

1.1 ..... moves to amend H.F. No. 1393 as follows:

1.2 Page 1, after line 9, insert:

1.3 "Section 1. Minnesota Statutes 2016, section 10A.01, subdivision 16a, is amended to read:

1.4 Subd. 16a. **Expressly advocating.** "Expressly advocating" means:

1.5 (1) that a communication clearly identifies a candidate and uses words or phrases of  
1.6 express advocacy; or

1.7 (2) that a communication, when taken as a whole and with limited reference to external  
1.8 events, including the proximity to a primary election, is not susceptible to any other  
1.9 interpretation by a reasonable person other than that as advocating the election or defeat of  
1.10 one or more clearly identified candidates at a primary election.

1.11 Sec. 2. Minnesota Statutes 2016, section 10A.121, subdivision 1, is amended to read:

1.12 Subdivision 1. **Permitted disbursements.** An independent expenditure political  
1.13 committee or fund, or a ballot question political committee or fund, may:

1.14 (1) pay costs associated with its fund-raising and general operations;

1.15 (2) pay for communications that do not constitute contributions or approved expenditures;

1.16 (3) make contributions to independent expenditure or ballot question political committees  
1.17 or funds;

1.18 (4) make independent expenditures;

1.19 (5) make expenditures to promote or defeat ballot questions;

1.20 (6) return a contribution to its source;

2.1 (7) for a political fund, record bookkeeping entries transferring the association's general  
2.2 treasury money allocated for political purposes back to the general treasury of the association;  
2.3 ~~and~~

2.4 (8) for a political fund, return general treasury money transferred to a separate depository  
2.5 to the general depository of the association; and

2.6 (9) make disbursements for electioneering communications.

2.7 Sec. 3. Minnesota Statutes 2016, section 10A.20, subdivision 3, is amended to read:

2.8 Subd. 3. **Contents of report.** (a) The report required by this section must include each  
2.9 of the items listed in paragraphs (b) to (o) that are applicable to the filer. The board shall  
2.10 prescribe forms based on filer type indicating which of those items must be included on the  
2.11 filer's report.

2.12 (b) The report must disclose the amount of liquid assets on hand at the beginning of the  
2.13 reporting period.

2.14 (c) The report must disclose the name, address, employer, or occupation if self-employed,  
2.15 and registration number if registered with the board, of each individual or association that  
2.16 has made one or more contributions to the reporting entity, including the purchase of tickets  
2.17 for a fund-raising effort, that in aggregate within the year exceed \$200 for legislative or  
2.18 statewide candidates or more than \$500 for ballot questions, together with the amount and  
2.19 date of each contribution, and the aggregate amount of contributions within the year from  
2.20 each source so disclosed. A donation in kind must be disclosed at its fair market value. An  
2.21 approved expenditure must be listed as a donation in kind. A donation in kind is considered  
2.22 consumed in the reporting period in which it is received. The names of contributors must  
2.23 be listed in alphabetical order. Contributions from the same contributor must be listed under  
2.24 the same name. When a contribution received from a contributor in a reporting period is  
2.25 added to previously reported unitemized contributions from the same contributor and the  
2.26 aggregate exceeds the disclosure threshold of this paragraph, the name, address, and  
2.27 employer, or occupation if self-employed, of the contributor must then be listed on the  
2.28 report.

2.29 (d) The report must disclose the sum of contributions to the reporting entity during the  
2.30 reporting period.

2.31 (e) The report must disclose each loan made or received by the reporting entity within  
2.32 the year in aggregate in excess of \$200, continuously reported until repaid or forgiven,  
2.33 together with the name, address, occupation, principal place of business, if any, and

3.1 registration number if registered with the board of the lender and any endorser and the date  
3.2 and amount of the loan. If a loan made to the principal campaign committee of a candidate  
3.3 is forgiven or is repaid by an entity other than that principal campaign committee, it must  
3.4 be reported as a contribution for the year in which the loan was made.

3.5 (f) The report must disclose each receipt over \$200 during the reporting period not  
3.6 otherwise listed under paragraphs (c) to (e).

3.7 (g) The report must disclose the sum of all receipts of the reporting entity during the  
3.8 reporting period.

