committee, political fund, or principal campaign committee during the reporting period; and

(o) The sum of all noncampaign disbursements made by the political committee, political fund, or principal campaign committee during the reporting period.

Sec. 53. Minnesota Statutes 1976, Section 10A.20, Subdivision 4, is amended to
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read:

Subd. 4. ~~The reports~~ A report shall cover the time period from the last day of the period covered by the last previous report to seven days prior to the filing date, except that the report due on January 31 shall cover the period from the last day covered by the previous report to December 31.

Sec. 54. Minnesota Statutes 1976, Section 10A.20, Subdivision 5, is amended to read:

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

Sec. 55. Minnesota Statutes 1976, Section 10A.20, Subdivision 6, is amended to read:

Subd. 6. Every person, other than a political committee or political fund, candidate who does not designate and cause to be formed a principal campaign committee, and any individual who makes independent expenditures, other than by contribution to a political committee or political fund, in an aggregate amount in excess of \$100 within a in any year, shall file with the board a statement report containing the information required of a political committee, political fund or candidate by subdivision 3. Statements Reports required by this subdivision shall be filed on the dates on which reports by committees and funds are filed.

Sec. 56. Minnesota Statutes 1976, Section 10A.20, is amended by adding a subdivision to read:

Subd. 6a. Any individual, political committee or political fund filing a report or statement disclosing any independent expenditure pursuant to subdivision 3 or 6 shall file with that report a sworn statement that the expenditures so disclosed were not made with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of any candidate, his principal campaign committee or his agent.

Sec. 57. Minnesota Statutes 1976, Section 10A.20, Subdivision 8, is amended to read:

Subd. 8. The board shall exempt any association or any of its members or contributors member of or contributor to any association, political committee or political fund or any other individual from the provisions of this section if the member, contributor or other individual demonstrates by clear and convincing evidence that disclosure would expose any or all of them him to economic reprisals, loss of employment or threat of physical coercion.

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An association, political committee or political fund may seek an exemption for all of its members or contributors only if it proves demonstrates 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.

Sec. 58. Minnesota Statutes, 1977 Supplement, Section 10A.20, Subdivision 10, is amended to read:

Subd. 10. ~~A Any individual, association, political committee or a political fund or any of its members or contributors shall have standing to seek seeking an exemption pursuant to subdivision 8 shall submit a written application for exemption to the board. Upon receipt of an application for exemption The board, without hearing, shall grant or deny the exemption within 30 days after receiving an application, and shall issue a written order stating the reasons for its action. The board shall publish its order in the state register and give notice to all persons parties known to the board to have an interest in the application and publish notice of the filing of the application in the state register matter. The board may grant the exemption 30 days after notice of the filing has been fully made. If the board receives a written objection to the application its action from any person party within 20 days after the notice of filing has been fully made publication of its order and notification of interested parties, the exemption board shall be granted or denied only after hold a contested case hearing has been held on the application on the matter. The board may elect to hold a contested case hearing if no objections to the application are received Upon the filing of a timely objection from the applicant, an order denying an exemption shall be suspended pending the outcome of the contested case . If a no timely objection is not received and the board denies the exemption without hearing the applicant may request, within 30 days of receiving a notice of denial, and shall be granted a contested case hearing on the application shall continue to be in effect until a written objection is filed with the board in a succeeding election year. The board 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 8 were he to reveal his identity for the purposes of the a hearing.~~

Sec. 59. Minnesota Statutes 1976, Section 10A.20, Subdivision 12, is amended to read:

Subd. 12. The board shall notify by certified mail or personal service any person individual who fails to file a statement required by this section. If an individual fails to file a statement due January 31 within seven days after receiving a notice, the board may impose a late filing fee of \$5 per day, not to exceed \$100, commencing on the eighth day after receiving notice. If an individual fails to file a statement due before any primary or election within three days of the date due, regardless of whether the individual has received any notice, the board may impose a late filing fee of \$50 per day, not to exceed \$500, commencing on the fourth day after the date the statement was due. The board shall further notify by certified mail or personal service any individual who fails to file any statement within 14 days after receiving a first notice from the board that the individual may be subject to a criminal penalty for failure to file a statement. A person An individual who knowingly fails to file the statement within seven days after receiving a

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second notice from the board is guilty of a misdemeanor.

Sec. 60. Minnesota Statutes 1976, Section 10A.21, Subdivision 1, is amended to read:

10A.21 **REPORTS TO COUNTY AUDITOR.** Subdivision 1. All reports or statements that must be filed with the board by the principal campaign committee of legislative candidates and statements of economic interest filed by candidates for and members of the legislature shall be duplicated and filed by the board with the ~~county~~ auditor of each county in which the legislative district lies within 72 hours of the date the report or statement is required to be filed or, if the report or statement is delinquent, within 72 hours of the time the report is actually filed.

