

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

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**May 1, 2024**  
**Blazing Star Room**  
**Centennial Office Building**  
.....

**MINUTES**

The meeting was called to order by Chair Asp.

Members present: Asp, Flynn (joined by Webex at beginning of Enforcement Report), Leppik, Rashid, Soule, Swanson

Others present: Sigurdson, Engelhardt, Johnson, Olson, staff; Nathan Hartshorn, counsel

**MINUTES** (April 10, 2024)

The following motion was made:

Member Leppik's motion: To approve the April 10, 2024, minutes as drafted.

Vote on motion: Unanimously approved.

**EXECUTIVE DIRECTOR'S REPORT**

Mr. Sigurdson updated the Board that as of the date of his memo, the Governor has not made appointments for the positions currently held by Members Swanson and Leppik. Because the legislative session typically ends in the third week of May, Mr. Sigurdson thinks it is very unlikely that the appointments will be made prior to the end of session. Members Swanson and Leppik may continue to serve until July 1st of this year, pending reappointment or the appointment of a new Board member.

Mr. Sigurdson stated the House Elections Finance and Policy Committee omnibus bill, HF 4772, has passed both the Senate and House. There are differences in the Senate and House versions of the bill, so a conference committee will be needed. The House conferees are Representatives Freiberg, Greenman, and Virnig. The Senate conferees have not yet been appointed.

Mr. Sigurdson updated the Board on SF 4431 (Westlin, Koran) and HF 4728 (Bahner, Torkelson). The bill streamlines the process for submitting a political contribution refund and requires the Dept. of Revenue to develop a website for requesting the refund online. The bill requires an appropriation for the Dept. of Revenue, so it was not included in the respective omnibus bills. Neither bill has been to the floor for a vote.

Mr. Sigurdson provided an update on the CPI increase for House candidate spending limits. Mr. Sigurdson stated that during a state election year, the spending limits for offices on the ballot are adjusted to reflect the consumer price index for the two prior years. The spending limit increase for House candidates was 10.36%,

to \$80,300 for the 2024 election cycle. The special source contribution limit is calculated from the spending limit, so the special source limit for House candidates also increased for the 2024 election cycle to \$16,100.

**ENFORCEMENT REPORT**

**A. Waiver Requests**

Committee/ Entity	Late Fee/ Civil Penalty	Report Due	Factors and Recommended Action	Board Member's Motion	Motion	Vote on Motion
1. Aldridge Electric (8140)	\$25 LFF	2023 LPR	Report due 3/15/24 and filed 3/18/24. Tim Bradley was responsible for filing the report. Mr. Bradley faced the death of a family member during the week the report was due, which made him unavailable due to travel and bereavement leave. Consequently, Aldridge Electric couldn't obtain Mr. Bradley's electronic signature within the required timeframe. To address this, Aldridge contacted Board staff on March 18, 2024, and Board staff assisted with the filing of the report with a different employee's electronic signature. All of the principal's lobbyists terminated their registration effective as of the end of 2023, so Aldridge Electric presently has no ongoing reporting obligations. <i>Recommended action: Waive</i>	Soule	Approve staff recommendation to waive fees for requests 1-2	Unanimously approved.
2. LeNell Enterprises LLC (6528)	\$25 LFF	2023 LPR	Report due 3/15/24 and filed 3/18/24. Jim Rau, the principal's contact, stated he was in and out of the hospital and had not been going through his mail or e-mail. <i>Recommended action: Waive</i>	Soule	Approve staff recommendation to waive fees for requests 1-2	Unanimously approved.
3. Heat & Frost Insulators Local 34 PAC Fund (30691)	\$1,000 LFF	2023 September	Report due 9/26/23 and never filed, but transactions were included in year-end report filed 1/18/24. William Meyer, the current treasurer, acknowledges an oversight in reporting requirements triggered by Hennepin County activity. On July 28, 2023, the fund contributed to a city council candidate in Brooklyn Park, thereby requiring the filing of the September report. Meyer apologizes for any inconvenience caused and emphasizes efforts to stay informed through training videos and seeking guidance when needed. <i>Recommended action: No recommendation.</i>	Soule	Reduce to \$100	Unanimously approved.