3.9 (h) The report must disclose the following:

3.10 (1) the name, address, and registration number if registered with the board of each  
3.11 individual or association to whom aggregate expenditures, approved expenditures,  
3.12 independent expenditures, ~~and~~ ballot question expenditures, and disbursements for  
3.13 electioneering communications have been made by or on behalf of the reporting entity  
3.14 within the year in excess of \$200, ~~together with~~;

3.15 (2) the amount, date, and purpose of each expenditure ~~and~~;

3.16 (3) the name and address of, and office sought by, each candidate on whose behalf the  
3.17 expenditure was made ~~or, in the case of electioneering communications, each candidate~~  
3.18 identified positively in the communication;

3.19 (4) identification of the ballot question that the expenditure was intended to promote or  
3.20 defeat and an indication of whether the expenditure was to promote or to defeat the ballot  
3.21 question; and

3.22 (5) in the case of independent expenditures made in opposition to a candidate ~~or~~  
3.23 electioneering communications in which a candidate is identified negatively, the candidate's  
3.24 name, address, and office sought. A reporting entity making an expenditure on behalf of  
3.25 more than one candidate for state or legislative office must allocate the expenditure among  
3.26 the candidates on a reasonable cost basis and report the allocation for each candidate.

3.27 (i) The report must disclose the sum of all expenditures made by or on behalf of the  
3.28 reporting entity during the reporting period.

3.29 (j) The report must disclose the amount and nature of an advance of credit incurred by  
3.30 the reporting entity, continuously reported until paid or forgiven. If an advance of credit  
3.31 incurred by the principal campaign committee of a candidate is forgiven by the creditor or  
3.32 paid by an entity other than that principal campaign committee, it must be reported as a  
3.33 donation in kind for the year in which the advance of credit was made.

4.1 (k) The report must disclose the name, address, and registration number if registered  
4.2 with the board of each political committee, political fund, principal campaign committee,  
4.3 or party unit to which contributions have been made that aggregate in excess of \$200 within  
4.4 the year and the amount and date of each contribution.

4.5 (l) The report must disclose the sum of all contributions made by the reporting entity  
4.6 during the reporting period.

4.7 (m) The report must disclose the name, address, and registration number if registered  
4.8 with the board of each individual or association to whom noncampaign disbursements have  
4.9 been made that aggregate in excess of \$200 within the year by or on behalf of the reporting  
4.10 entity and the amount, date, and purpose of each noncampaign disbursement.

4.11 (n) The report must disclose the sum of all noncampaign disbursements made within  
4.12 the year by or on behalf of the reporting entity.

4.13 (o) The report must disclose the name and address of a nonprofit corporation that provides  
4.14 administrative assistance to a political committee or political fund as authorized by section  
4.15 211B.15, subdivision 17, the type of administrative assistance provided, and the aggregate  
4.16 fair market value of each type of assistance provided to the political committee or political  
4.17 fund during the reporting period.

4.18 Sec. 4. **[10A.201] ELECTIONEERING COMMUNICATIONS.**

4.19 **Subdivision 1. Electioneering communication.** (a) "Electioneering communication"  
4.20 means a communication distributed by television, radio, satellite, or cable broadcasting  
4.21 system; by means of printed material, signs, or billboards; or through the use of telephone  
4.22 communications that:

4.23 (1) refers to a clearly identified candidate;

4.24 (2) is made within 30 days before a primary election or special primary election for the  
4.25 office sought by the candidate;

4.26 (3) is targeted to the relevant electorate; and

4.27 (4) is made without the express or implied consent, authorization, or cooperation of, and  
4.28 not in concert with or at the request or suggestion of, a candidate or a candidate's principal  
4.29 campaign committee or agent.

4.30 (b) If an electioneering communication clearly directs recipients to another  
4.31 communication, including a Web site, on-demand or streaming video, or similar  
4.32 communications, the electioneering communication consists of both the original

5.1 electioneering communication and the communication to which recipients are directed and  
5.2 the cost of both must be included when determining if disclosure is required under this  
5.3 section.

5.4 (c) Electioneering communication does not include:

5.5 (1) the publishing or broadcasting of news items or editorial comments by the news  
5.6 media;

5.7 (2) a communication that constitutes an approved expenditure or an independent  
5.8 expenditure;

5.9 (3) a communication by an association distributed only to the association's own members  
5.10 in a newsletter or similar publication in a form that is routinely sent to the association's  
5.11 members;

5.12 (4) any other communication specified in board rules or advisory opinions as being  
5.13 excluded from the definition of electioneering communications; and

5.14 (5) a communication that:

5.15 (i) refers to a clearly identified candidate who is an incumbent member of the legislature  
5.16 or a constitutional officer;

5.17 (ii) refers to a clearly identified issue that is before the legislature in the form of an  
5.18 introduced bill; and

5.19 (iii) is made when the legislature is in session.