Sec. 61. Minnesota Statutes 1976, Section 10A.21, Subdivision 3, is amended to read:

Subd. 3. Statements and reports filed with county auditor shall be available to the public in the manner prescribed by section 10A.02, subdivision 8, clause (e) ~~and~~ Statements and reports of principal campaign committees shall be retained until four years after the election to which they pertain. Economic interest statements shall be retained until the subject of the statement is no longer a candidate or officeholder.

Sec. 62. Minnesota Statutes 1976, Section 10A.22, Subdivision 1, is amended to read:

10A.22 **REPORTS AND STATEMENTS.** Subdivision 1. A report or statement required by sections 10A.11 to 10A.34 to be filed by a treasurer of a political committee or political fund, or by any other ~~person~~ individual, shall be signed and certified as true by the ~~person~~ individual required to file the report. Any ~~person~~ individual 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~~ gross misdemeanor.

Sec. 63. Minnesota Statutes 1976, Section 10A.22, Subdivision 4, is amended to read:

Subd. 4. ~~In determining the aggregate of a person's contributions,~~ The treasurer shall list contributions from the same ~~donor source~~ under the same name. ~~In each instance~~ When a contribution received from a ~~person~~ any source in a reporting period is added to previously reported unitemized contributions from the same ~~contributor source~~ and the aggregate exceeds the disclosure threshold of section 10A.20, the name, address and employer, or, occupation if self-employed, ~~occupation~~ of that ~~contributor~~ source shall then be listed on the prescribed ~~reporting forms~~ schedule. A candidate may refuse to accept any contribution.

Sec. 64. Minnesota Statutes 1976, Section 10A.22, Subdivision 5, is amended to read:

Subd. 5. A political committee or political fund making an expenditure: ~~other than~~
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~~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 the allocation for each candidate. The treasurer shall retain for audit any documents supporting the allocation.~~

Sec. 65. Minnesota Statutes 1976, Section 10A.22, Subdivision 7, is amended to read:

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 10A.20. This statement shall be certified as true and correct by an officer of the contributing political committee or political fund. The political committee or political fund which accepts the contribution shall include a copy of the statement with the report which discloses the contribution to the board. The provisions of this subdivision shall not apply when ~~the a national affiliate of any political party in this state transfers money to 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 in this state.~~

Sec. 66. Minnesota Statutes 1976, Section 10A.24, is amended to read:

10A.24 DISSOLUTION OR TERMINATION. No political committee or political fund shall dissolve until it has settled all of its debts and disposed of all its assets in excess of \$100 and filed a termination report. The termination report may be made at any time and shall include all information required in periodic reports and a statement as to the disposition of any residual funds.

Sec. 67. Minnesota Statutes 1976, Section 10A.25, Subdivision 1, is amended to read:

10A.25 LIMITS ON CAMPAIGN EXPENDITURES. Subdivision 1. For the purposes of sections 10A.11 to 10A.34 a candidate for governor and a candidate for lieutenant governor, running together, shall be deemed to be a single candidate and, Except as provided in subdivision 3, all expenditures made by or and all approved expenditures made 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 and approved expenditures on behalf of the candidate for governor.

Sec. 68. Minnesota Statutes 1976, Section 10A.25, Subdivision 2, is amended to read:

Subd. 2. In a year in which an election is held for an office sought by a candidate stands for election, no expenditures shall be made and no obligations to make by the principal campaign committee of that candidate, nor any approved expenditures shall be incurred by made on behalf of a that candidate or by a political committee, political fund

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~~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 expenditures and approved expenditures results result in the an aggregate expenditure on behalf of the candidate of an amount in excess of the following amounts:~~

(a) For governor and lieutenant governor, running jointly together, 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, separately, 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.

Sec. 69. Minnesota Statutes 1976, Section 10A.25, Subdivision 3, is amended to read:

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~~ make expenditures and approved expenditures of \$30,000 or five percent of the amount in subdivision 2, clause (a), whichever is greater, to seek endorsement. This amount shall be in addition to the amount which may be expended pursuant to subdivision 2, clause (a).

Sec. 70. Minnesota Statutes 1976, Section 10A.25, Subdivision 4, is amended to read:

Subd. 4. ~~Notwithstanding subdivision 2 with respect to the 1974 general election, expenses incurred prior to April 13, 1974 shall not be counted against the spending limitations imposed by subdivision 2. The limits prescribed in section 10A.25 shall not apply to any expenditure or approved expenditure made or advance of credit incurred before the effective date of this section unless the goods or services for which they were made or incurred are consumed or used after the effective date of this section.~~

Sec. 71. Minnesota Statutes 1976, Section 10A.25, Subdivision 5, is amended to read:

Subd. 5. ~~If Notwithstanding the limits imposed by subdivision 2, the winning candidate in a contested race in a primary election who 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 primary may make aggregate expenditures and approved expenditures equal to one-fifth 120 percent of the applicable amount as set forth in subdivision 2; or the amount actually expended by him or on his behalf in the primary election, whichever is less.~~