<p><b>4. Southeast Metro Business PAC (40746)</b></p>	<p>\$538.23 LFFs</p>	<p>2022 Pre-Primary 2022 September</p>	<p>Report due 7/25/22 filed 8/5/22. Report due 9/27/22 filed 10/7/2022. Both reports were no-change statements. The committee ceased operations in March 2020 but River Heights Chamber of Commerce staff continued filing no-change reports through the end of 2022. Kelton Glewwe volunteered to help terminate the committee and sent CFB a check for \$111.77 (which applied to the LFF for the pre-primary report), representing the entire remaining balance of committee funds. Glewwe requests the remaining portion of the LFFs be waived as the committee no longer possesses assets, funds, or the ability to raise additional funds. Aside from the check to the CFB, the committee does not appear to have had any financial activity since 2019. The committee is now terminated.  <i>Recommended action:</i> No recommendation.</p>	<p>Swanson</p>	<p>Waive</p>	<p>Unanimously approved.</p>
<p><b>5. Draft Kendall Qualls for Governor Committee (41271)</b></p>	<p>\$150 LFF</p>	<p>2023 Year-End</p>	<p>Report due 1/31/24 and filed 2/8/2024. Counsel for the committee, Nick Morgan, states that the committee intended to file a termination report with the year-end report. However, the information needed to process the termination was not provided to them in time because the banker working with them passed away suddenly, which caused the delay in filing the termination/year-end report. The committee filed a year-end report 2/8/2024 that was a no-change statement and listed an ending balance of \$9,081. The committee filed an amended year-end/termination report 2/21/2024 stating that all of the committee's funds were donated to a 501(c)(3) charity during the first half of 2023. Morgan states this is their first waiver request, but CFB records show it is their second. The committee was terminated retroactive to 12/31/23.  <i>Recommended action:</i> No recommendation.</p>	<p>Leppik.</p>	<p>Waive</p>	<p>Asp, Flynn, and Soule voted to waive. Rashid, Leppik, and Swanson voted not to waive. Motion to waive did not pass.</p>

<p><b>6. Residents for a Better Bloomington</b>          n          (41290)</p>	<p>\$1,000          LFF</p>	<p>2023 Pre-General</p>	<p>Report due 10/30/23 and never filed, but transactions were included in year-end report filed 1/28/24. Treasurer Nick Morgan states the committee received “inaccurate guidance” before the filing deadline from the City of Bloomington, which said that Independent Expenditure Political Committees file directly with the CFB and told them to contact the CFB with any questions about that. Morgan states that at the time, the committee was only engaged in activity within the City of Bloomington so it did not believe the guidance from the City of Bloomington applied. Morgan states they completed all filings required by the City of Bloomington, which can be accessed on the City’s website. Morgan accurately states they have never previously missed a filing deadline. Board staff interprets the email exchange between an individual named Kathy and the City of Bloomington differently as the email does not mention the committee, it accurately states that independent expenditure committees file with the CFB, and it does not say that ballot question committees do not have to file with the CFB. Mr. Morgan does not contest that the committee is a Chapter 10A political committee (which is sensible given their registration with the Board in April 2022). <i>Recommended action:</i> Reduce fee.</p>	<p>Swanson</p>	<p>Reduce to \$500</p>	<p>Unanimously approved.</p>
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**B. Informational Items**

**1. Payment of late filing fee for 2023 EIS**

Gabriel Ulman, \$20

**2. Payment of late filing fee for 2023 lobbyist principal report**

Crop Life America, \$25

**3. Payment of late filing fee for lobbyist disbursement report due 1/16/2024**

Benjamin Dorr, \$150

**4. Payment of late filing fee for lobbyist disbursement report due 1/15/2019**

Benjamin Dorr, \$25

- 5. Payment of late filing fee for lobbyist disbursement report due 6/15/2018**  
Benjamin Dorr, \$150
- 6. Payment of late filing fee for lobbyist disbursement report due 1/16/2018**  
Benjamin Dorr, \$25
- 7. Payment of late filing fee for 2023 year-end report**  
MN State Building & Construction Trades Council Political Fund, \$25  
Committee to Elect Haaris Pasha, \$800  
Jay (Xiong) for House, \$75
- 8. Partial payment of late filing fee for 2022 pre-primary report**  
Southeast Metro Business PAC, \$111.77
- 9. Payment of late filing fee for 2023 pre-general report**  
60<sup>th</sup> Senate District DFL, \$1,000