5.20 (d) A communication that meets the requirements of paragraph (a) but is made with the  
5.21 authorization or express or implied consent of, or in cooperation or in concert with, or at  
5.22 the request or suggestion of a candidate, a candidate's principal campaign committee, or a  
5.23 candidate's agent is an approved expenditure.

5.24 **Subd. 2. Targeted to relevant electorate.** For purposes of this section, a communication  
5.25 that refers to a clearly identified candidate is targeted to the relevant electorate if the  
5.26 communication is distributed to or can be received by more than 1,500 persons in the district  
5.27 the candidate seeks to represent, in the case of a candidate for the house of representatives,  
5.28 senate, or a district court judicial office or by more than 6,000 persons in the state, in the  
5.29 case of a candidate for constitutional office or appellate court judicial office.

5.30 **Subd. 3. Disclosure of electioneering communications.** (a) Electioneering  
5.31 communications made by a political committee, a party unit, or a principal campaign

6.1 committee must be disclosed on the periodic reports of receipts and expenditures filed by  
6.2 the association on the schedule and in accordance with the terms of section 10A.20.

6.3 (b) An association other than a political committee, party unit, or principal campaign  
6.4 committee may register a political fund with the board and disclose its electioneering  
6.5 communications on the reports of receipts and expenditures filed by the political fund. If it  
6.6 does so, it must disclose its disbursements for electioneering communication on the schedule  
6.7 and in accordance with the terms of section 10A.20.

6.8 (c) An association that does not disclose its disbursements for electioneering  
6.9 communication under paragraph (a) or (b) must disclose its electioneering communications  
6.10 according to the requirements of subdivision 4.

6.11 Subd. 4. **Statement required for electioneering communications made by unregistered**  
6.12 **associations.** (a) Except for associations providing disclosure as specified in subdivision  
6.13 3, paragraph (a) or (b), every person who makes a disbursement for the costs of producing  
6.14 or distributing electioneering communications that aggregate more than \$1,500 in a calendar  
6.15 year must, within 24 hours of each disclosure date, file with the board a disclosure statement  
6.16 containing the information described in this subdivision.

6.17 (b) Each statement required to be filed under this section must contain the following  
6.18 information:

6.19 (1) the names of: (i) the association making the disbursement;

6.20 (ii) any person exercising direction or control over the activities of the association with  
6.21 respect to the disbursement; and

6.22 (iii) the custodian of the financial records of the association making disbursement;

6.23 (2) the address of the association making the disbursement;

6.24 (3) the amount of each disbursement of more than \$200 during the period covered by  
6.25 the statement, a description of the purpose of the disbursement, and the identification of the  
6.26 person to whom the disbursement was made;

6.27 (4) the names of the candidates identified or to be identified in the communication;

6.28 (5) if the disbursements were paid out of a segregated bank account that consists of funds  
6.29 donated specifically for electioneering communications, the name and address of each  
6.30 person who gave more than \$200 in aggregate to that account during the period beginning  
6.31 on the first day of the preceding calendar year and ending on the disclosure date; and

7.1 (6) if the disbursements for electioneering communications were made using general  
7.2 treasury money of the association, an association that has paid more than \$5,000 in aggregate  
7.3 for electioneering communications during the calendar year must file with its disclosure  
7.4 statement a written statement that includes the name, address, and amount attributable to  
7.5 each person that paid the association membership dues or fees, or made donations to the  
7.6 association that, in total, aggregate more than \$1,000 of the money used by the association  
7.7 for electioneering communications. The statement must also include the total amount of the  
7.8 disbursements for electioneering communications attributable to persons not subject to  
7.9 itemization under this clause. The statement must be certified as true by an officer of the  
7.10 association that made the disbursements for the electioneering communications.

7.11 (c) To determine the amount of the membership dues or fees, or donations made by a  
7.12 person to an association and attributable to the association's disbursements for electioneering  
7.13 communications, the association must separately prorate the total disbursements made for  
7.14 electioneering communications during the calendar year over all general treasury money  
7.15 received during the calendar year.