Sec. 72. Minnesota Statutes 1976, Section 10A.25, Subdivision 6, is amended to
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read:

Subd. 6. In a any year in which following an election does not occur year for an the office held or sought, no expenditures shall be made and no obligations to make expenditures shall be incurred by a candidate or officeholder 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 officeholder or his agents which shall result in the aggregate expenditure amount of expenditures by and approved expenditures on behalf of the a candidate for or officeholder in that year of an amount in excess of holder of that office shall not exceed 20 percent of the amount of the aggregate expenditure permitted limit set by forth in subdivision 2. Expenditures permitted by this subdivision shall be in addition to expenditures permitted by subdivision 2.

Sec. 73. Minnesota Statutes 1976, Section 10A.25, Subdivision 7, is amended to read:

Subd. 7. On or before January 15 December 1 of each year, the state demographer shall certify to the board the estimated population of the state of Minnesota for the last year ending before the date of certification. In determining the per capita amounts for each office in subdivision 2, the board shall use next calendar year. On or before December 31 of each year the board shall determine and publish in the state register the expenditure limits for each office for the next calendar year as prescribed by subdivision 2, using the following estimated population figures:

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

(b) ~~In the case of the elections~~ For the office of state senator, 1/67 of the total estimated population of the state;

(c) ~~In the case of elections~~ For the office of state representative, 1/134 of the total estimated population of the state. The limits shall be rounded off to the nearest \$100.

Sec. 74. Minnesota Statutes 1976, Section 10A.25, is amended by adding a subdivision to read:

Subd. 10. The expenditure limits imposed by section 10A.25 apply only to candidates who agree to be bound by the limits as a condition of receiving a public subsidy for their campaigns in the form of:

(a) An allocation of money from the state elections campaign fund; or

(b) Credits against the tax due of individuals who contribute to that candidate.

Sec. 75. Minnesota Statutes 1976, Chapter 10A, is amended by adding a section to read:

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[10A.265] FREEDOM TO ASSOCIATE AND COMMUNICATE. Nothing in chapter 10A shall be construed as abridging the right of an association to communicate with its members.

Sec. 76. Minnesota Statutes 1976, Section 10A.27, Subdivision 1, is amended to read:

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 10A.25. Except as provided in subdivisions 2 and 6, no candidate shall permit his principal campaign committee to accept contributions from any individual, political committee, or political fund in excess of the following:

(a) To candidates for governor and lieutenant governor running together, \$60,000 in an election year for the office sought and \$12,000 in other years;

(b) To a candidate for attorney general, \$10,000 in an election year for the office sought and \$2,000 in other years;

(c) To a candidate for the office of secretary of state, state treasurer or state auditor, \$5,000 in an election year for the office sought and \$1,000 in other years;

(d) To a candidate for state senator, \$1,500 in an election year for the office sought and \$300 in other years; and

(e) To a candidate for state representative, \$750 in an election year for the office sought and \$150 in the other year.

Sec. 77. Minnesota Statutes 1976, Section 10A.27, Subdivision 2, is amended to read:

Subd. 2. No political party candidate shall make expenditures on behalf of a candidate or transfer funds to the principal campaign committee of a candidate in an amount permit his principal campaign committee to accept contributions from any political party in excess of 50 percent of five times the amount that may be spent by or on behalf of contributed to that candidate by a political committee as set forth in section 10A.25 subdivision 1.

Sec. 78. Minnesota Statutes 1976, Section 10A.27, Subdivision 4, is amended to read:

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

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Sec. 79. Minnesota Statutes 1976, Section 10A.27, is amended by adding a subdivision to read:

Subd. 5. Nothing in section 10A.27 shall be construed as limiting independent expenditures on behalf of a candidate.

Sec. 80. Minnesota Statutes 1976, Section 10A.27, is amended by adding a subdivision to read:

Subd. 6. Nothing in section 10A.27 shall be construed as limiting the amount which may be contributed by a candidate for the purpose of influencing his own nomination or election.

Sec. 81. Minnesota Statutes 1976, Section 10A.27, is amended by adding a subdivision to read:

Subd. 7. Contributions and approved expenditures made prior to the effective date of this section which are in excess of the limits imposed by section 10A.27 shall not be in violation of this section but shall be disclosed as required by chapter 10A.

Sec. 82. Minnesota Statutes 1976, Section 10A.27, is amended by adding a subdivision to read:

Subd. 8. No candidate shall permit his principal campaign committee to accept a loan from other than a financial institution for an amount in excess of the contribution limits imposed by this section. No candidate shall permit his principal campaign committee to accept any loan from a financial institution for which that financial institution may hold any endorser of that loan liable to pay any amount in excess of the amount that the endorser may contribute to that candidate.