**ADVISORY OPINION REQUESTS**

**A. Advisory Opinion 462 – Registration of a political fund by a business partnership**

Mr. Sigurdson gave an overview of the advisory opinion. The requester is a business partnership that may wish to contribute to candidate committees, political party units, political committees, and political funds. Generally, the request asks for guidance on what steps the partnership must take to comply with Chapter 10A. The requestor does not wish to make the request public. Therefore, the draft opinion that is provided to the public does not identify the requestor. The Board only discussed the public version of the draft opinion during the regular session.

Member Soule pointed out an error in the third paragraph on page 3 of the draft opinion and suggested “no” be added before “more than \$750 in approved in-kind contributions.”

The following motion was made:

Member Soule’s motion: To approve the draft opinion with the suggested correction.

Vote on motion: Unanimously approved.

**B. Advisory Opinion 463 – lay over**

The Board received a request for an advisory opinion on April 18, 2024. The request will be discussed at the June Board meeting as staff did not have enough time to prepare a draft opinion for this month’s meeting.

The following motion was made:

Member Rashid's motion: To lay over the request for Advisory Opinion 463.

Vote on motion: Unanimously approved.

### **ADMINISTRATIVE RULEMAKING UPDATE**

Mr. Olson stated that Board staff is making progress in drafting a SONAR for the rule language approved by the Board and is asking the Board to authorize two things; the removal of provisions that may become unnecessary as a result of legislation that is likely to be enacted in 2024, and to publish a dual notice for the proposed rules whereby a hearing will be held only if at least 25 people request a hearing. Board members agreed to defer acting on the two requests until after the legislative session is over.

### **LEGAL REPORT**

Mr. Hartshorn updated the Board on the Mariani matter regarding Mr. Mariani's numerous late filing fees and civil penalties. Mr. Hartshorn suggested he could reach out to Mariani regarding the amount owed.

Ms. Engelhardt stated that the Board has yet to receive a 2023 year-end report from the Mariani committee.

### **EXECUTIVE SESSION**

Chair Asp recessed the regular session of the meeting and called to order the executive session. Upon adjournment of the executive session, the chair had nothing to report into regular session. There being no other business, the meeting was adjourned by the chair.

Respectfully submitted,



Jeff Sigurdson  
Executive Director

Attachments:

Executive director's report

Advisory opinion request 462 public memo and attachment

Rulemaking update memo

Legal report



# MINNESOTA CAMPAIGN FINANCE BOARD

**Date:** April 24, 2024

**To:** Board Members

**From:** Jeff Sigurdson, Executive Director

**Telephone:** 651-539-1189

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

## **Board Appointments**

As of the date of this memo, the Governor has not made appointments for the positions currently held by Members Swanson and Leppik. Because the legislative session typically ends in the third week of May, I think it very unlikely that the appointments will be made prior to the end of session. Members Swanson and Leppik may continue to serve until July 1<sup>st</sup> of this year, pending reappointment or the appointment of a new Board member.

## **Legislative Action**

The House Election Finance and Policy Committee omnibus bill, [HF 4772](#), has passed both the Senate and House. There are differences in the Senate and House versions of the bill, so a conference committee will be needed. The House conferees are Representatives Freiberg, Greenman, and Virnig. The Senate conferees have not yet been appointed.

[SF 4431 \(Westlin, Koran\) – HF 4728 \(Bahner, Torkelson\)](#) This bill streamlines the process for submitting a political contribution refund, and requires the Dept. of Revenue to develop a website for requesting the refund online. The bill requires an appropriation for the Dept. of Revenue, so it was not included in the respective omnibus bills. Neither bill has been to the floor for a vote.