7.16 (d) If the amount spent for electioneering communications exceeds the amount of general  
7.17 treasury money received by the association during that year:

7.18 (1) the electioneering communications must be attributed first to all receipts of general  
7.19 treasury money received during the calendar year in which the electioneering communications  
7.20 were made;

7.21 (2) any amount of current year electioneering communications that exceeds the total of  
7.22 all receipts of general treasury money during the current calendar year must be prorated  
7.23 over all general treasury money received in the preceding calendar year; and

7.24 (3) if the allocation made in clauses (1) and (2) is insufficient to cover the subject  
7.25 electioneering communications, no further allocation is required.

7.26 (e) After a portion of the general treasury money received by an association from a  
7.27 person has been designated as the source of a disbursement for electioneering  
7.28 communications, that portion of the association's general treasury money received from that  
7.29 person may not be designated as the source of any other disbursement for electioneering  
7.30 communications or as the source for any contribution to an independent expenditure political  
7.31 committee or fund.

7.32 Subd. 5. **Disclosure date.** For purposes of this section, the term "disclosure date" means  
7.33 the earlier of:

8.1 (1) the first date on which an electioneering communication is publicly distributed,  
8.2 provided that the person making the electioneering communication has made disbursements  
8.3 for the direct costs of producing or distributing one or more electioneering communication  
8.4 aggregating in excess of \$1,500; or

8.5 (2) any other date during the same calendar year on which an electioneering  
8.6 communication is publicly distributed, provided that the person making the electioneering  
8.7 communication has made disbursements for the direct costs of distributing one or more  
8.8 electioneering communications aggregating in excess of \$1,500 since the most recent  
8.9 disclosure date.

8.10 Subd. 6. **Contracts to disburse.** For purposes of this section, a person shall be treated  
8.11 as having made a disbursement if the person has entered into an obligation to make the  
8.12 disbursement.

8.13 Subd. 7. **Statement of attribution.** (a) An electioneering communication must include  
8.14 a statement of attribution.

8.15 (1) For communications distributed by printed material, signs, and billboards, the  
8.16 statement must say, in conspicuous letters: "Paid for by [association name] [address]."

8.17 (2) For communications distributed by television, radio, satellite, or cable broadcasting  
8.18 system, the statement must be included at the end of the communication and must orally  
8.19 state at a volume and speed that a person of ordinary hearing can comprehend: "The preceding  
8.20 communication was paid for by the [association name]."

8.21 (3) For communications distributed by telephone communication, the statement must  
8.22 precede the communication and must orally state at a volume and speed that a person of  
8.23 ordinary hearing can comprehend: "The following communication is paid for by the  
8.24 [association name]."

8.25 (b) If the communication is paid for by an association registered with the board, the  
8.26 statement of attribution must use the association's name as it is registered with the board.  
8.27 If the communication is paid for by an association not registered with the board, the statement  
8.28 of attribution must use the association's name as it is disclosed to the board on the  
8.29 association's disclosure statement associated with the communication.

8.30 Sec. 5. Minnesota Statutes 2016, section 10A.244, is amended to read:

8.31 **10A.244 VOLUNTARY INACTIVE STATUS; POLITICAL FUNDS.**

9.1 Subdivision 1. **Election of voluntary inactive status.** An association that has a political  
9.2 fund registered under this chapter may elect to have the fund placed on voluntary inactive  
9.3 status if the following conditions are met:

9.4 (1) the association makes a written request for inactive status;

9.5 (2) the association has filed all periodic reports required by this chapter and has received  
9.6 no contributions into its political fund and made no expenditures or disbursements, including  
9.7 disbursements for electioneering communications, through its political fund since the last  
9.8 date included on the association's most recent report; and

9.9 (3) the association has satisfied all obligations to the state for late filing fees and civil  
9.10 penalties imposed by the board or the board has waived this requirement.

9.11 Subd. 2. **Effect of voluntary inactive status.** After an association has complied with  
9.12 the requirements of subdivision 1:

9.13 (1) the board must notify the association that its political fund has been placed in  
9.14 voluntary inactive status and of the terms of this section;

9.15 (2) the board must stop sending the association reports, forms, and notices of report due  
9.16 dates that are periodically sent to entities registered with the board;

9.17 (3) the association is not required to file periodic disclosure reports for its political fund  
9.18 as otherwise required under this chapter;

9.19 (4) the association may not accept contributions into its political fund and may not make  
9.20 expenditures, contributions, or disbursements, including disbursements for electioneering  
9.21 communications, through its political fund; and

9.22 (5) if the association maintains a separate depository account for its political fund, it  
9.23 may continue to pay bank service charges and receive interest paid on that account while  
9.24 its political fund is in inactive status.