Sec. 83. Minnesota Statutes 1976, Chapter 10A, is amended by adding a section to read:

[10A.275] MULTI-CANDIDATE POLITICAL PARTY EXPENDITURES.
Notwithstanding any other provisions of this chapter, the following expenditures by a state political party or a substate unit of a state political party as described in section 10A.27, subdivision 4, shall not be considered contributions to or expenditures on behalf of any candidate for the purposes of section 10A.25 or 10A.27, and shall not be allocated to any candidates pursuant to section 10A.22, subdivision 5:

(a) Expenditures on behalf of candidates of that party generally without referring to any of them specifically in any advertisement published, posted or broadcast;

(b) Expenditures for the preparation, display, mailing or other distribution of an official party sample ballot listing the names of three or more individuals whose names are to appear on the ballot;

(c) Expenditures for any telephone conversation including the names of three or
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more individuals whose names are to appear on the ballot; or

(d) Expenditures for any political party fundraising effort on behalf of three or more candidates.

Sec. 84. Minnesota Statutes 1976, Section 10A.28, is amended to read:

10A.28 PENALTY FOR EXCEEDING LIMITS. Any person or association that makes Subdivision 1. A candidate subject to the expenditure limits of section 10A.25 who permits his principal campaign committee to make expenditures or permits approved expenditures to be made on his behalf in excess of the limitations limits imposed by sections section 10A.25 and 10A.27 shall be subject to a civil fine equal to up to four times the amount by which its expenditure the expenditures exceeded the limit.

Subd. 2. A candidate who permits his principal campaign committee to accept contributions in excess of the limits imposed by section 10A.27 shall be subject to a civil fine of up to four times the amount by which the contribution exceeded the limits.

Subd. 3. If the board or county attorney has finds that there is reason to believe that a person or association has made such excess expenditures have been made or excess contributions accepted contrary to the provisions of subdivision 1 or 2 the board shall make every effort for a period of not less than 14 days after its finding to correct the matter by informal methods of conference and conciliation and to enter a conciliation agreement with the person involved. A conciliation agreement made pursuant to this subdivision shall be a matter of public record. Unless violated, a conciliation agreement shall be a bar to any civil proceeding under subdivision 4.

Subd. 4. If the board is unable after a reasonable time to correct by informal methods any matter which constitutes probable cause to believe that excess expenditures have been made or excess contributions accepted contrary to subdivision 1 or 2, the board or county attorney shall make a public finding of probable cause in the matter. After making a public finding, the board shall bring an action, or transmit the finding to a county attorney who shall bring an action, in the district court of Ramsey county or, in the case of a legislative candidate, the district court of a county within the legislative district, to impose this penalty a civil fine as prescribed by the board pursuant to subdivision 1 or 2. All moneys recovered pursuant to this section shall be deposited in the general account fund of the state elections campaign fund.

Sec. 85. Minnesota Statutes 1976, Section 10A.29, is amended to read:

10A.29 CIRCUMVENTION PROHIBITED. Any attempt by a person an individual or association to circumvent the provisions of Laws 1974, Chapter 470, Sections 41 to 44 chapter 10A by redirecting funds through, or contributing funds on behalf of, another person individual or association is a gross misdemeanor.

Sec. 86. Minnesota Statutes 1976, Section 10A.30, Subdivision 1, is amended to read:

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

Sec. 87. Minnesota Statutes 1976, Section 10A.31, Subdivision 1, is amended to read:

10A.31 DESIGNATION OF INCOME TAX PAYMENTS. Subdivision 1. Effective with the taxable years beginning after December 31, ~~1973~~ 1977, every individual ~~whose income tax liability after personal credit for the taxable year is \$1 or more who files a tax return or a renter and homeowner property tax refund return with the commissioner of revenue~~ may designate that \$1 shall be paid ~~from the general fund of the state~~ into the state elections campaign fund. ~~In the case of~~ If a husband and wife file 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. An individual who is 18 years of age or older, who is a resident of Minnesota, and who is a dependent of another individual who files a tax return or a renter and homeowner property tax refund return, may designate that \$1 shall be paid from the general fund of the state into the state elections campaign fund. No individual shall be allowed to designate \$1 more than once in any year.

Sec. 88. Minnesota Statutes 1976, Section 10A.31, Subdivision 3, is amended to read:

Subd. 3. The commissioner of the department of revenue shall on the first page of the income tax form ~~and the renter and homeowner property tax refund return~~ notify the ~~taxpayer filing individual and any adult dependent of that individual~~ of his right to allocate \$1 of his taxes (\$2 if filing a joint return) ~~from the general fund of the state~~ to finance the election campaigns of state candidates. The form shall also contain language prepared by the commissioner which permits the ~~taxpayer individual~~ to direct the state to allocate the \$1 (or \$2 if filing a joint return) to: (i) one of the major political parties; (ii) any minor political party as defined in section 10A.01, subdivision 13, which qualifies under the provisions of subdivision 3a; or (iii) all qualifying candidates as provided by subdivision 7. The dependent on the tax return or the renter and homeowner property tax refund return shall sign a statement which authorizes the designation of \$1. The renter and homeowner property tax refund return shall include instructions that the individual filing the return may designate \$1 on the return only if he has not designated \$1 on the income tax return.