## **CPI Increase for House Spending Limits**

During a state election year, the spending limits for offices on the ballot are adjusted to reflect the consumer price index for the two prior years. The spending limit increase for House candidates increased by 10.36% to \$80,300 for the 2024 election cycle. The special source contribution limit is calculated from the spending limit, so the special source limit for House candidates also increased for the 2024 election cycle to \$16,100.



# MINNESOTA

## CAMPAIGN FINANCE BOARD

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**Date:** April 24, 2024

**To:** Interested Members of the Public

**From:** Jeff Sigurdson, Executive Director

**Telephone:** 651-539-1189

**Re:** Advisory Opinion 462

The requester is a business partnership that may wish to contribute to candidate committees, political party units, political committees and funds. Generally, the request asks for guidance on what steps the partnership must take to comply with Chapter 10A. The requestor does not wish to make the request public. Therefore, the draft opinion that is provided to the public does not identify the requestor. The Board will only discuss the public version of the draft opinion during regular session.

Attachments:

Public version of draft advisory opinion 462



**State of Minnesota**  
**Campaign Finance & Public Disclosure Board**  
**Suite 190, Centennial Building. 658 Cedar Street. St. Paul, MN 55155-1603**

**THE FOLLOWING PUBLICATION DOES NOT IDENTIFY THE  
REQUESTER OF THE ADVISORY OPINION, WHICH IS NON PUBLIC DATA  
under Minn. Stat. § 10A.02, subd. 12(b)**

**ADVISORY OPINION 462**

**SUMMARY**

A partnership consisting of individuals may make political contributions from the general treasury of the partnership subject to the limitations and disclosure requirements of Chapter 10A.

**FACTS**

On behalf of a business partnership you request an advisory opinion from the Campaign Finance and Public Disclosure Board based on the following facts, which were provided to the Board in a written request and in response to questions from Board staff.

1. A business partnership (the Partnership), composed solely of individuals, is considering various approaches to influence Minnesota elections.
2. The Partnership owns and operates the building used by the Partnership.
3. The Partnership may register a political committee or fund for the purpose of making contributions to candidates, political party units, and other political committees or funds.
4. If the Partnership forms a political committee or fund it may decide to pledge \$500,000 in collateral for a line of credit that would be available for use by the political committee or fund. The line of credit would be established with a bank or credit union. The political committee or fund would be responsible for any interest accrued for using the line of credit.
5. If a political committee or fund is formed, the Partnership may solicit contributions for the entity. Contributors would be directed to send any contribution to the political committee or fund for deposit.
6. If a political committee or fund is formed the Partnership may wish to provide administrative assistance to the committee or fund, similarly to how a corporation may provide limited administrative assistance under Minnesota Statutes section 211B.15, subdivision 17. If office space is needed the political committee or fund would be responsible for rent, and if the office space is acquired from the 501(c)2 organization, the rent will reflect fair market value.

7. The Partnership may forgo forming a political committee or fund, and instead use the Partnership's general treasury funds to make contributions to one or more registered candidate committees, political party units, or political committees or funds.

With this background in mind, you ask the following questions.

### **Issue One**

Is the Partnership able to register a general-purpose political committee or fund, and contribute to the committee or fund from the Partnership's general treasury?

### **Opinion One**

Yes, the Partnership may register a general-purpose political fund. Minnesota Statutes section 211B.15, subdivision 2, prohibits a "corporation" from offering or making a political contribution to a candidate committee, political party unit, general-purpose political committee, or general-purpose political fund.<sup>1</sup> For the purposes of this statute the word corporation is defined to include:

- (1) a corporation organized for profit that does business in this state;
- (2) a nonprofit corporation that carries out activities in this state;<sup>2</sup> or
- (3) a limited liability company formed under chapter 322C, or under similar laws of another state, that does business in this state.

In Minnesota, a business partnership formed under Chapters 321 or 323A, or similar law in another state, is not a corporation. Therefore, the prohibition on corporate contributions does not apply to a partnership that is made up of individuals. As provided in the facts of this opinion the Partnership consists of individuals, and therefore may contribute either to a political fund that is established by the Partnership, or directly to candidate committees, political party units, political committees, or political funds (registered entities).

