

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 538
Version: As introduced

DATE: March 18, 2015

Authors: Drazkowski and others

Subject: Repeal political contribution refund and public subsidy program

Analyst: Nina Manzi (651) 296-5204 and Matt Gehring (651-296-5052)

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd/.

This bill repeals the political contribution refund (or PCR) program and the income tax check-off for campaign financing. The related public subsidy program for election candidates is also repealed.

Under the PCR, individuals contributing to a Minnesota political party, a candidate for state office, or candidates for the Minnesota legislature qualify for a state-paid refund of their contributions up to \$50/year (\$100 for a married couple). Only contributions to candidates who signed an agreement with the Campaign Finance and Public Disclosure Board to observe state campaign spending limits qualify for the refund.

This bill also repeals the state elections campaign fund, which provides public financing of election campaigns for governor-lieutenant governor, attorney general, secretary of state, state auditor, and state legislative races. These amounts are allocated among the general account and the party accounts for those races based on \$5 (\$10 for married joint filers) check-offs made on individual income tax returns and property tax refund claims. The amount checked-off directs general fund revenues to the state elections campaign fund, and does not reduce the filer's refund or increase the tax owed.

Because the state elections campaign fund is repealed, the public campaign subsidy program that those funds were used for is also repealed. Laws related to implementation of the public subsidy program are eliminated as well, including those setting campaign spending limits for candidates who agree to accept the public subsidy.