Sec. 89. Minnesota Statutes 1976, Section 10A.31, Subdivision 3a, is amended to read:

Subd. 3a. A minor political party as defined in section 10A.01, subdivision 13 qualifies for inclusion on the income tax form as provided in subdivision 3 if a candidate of that party filed for an office in the preceding general election, or if a petition on behalf of that party, provided that if a petition is filed, it is filed as provided in section 10A.01, subdivision 13, by June 1 of the taxable year.

Sec. 90. Minnesota Statutes 1976, Section 10A.31, Subdivision 4, is amended to

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read:

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

Sec. 91. Minnesota Statutes 1976, Section 10A.31, Subdivision 5, is amended to read:

Subd. 5. In each calendar year the moneys in each party account and the general account shall be allocated to candidates as follows:

(a) ~~16~~ 21 percent for the offices of governor and lieutenant governor jointly together;

(b) ~~9.6~~ 3.6 percent for the office of attorney general;

(c) ~~4.8~~ 1.8 percent each for the offices of secretary of state, state auditor and state treasurer;

(d) In each calendar year during the period in which state senators serve a four year term, ~~20~~ 23 1/3 percent for the office of state senator and ~~40~~ 46 2/3 percent for the office of state representative;

(e) In each calendar year during the period in which state senators serve a two year term, ~~and in 1975 and 1976,~~ ~~30~~ 35 percent each for the offices of state senator and state representative;

(f) ~~All candidates of one party for the state senate and state house of representatives whose names are to appear on the ballot in the general election shall share equally in the funds allocated to their respective offices from their party account. To assure that moneys will be returned to the counties from which they were collected, and to assure that the distribution of those moneys rationally relates to the support for particular parties or for particular candidates within legislative districts, moneys from the party accounts for legislative candidates shall be distributed as follows:~~

Each candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election shall receive moneys from his party account set aside for candidates of the state senate or state house of representatives, whichever applies, according to the following formula;

For each county within his district the candidate's share of the dollars allocated in that county to his party account and set aside for that office shall be:

(a) The sum of the votes cast in the last general election in that part of the county in his district for all candidates of his party (i) whose names appeared on the ballot in

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each voting precinct of the state and (ii) for the state senate and state house of representatives, divided by

(b) The sum of the votes cast in that county in the last general election for all candidates of his party (i) whose names appeared on the ballot in each voting precinct in the state and (ii) for the state senate and state house of representatives, multiplied by

(c) The amount in his party account allocated in that county and set aside for the candidates for the office for which he is a candidate.

The sum of all the county shares calculated in the formula above is the candidate's share of his party account.

In a year in which an election for the state senate occurs, with respect to votes for candidates for the state senate only, "last general election" means the last general election in which an election for the state senate occurred.

For any party under whose name no candidate's name appeared on the ballot in each voting precinct in the state in the last general election, "last general election" means the last general election in which the name of a candidate of that party appeared on the ballot in each voting precinct in the state.

If in a district there was no candidate of a party for the state senate or state house of representatives in the last general election, or if a candidate for the state senate or state house of representatives was unopposed, the vote for that office for that party shall be the average vote of all the remaining candidates of that party in each county of that district whose votes are included in the sums in clauses (a) and (b). The average vote shall be added to the sums in clauses (a) and (b) before the calculation is made for all districts in the county.

Moneys from any party account refused by any candidate not distributed in any election year shall be distributed to all other candidates of that party in proportion to their shares as provided in this subdivision returned to the general fund of the state. Moneys from the general account refused by any candidate shall be distributed to all other qualifying candidates in proportion to their shares as provided in this subdivision.

Beginning with calendar year 1977 and applying to taxable year 1976, the allocations from the state elections campaign fund shall be: 21 percent for the offices of governor and lieutenant governor filing jointly; 3.6 percent for the office of attorney general; 1.8 percent each for the offices of secretary of state, state auditor, and state treasurer; in each calendar year during the period in which state senators serve a four year term; 23 $\frac{1}{3}$ percent for the office of state senator and 46 $\frac{2}{3}$ percent for the office of state representative; and in each calendar year during the period in which state senators serve a two year term; 35 percent each for the offices of state senator and state representative.