The Board notes that under Minnesota law business partnerships are not limited to individuals; a partnership may also include one or more for-profit corporations. Minnesota Statutes section 211B.15 prohibits direct or indirect corporate political contributions, with limited exceptions made for contributions made to independent expenditure committees and funds, and ballot question committees and funds. A for-profit corporation may not circumvent the general prohibition on political contributions by making a contribution through a business partnership.

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<sup>1</sup> The prohibition on receiving corporate contributions does not apply to independent expenditure committees and independent expenditure funds. [Minn. Stat. § 211B.15, subd. 3.](#)

<sup>2</sup> A nonprofit corporation that meets the criteria provided in Minnesota Statutes section 211B.15, subdivision 15, is exempted from the general prohibition on corporate contributions.

For the purposes of Chapter 10A, the Partnership is an “association”. Minnesota Statutes section 10A.01, subdivision 6, defines “association” to mean a group of two or more persons, who are not all members of an immediate family, acting in concert. Associations register with the Board as either a political committee, or a political fund, depending on the nature of the association.

A “political committee” is an association whose major purpose is to influence the nomination or election of a candidate, or to promote or defeat a ballot question (elections).<sup>3</sup> A “political fund” is formed by an association that has a major purpose that is not to influence elections. A political fund is the reporting mechanism for the association to report money accumulated or spent to influence elections.<sup>4</sup> This includes reporting the transfer of money from the general treasury of the association to the fund. The term “general treasury money” is defined to include income from the operation of a business, donations to the association for its general purposes, and membership dues and fees paid to the association.<sup>5</sup> The Partnership was formed for business purposes, not to influence elections, and wishes to use general treasury money to support political activity. Therefore, the Partnership would register a political fund with the Board.

The facts of this opinion request state that the Partnership is considering whether to register a political fund, or to make contributions directly from the general treasury of the Partnership to registered entities. The Partnership may do either, but there are limitations if the Partnership does not register a political fund. Without a political fund, the Partnership is limited to no more than \$750 in direct contributions to registered entities, or more than \$750 in approved in-kind contributions on behalf of candidates. Registration of a political fund is required if the \$750 threshold is exceeded in a calendar year, and must occur no later than 14 days after the threshold is exceeded.<sup>6,7</sup>

In addition, if the Partnership makes direct contributions, including approved in-kind contributions to registered committees, and the value of the contribution exceeds \$200, then the Partnership must provide a disclosure statement with the contribution, as required in Minnesota Statutes section 10A.27, subdivision 13.<sup>8</sup> An unregistered association, or an officer of the association, is subject to a civil penalty for failure to provide the disclosure statement.

## **Issue Two**

Is the Partnership able to provide collateral for a \$500,000 line of credit for use by the political fund?

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<sup>3</sup> [Minn. Stat. § 10A.01, subd. 27.](#)

<sup>4</sup> [Minn. Stat. § 10A.01, subd. 28.](#)

<sup>5</sup> [Minn. Stat. § 10A.01, subd. 17c.](#)

<sup>6</sup> [Minn. Stat. § 10A.12, subd. 1.](#)

<sup>7</sup> [Minn. Stat. § 10A.14, subd. 1.](#)

<sup>8</sup> An unregistered association that makes a contribution to an independent expenditure committee or fund, or to a ballot question committee or fund, is required to provide the disclosure statement required in Minnesota Statutes section 10A.27, subdivision 15.

## **Opinion Two**

Yes. As provided in opinion one, the Partnership is not a corporation, so it may provide both cash and in-kind contributions to its own political fund. There is no limit on the size of the contributions made to the political fund from the general treasury of the Partnership.

The Board's understanding of a business line of credit is that it allows the borrower to draw funds as needed. There is typically little or no cost for establishing a line of credit, and no interest payments if the line of credit is not used. Providing substantial collateral for a line of credit will lower the interest rate charged for the funds borrowed using the line of credit. If the collateral provided by the Partnership results in the political fund paying a lower interest rate than what would be charged without the collateral, then the difference between the two interest rates represents an in-kind contribution from the Partnership to the political fund.