9.25 Subd. 3. **Resumption of active status or termination.** (a) An association that has placed  
9.26 its political fund in voluntary inactive status may resume active status upon written notice  
9.27 to the board.

9.28 (b) A political fund placed in voluntary inactive status must resume active status within  
9.29 14 days of the date that it has accepted contributions or made expenditures, contributions,  
9.30 or disbursements, including disbursements for electioneering communications, that aggregate  
9.31 more than \$750 since the political fund was placed on inactive status. If, after meeting this  
9.32 threshold, the association does not notify the board that its fund has resumed active status,

10.1 the board may place the association's political fund in active status and notify the association  
10.2 of the change in status.

10.3 (c) An association that has placed its political fund in voluntary inactive status may  
10.4 terminate the registration of the fund without returning it to active status.

10.5 Subd. 4. **Penalty for financial activity while in voluntary inactive status.** If an  
10.6 association fails to notify the board of its political fund's resumption of active status under  
10.7 subdivision 3, the board may impose a civil penalty of \$50 per day, not to exceed \$1,000  
10.8 commencing on the 15th calendar day after the fund resumed active status.

10.9 Sec. 6. Minnesota Statutes 2016, section 10A.25, subdivision 3a, is amended to read:

10.10 Subd. 3a. **Independent expenditures and electioneering communications.** The principal  
10.11 campaign committee of a candidate must not make independent expenditures or  
10.12 disbursements for electioneering communications.

10.13 Sec. 7. Minnesota Statutes 2016, section 10A.27, subdivision 15, is amended to read:

10.14 Subd. 15. **Contributions or use of general treasury money.** (a) An association may,  
10.15 if not prohibited by other law, contribute its general treasury money to an independent  
10.16 expenditure or ballot question political committee or fund, including its own independent  
10.17 expenditure or ballot question political committee or fund, without complying with  
10.18 subdivision 13.

10.19 (b) Before the day when the recipient committee or fund's next report must be filed with  
10.20 the board under section 10A.20, subdivision 2 or 5, an association that has contributed more  
10.21 than \$5,000 in aggregate to independent expenditure political committees or funds during  
10.22 the calendar year or has contributed more than \$5,000 in aggregate to ballot question political  
10.23 committees or funds during the calendar year must provide in writing to the recipient's  
10.24 treasurer a statement that includes the name, address, and amount attributable to each person  
10.25 that paid the association dues or fees, or made donations to the association that, in total,  
10.26 aggregate more than \$5,000 of the contribution from the association to the independent  
10.27 expenditure or ballot question political committee or fund. The statement must also include  
10.28 the total amount of the contribution attributable to persons not subject to itemization under  
10.29 this section. The statement must be certified as true by an officer of the donor association.

10.30 (c) To determine the amount of membership dues or fees, or donations made by a person  
10.31 to an association and attributable to the association's contribution to the independent  
10.32 expenditure or ballot question political committee or fund, the donor association must:

11.1 (1) apply a pro rata calculation to all unrestricted dues, fees, and contributions received  
11.2 by the donor association in the calendar year; or

11.3 (2) as provided in paragraph (d), identify the specific individuals or associations whose  
11.4 dues, fees, or contributions are included in the contribution to the independent expenditure  
11.5 political committee or fund.

11.6 (d) Dues, fees, or contributions from an individual or association must be identified in  
11.7 a contribution to an independent expenditure political committee or fund under paragraph  
11.8 (c), clause (2), if:

11.9 (1) the individual or association has specifically authorized the donor association to use  
11.10 the individual's or association's dues, fees, or contributions for this purpose; or

11.11 (2) the individual's or association's dues, fees, or contributions to the donor association  
11.12 are unrestricted and the donor association designates them as the source of the subject  
11.13 contribution to the independent expenditure political committee or fund.

11.14 (e) After a portion of the general treasury money received by an association from a  
11.15 person has been designated as the source of a contribution to an independent expenditure  
11.16 or ballot question political committee or fund, that portion of the association's general  
11.17 treasury money received from that person may not be designated as the source of any other  
11.18 contribution to an independent expenditure or ballot question political committee or fund  
11.19 or as the source of funds for a disbursement for electioneering communications made by  
11.20 that association."

11.21 Renumber the sections in sequence and correct the internal references

11.22 Amend the title accordingly