Sec. 92. Minnesota Statutes 1976, Section 10A.31, Subdivision 6, is amended to read:

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Subd. 6. Within two weeks after certification by the state canvassing board of the results of the primary, the state treasurer shall distribute the available funds in each party account, as certified by the commissioner of revenue on September 15, to the candidates of that party who have signed the agreement as provided in section 10A.32, subdivision 3, and whose names are to appear on the ballot in the general election, according to the allocations set forth in subdivision 5. ~~If there is no candidate of a party for any one office designated in subdivision 5 in any year in which that office appears on the ballot, the allocation for that office shall be distributed to all other candidates of that party in proportion to their shares as set forth in subdivision 5.~~

Sec. 93. Minnesota Statutes 1976, Section 10A.31, Subdivision 7, is amended to read:

Subd. 7. Within two weeks after 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, as certified by the commissioner of revenue on November 15 and according to allocations set forth in subdivision 5, in equal amounts to all candidates for each statewide office who received at least five percent of the votes cast in the general election for that office, and to all candidates for legislative office who received at least ten percent of the votes cast in the general election for the specific office for which they were candidates. The board shall not use the information contained in the report of the principal campaign committee of any candidate due ten days before the general election for the purpose of reducing the amount due that candidate from the general account.

Sec. 94. Minnesota Statutes 1976, Section 10A.31, Subdivision 10, is amended to read:

Subd. 10. In the event that on ~~November 15~~ the date of either certification by the commissioner of revenue as provided in subdivisions 6 and 7, less than 98 percent of the tax returns have been processed, the commissioner of revenue shall certify to the board on December 7 the amount accumulated in each account since the previous certification. Within one week thereafter, the board shall certify to the state treasurer the amount to be distributed to each candidate according to the allocations as provided in subdivision 5. As soon as practicable thereafter, the state treasurer shall distribute the amounts to the candidates. Any moneys accumulated after the final certification shall be maintained in the respective accounts for distribution in the next general election year.

Sec. 95. Minnesota Statutes 1976, Section 10A.31, is amended by adding a subdivision to read:

Subd. 11. For the purposes of section 10A.31, a write-in candidate is not a candidate unless he complies with the provisions of section 10A.32, subdivision 3.

Sec. 96. Minnesota Statutes 1976, Section 10A.32, Subdivision 1, is amended to read:

10A.32 LIMITATIONS UPON THE STATE ELECTION CAMPAIGN FUND.
Subdivision 1. No candidate shall be entitled to receive from the state elections campaign

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fund and retain an amount greater than the ~~total aggregate~~ amount of expenditures which may be made by him ~~or~~ and approved expenditures made on his behalf under ~~sections section~~ section 10A.25 and 10A.27, subdivision 2. The amount by which the allocation exceeds the expenditure limit shall be distributed to all other candidates of the same party whose ~~shares do not exceed their expenditure limits in proportion to their shares as set forth in section 10A.31~~ returned to the general fund of the state.

Sec. 97. Minnesota Statutes 1976, Section 10A.32, Subdivision 2, is amended to read:

Subd. 2. No candidate shall be entitled to receive from the state ~~election~~ elections campaign fund an amount greater than the ~~total aggregate~~ amount ~~actually expended of~~ expenditures made by him ~~or~~ and approved expenditures made on his behalf in the year of the election. If the report required to be filed on or before January 31 in the year following the general election indicates that the amount received by the candidate ~~from the state elections campaign fund~~ is greater than the amount ~~authorized to be~~ expended on his behalf, the treasurer of his principal campaign committee shall ~~refund~~ return to the state treasurer an amount equal to the difference. The ~~refund~~ return in the form of a check or money order shall be submitted with such report and the board shall forward the ~~refund~~ return to the state treasurer for deposit in the general fund of the state.

Sec. 98. Minnesota Statutes 1976, Section 10A.32, Subdivision 3, is amended to read:

Subd. 3. As a condition of receiving any ~~funds~~ moneys from the state elections campaign fund, ~~any a~~ candidate, ~~prior to receipt of the funds,~~ shall agree by stating in writing to the board ~~on or before September 1~~ that ~~authorized~~ (a) his expenditures ~~on his behalf~~ and approved expenditures shall not exceed the expenditure limits as set forth in section 10A.25 and that his ~~principal campaign committee~~ (b) he shall not accept contributions ~~or allow approved expenditures to be made on his behalf~~ for the period beginning with January 1 of the election year or ~~with~~ the registration of his principal campaign committee, whichever occurs later, and ending December 31 of the election year, which ~~aggregate contributions and approved expenditures exceed 405 percent of~~ the difference between the amount which may legally be expended by him or on his behalf, and the amount which he receives from the state elections campaign fund. ~~The agreement, insofar as it relates to the expenditure limits set forth in section 10A.25, remains effective until the dissolution of the principal campaign committee of the candidate or the opening of filings for the next succeeding election to the office held or sought at the time of agreement, whichever occurs first. Beginning in 1980, money in the account of the principal campaign committee of a candidate on January 1 of the election year for the office held or sought shall be considered contributions accepted by that candidate in that year for the purposes of this subdivision. Notwithstanding the effective date of this section, for 1978, the period for determining the aggregate contribution and approved expenditure limit agreed to pursuant to this subdivision shall begin January 1, 1978. That amount of all contributions accepted by a candidate in an election year which equals the amount of noncampaign disbursements made by that candidate in that year shall not count toward the aggregate contributions and approved expenditure limit imposed by this subdivision.~~ Any amount by which his ~~total aggregate~~ contributions ~~and approved~~

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expenditures agreed to under clause (b) exceed 105 percent of the difference shall be refunded returned to the state treasurer. The refund in the form of a check or money order shall be submitted in the same manner as provided in subdivision 2. In no case shall the amount returned exceed the amount received from the state elections campaign fund.