## **Issue Three**

Do the limits on administrative assistance to a political fund provided in Minnesota Statutes section 211B.15, subdivision 17, apply to the Partnership?

## **Opinion Three**

No. Minnesota Statutes section 211B.15, subdivision 17, provides for limited administrative assistance to a political committee or fund by a nonprofit corporation. The Partnership is not a corporation, so the limitations in the statute do not apply. If the Partnership pays for office space or other operating costs for the political fund those costs are in-kind contributions to the political fund and are reported at the fair market value of the office space or operating cost.

The facts of this opinion provide that the Partnership may solicit contributions for the political fund. If the Partnership incurs costs soliciting contributions, then those costs must be reported as an in-kind contribution to the political fund.

Issued: May 1, 2024

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David Asp, Chair  
Campaign Finance and Public Disclosure Board



# MINNESOTA CAMPAIGN FINANCE BOARD

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**Date:** May 1, 2024

**To:** Board members  
Nathan Hartshorn, counsel

**From:** Andrew Olson, Legal/Management Analyst      **Telephone:** 651-539-1190

**Subject:** Rulemaking update

Board staff is making progress in drafting a Statement of Need and Reasonableness (SONAR) for the administrative rule language approved by the Board in March. The SONAR will be completed prior to the Board's meeting in June, and a copy of the SONAR will be provided to Board members prior to it being published.

Board staff is requesting that the Board authorize two things. First, a small number of the provisions included in the rule language approved by the Board are likely to be included within a law enacted by the Legislature within the next few weeks. Also, the Legislature may amend the definitions of "local candidate" and "ballot question" in a way that would eliminate the distinction between certain local candidates and ballot questions within Hennepin County and those in other parts of the state, in which case the rule subpart that would define the term "county office in Hennepin County" will become unnecessary.<sup>1</sup> In case that occurs, Board staff wants to ensure that it has clear authority to remove the provisions enacted by or made unnecessary by the Legislature from the Board's rule language and renumber the proposed rules as needed.

Second, after the SONAR is drafted Board staff will consult with the Governor's Office and Minnesota Management and Budget, and seek approval from the Office of the Revisor of Statutes as to the form of the proposed rules. After that is complete, a notice will be published in the State Register conveying the Board's intent to adopt rules. One option is to publish a notice of hearing, in which case a public hearing regarding the proposed rules will be conducted by an administrative law judge. Another option is to publish what is known as a dual notice, whereby a public hearing will be held only if at least 25 people request a hearing. Board staff recommends the second option as it possible that less than 25 people will request a hearing, the Board and its rulemaking committee have already received a substantial amount of public input prior to and while the rule language was being drafted, and proceeding without a hearing conducted by an administrative law judge would conserve both time and money. The Board may authorize the executive director to publish a dual notice or to publish a notice of hearing.

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<sup>1</sup> See [H.F. 4772](#); [S.F. 4729](#).

**CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD  
MAY 2024  
ACTIVE FILES**

Candidate/Treasurer/ Lobbyist	Committee/Agency	Report Missing/ Violation	Late Fee/ Civil Penalty	Referred to AGO	Date S&C Personally Served	Default Hearing Date	Date Judgment Entered	Case Status
Mariani, Carlos	Neighbors for Mariani	2022 year-end report	\$1,000 LFF \$1,000 CP	11/22/23				Draft complaint forwarded to the Board.
		Late filing of 2018 year-end report	\$525 LFF					
		Late filing of 2020 pre-primary report	\$1,000 LFF \$1,000 CP					
		Late filing of 2018 pre-primary report	\$1,000 LFF \$100 CP					
		2018 pre-general report	\$1,000 LFF \$1,000 CP					
		2020 pre-general 24-hour large contribution notice	\$1,000 LFF					
		2022 annual statement of economic interest	\$1,000 LFF \$100 CP					
		Late filing of 2018 annual statement of economic interest	\$1,000 LFF \$100 CP					
		Late filing of 2018 candidate statement of economic interest	\$95 LFF					