The candidate may submit his signed agreement to the filing officer on the day he files his affidavit of candidacy or petition to appear on the ballot, or he may submit the agreement to the board no later than September 1.

The board prior to the first day of filing for office shall forward forms for the agreement to all filing officers. The filing officer shall without delay forward signed agreements to the board. An agreement may not be rescinded after September 1.

For the purposes of this subdivision only, the total amount to be distributed to each candidate is calculated to be his share of the total estimated funds in his party account as provided in subdivision 3a, plus the total amount estimated as provided in subdivision 3a to be in the general account of the state elections campaign fund and set aside for that office divided by the number of candidates whose names are to appear on the general election ballot for that office. If for any reason the amount actually received by the candidate is greater by reason of a lesser number of qualifying candidates sharing in the funds in each account than his share of the estimate, and his contributions thereby exceed 105 percent of the difference, the agreement shall not be considered violated.

Sec. 99. Minnesota Statutes 1976, Section 10A.32, Subdivision 3a, is amended to read:

Subd. 3a. The commissioner of revenue shall, on the basis of vote totals provided by the secretary of state, calculate and certify to the board on or before the last first day for filing for office of July in an election year his estimate of the total to be accumulated in each account in the state elections campaign fund, after 100 percent of the tax returns have been processed, of the total amount in the general account, and the amount of moneys each candidate who qualifies as provided in section 10A.31, subdivision 6, may receive from his party account, based upon the formula set forth in section 10A.31, subdivision 3. Prior to the first day of filing for office, the board shall publish and forward to all filing officers these estimates. Within seven days after the last day for filing for office the secretary of state shall certify to the board the name, address, office sought, and party affiliation of each candidate who has filed with that office his affidavit of candidacy or petition to appear on the ballot. The auditor of each county shall certify to the board the same information for each candidate who has filed with that county his affidavit of candidacy or petition to appear on the ballot. Within seven days thereafter the board shall estimate the minimum amount to be received by each candidate who qualifies as provided in section 10A.31, subdivisions 6 and 7, and notify all candidates on or before August 15 of the applicable amount. The board shall include with the notice a form for the agreement provided in subdivision 3.

Sec. 100. Minnesota Statutes 1976, Section 10A.32, is amended by adding a subdivision to read:

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Subd. 3b. As a condition of receiving a public subsidy for his election campaign in the form of tax credits against the tax due from individuals who contribute to his principal campaign committee a candidate shall agree by stating in writing to the board at any time beginning with the registration of his principal campaign committee that his expenditures and approved expenditures shall not exceed the expenditure limits as set forth in section 10A.25. The agreement shall remain effective until the dissolution of the principal campaign committee of the candidate or the opening of filing for the next succeeding election for the office held or sought at the time of agreement, whichever occurs first. An agreement signed under this subdivision may not be rescinded. The commissioner of revenue shall not allow any individual or married couple filing jointly to take a credit against any tax due, pursuant to section 290.06, subdivision 11, for any contribution to a candidate for legislative or statewide office who has not signed the agreement provided in this subdivision. Nothing in this subdivision shall be construed to limit the campaign expenditure of any candidate who does not sign an agreement under this subdivision but accepts a contribution for which the contributor claims a credit against tax due. The board shall forward a copy of any agreement signed under this subdivision to the commissioner of revenue. The board shall make available to any candidate signing an agreement a supply of Official Tax Credit Receipt forms which state in bold face type that (a) a contributor who is given a receipt form is eligible to receive a credit against his tax due in an amount equal to 50 percent of his contribution but not more than \$25 for an individual, or not more than \$50 for a married couple filing jointly, and (b) that the candidate to whom he has contributed has voluntarily agreed to abide by campaign expenditure limits. If a candidate does not sign an agreement under this subdivision he may not issue an Official Tax Credit Receipt form, or any facsimile thereof, to any of his contributors. Any candidate who does not voluntarily agree to abide by the expenditure limits imposed in section 10A.25 and who willfully issues Official Tax Credit Receipt forms, or any facsimile thereof, to any contributor is guilty of a misdemeanor.

Sec. 101. Minnesota Statutes 1976, Section 10A.32, Subdivision 4, is amended to read:

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 any office, the moneys set aside for that office shall be maintained in that account until the year of the next general election. If in two successive general election years that political party does not have a candidate for any office, the accumulated funds shall be transferred returned to the general fund of the state.

Sec. 102. Minnesota Statutes 1976, Section 10A.33, is amended to read:

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

Sec. 103. Minnesota Statutes 1976, Chapter 10A, is amended by adding a section to read:

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[10A.335] For the purpose of determining whether the distribution formula provided in section 10A.31, subdivision 5, (a) assures that moneys will be returned to the counties from which they were collected, and (b) continues to have a rational relation to the support for particular parties or particular candidates within legislative districts, it is the intention of this section that future legislatures monitor, using statistical data provided by the department of revenue, income tax returns and renter and homeowner property tax refund returns on which \$1, or in the case of a joint return, \$2, is designated for a political party.

Sec. 104. Minnesota Statutes 1976, Section 10A.34, is amended by adding a subdivision to read:

Subd. 1a. The board may bring an action in the district court in Ramsey county to recover any late filing fee imposed pursuant to any provision of chapter 10A. All money recovered shall be deposited in the general fund of the state.

Sec. 105. Minnesota Statutes 1976, Section 210A.01, Subdivision 3, is amended to read:

Subd. 3. "Candidate" means ~~every person~~ any individual for whom it is contemplated or desired that votes may be cast at any ~~primary or 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 210A.22 to 210A.28, 210A.32 and 210A.33, "candidate" does not mean ~~a person an individual~~ for whom it is contemplated or desired that votes may be cast at any ~~primary or 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~~ constitutional office, member of the legislature, justice of the supreme court, or district court judge.

Sec. 106. Minnesota Statutes 1976, Section 290.06, Subdivision 11, is amended 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 this chapter of 50 percent but not more than ~~\$12.50~~ \$25 of his contributions to a political party and candidate. A married couple, filing jointly, may take a similar credit of not more than ~~\$25~~ \$50. ~~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~~ No credit shall be allowed under this subdivision for a contribution to any candidate, other than a candidate for elective judicial office, who has not signed an agreement to limit his campaign expenditures as provided in section 10A.32, subdivision 3b. The commissioner of revenue shall provide in the tax instruction booklet language understandable to a person of average intelligence which states that the taxpayer may only claim a credit against his tax due for contributions to candidates for (a) judicial office or (b) statewide or legislative office who have agreed to limit their expenditures. For purposes of this subdivision, "candidate" means a candidate as defined in section 10A.01,

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subdivision 5. The department of revenue shall provide on the first page of the Minnesota tax form an appropriate provision for the credit provided by Laws 1974, Chapter 470 this subdivision.

This credit shall be allowed only if the contribution is verified in the manner the commissioner of revenue shall prescribe.

Sec. 107. Minnesota Statutes 1976, Section 290.21, is amended by adding a subdivision to read:

Subd. 3a. No credit shall be allowed under subdivision 3, clause (e), for any contribution to a candidate as defined in section 10A.01, except a candidate for elective judicial office.

Sec. 108. **ETHICAL PRACTICES BOARD; TEMPORARY RULEMAKING.** The ethical practices board may exercise temporary rulemaking authority as provided in section 15.0412, subdivision 5, to implement the provisions of chapter 10A which are amended by this act. The board shall solicit information and opinions from outside the board as provided in section 15.0412, subdivision 6, before adopting these rules. Notwithstanding the provisions of section 15.0412, subdivision 5, any rules adopted pursuant to this section shall be effective until permanent rules are adopted pursuant to chapter 15 or until October 1, 1979, whichever occurs first. This section expires October 1, 1979.

Sec. 109. **REPEALER.** Minnesota Statutes 1976, Sections 10A.09, Subdivision 4; 10A.11, Subdivision 6; 10A.20, Subdivision 9; 10A.22, Subdivision 3; 10A.25, Subdivisions 8 and 9; 10A.26; and 10A.27, Subdivision 3, are repealed.

Sec. 110. **APPROPRIATION.** Subdivision 1. The sum of \$20,000 is appropriated from the general fund to the ethical practices board to implement the provisions of this act. This appropriation shall be available for expenditure until June 30, 1979.

Subd. 2. The sum of \$5,000 is appropriated from the general fund to the commissioner of revenue to implement the provisions of section 10A.32, subdivision 3. This appropriation shall be available for expenditure until June 30, 1979.

Sec. 111. **EFFECTIVE DATE.** Sections 106 and 107 are effective for taxable years commencing after December 31, 1977. The remaining sections of this act are effective the day following final enactment.

Approved February 27, 1978.

CHAPTER 464-S.F.No.682

[Not Coded]

An act relating to Anoka county; creating a housing and redevelopment authority;

Changes or additions indicated by underline deletions by ~~strikeout~~